DRAFT RED HERRING PROSPECTUS
Dated: March 10, 2022
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

(Please scan this QR Code to view this Draft Red Herring Prospectus)

NAVI TECHNOLOGIES LIMITED

Corporate Identity Number: U72900KA2018PLC119297

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
3rd Floor, Salarpuria Business Center, 93, 5th A Block Koramangala Industrial Layout Bengaluru 560 095 Karnataka, India	Wing B, 7th Floor, Prestige RMZ Startech No.139, 2, Hosur Rd Koramangala Industrial Layout S.G. Palya, Bengaluru 560 095 Karnataka, India	Thomas Joseph *Company Secretary and Compliance Officer*	**Email:** cs@navi.com **Registered Office Tel**: +91 80 4630 6900 **Corporate Office Tel:** +91 80 4511 3400	www.navi.com

SACHIN BANSAL IS THE PROMOTER OUR COMPANY

DETAILS OF OFFER

TYPE	FRESH ISSUE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue	Fresh Issue of up to [•] Equity Shares aggregating up to ₹33,500.00 million	Not applicable	Up to ₹33,500.00 million	The Issue is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Issue*" on page 478. For details in relation to share reservation among QIBs, NIIs and RIIs, see "*Issue Structure*" on page 500.

RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹100. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price*" on page 133 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 32.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. For the purposes of the Issue, [•] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF BRLMS AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
Axis Capital Limited	Harish Patel	**E-mail:** navi.ipo@axiscap.in **Tel:** +91 22 4325 2183
BofA Securities India Limited	Deepa Salvi	**E-mail:** dg.navi_ipo@bofa.com **Tel:** +91 22 6632 8000
Credit Suisse Securities (India) Private Limited	Abhishek Joshi	**E-mail:** list.naviipo@credit-suisse.com **Tel:** +91 22 6777 3885
Edelweiss Financial Services Limited	Dhruv Bhavsar	**E-mail:** navi.ipo@edelweissfin.com **Tel:** +91 22 4009 4400
ICICI Securities Limited	Rupesh Khant/ Akhil Mohod	**E-mail:** navi.ipo@icicisecurities.com **Tel:** +91 22 6807 7100

REGISTRAR TO THE ISSUE

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
Link Intime India Private Limited	Shanti Gopalkrishnan	**E-mail:** navitech.ipo@linkintime.co.in; **Tel:** +91 22 4918 6200

BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE	[•]	BID/ISSUEOPENS ON*	[•]	BID/ISSUE CLOSES ON**	[•]

* *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*
** *Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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DRAFT RED HERRING PROSPECTUS
Dated: March 10, 2022
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

NAVI TECHNOLOGIES LIMITED

Our Company was originally incorporated on December 10, 2018 as a private limited company under the Companies Act, 2013, in the name of 'BAC Acquisitions Private Limited' and was issued a certificate of incorporation dated December 13, 2018 by the Deputy Registrar of Companies, Central Registration Centre. The name of our Company was changed to '*Navi Technologies Private Limited*' pursuant to a special resolution passed by our Shareholders on September 27, 2019 and a fresh certificate of incorporation pursuant to change of name dated October 14, 2019 was issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**"). Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on February 2, 2022, and the name of our Company was changed to '*Navi Technologies Limited*'. A fresh certificate of incorporation dated February 15, 2022 consequent upon change of name on conversion to a public limited company was issued by the RoC. For further details on the changes in the name of our Company, see "*History and Certain Corporate Matters*" on page 238.

Registered Office: 3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru 560 095, Karnataka, India; **Tel**: +91 80 4630 6900
Corporate Office: Wing B, 7th Floor, Prestige RMZ Startech, No.139, 2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya Bengaluru 560 095, Karnataka, India; **Tel:** +91 80 4511 3400
Website: www.navi.com; **Contact Person**: Thomas Joseph, Company Secretary and Compliance Officer; **E-mail**: cs@navi.com
Corporate Identity Number: U72900KA2018PLC119297

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INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹100 EACH ("EQUITY SHARES") OF NAVI TECHNOLOGIES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹33,500.00 MILLION (THE "ISSUE"). OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES, INCLUDING BY WAY OF A PRIVATE PLACEMENT, RIGHTS ISSUE, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹6,700.00 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER CONSTITUTING AT LEAST [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹100 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF [●], A KANNADA DAILY NEWSPAPER WITH WIDE CIRCULATION (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, bank strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to Designated Intermediaries.

This Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). The Issue is being made in accordance with Regulation 6(2) of the SEBI ICDR Regulations and through a book building process wherein not less than 75% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"). Our Company may in consultation with BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (defined hereinafter). However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 10% of the Issue shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of RIBs) in which the corresponding Bid Amounts will be blocked by the SCSBs, or under the UPI Mechanism, as applicable to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Issue Procedure*" on page 503.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹100. The Floor Price, Cap Price and Issue Price as determined and justified by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations as stated under "*Basis for Issue Price*" on page 133 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 32.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on Stock Exchanges. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 527.

BOOK RUNNING LEAD MANAGERS					REGISTRAR TO THE ISSUE
Axis Capital Limited 1st Floor, C-2, Axis House Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** navi.ipo@axiscap.in **Investor grievance e-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Harish Patel **SEBI registration no.:** INM000012029	**BofA Securities India Limited** Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 6632 8000 **E-mail:** dg.navi_ipo@bofa.com **Investor grievance e-mail:** dg.india_merchantbanking@bofa.com **Website:** www.ml-india.com **Contact person:** Deepa Salvi **SEBI registration no.:** INM000011625	**Credit Suisse Securities (India) Private Limited** 9th Floor, Ceejay House Plot F Shivsagar Estate, Dr. Annie Besant Road Worli, Mumbai 400 018 Maharashtra, India **Tel:** +91 22 6777 3885 **E-mail:** list.naviipo@credit-suisse.com **Investor grievance e-mail:** list.igcellmer-bnkg@credit-suisse.com **Website:** www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html **Contact person:** Abhishek Joshi **SEBI registration no.:** INM000011161	**Edelweiss Financial Services Limited** 6th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India **Tel:** +91 22 4009 4400 **E-mail:** navi.ipo@edelweissfin.com **Investor grievance e-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact person:** Dhruv Bhavsar **SEBI registration no.:** INM0000010650	**ICICI Securities Limited** ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** navi.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact person:** Rupesh Khant/ Akhil Mohod **SEBI registration no.:** INM000011179	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** +91 22 4918 6200 **E-mail:** navitech.ipo@linkintime.co.in **Investor grievance e-mail:** navitech.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI registration no.:** INR000004058

BID/ ISSUE SCHEDULE			
BID/ ISSUE OPENS ON	[●](1)	**BID/ ISSUE CLOSES ON**	[●](2)

(1) *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Issue Opening Date*
(2) *Our Company may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Restated Financial Statements", "Basis for Issue Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 156, 223, 136, 274, 133, 238, 465, 478, 469 and 522 respectively shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Navi Technologies Limited, a company incorporated under the Companies Act, 2013 and having its registered office at 3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru 560 095, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries

Company Related Terms

Term	Description
ACBPL	Anmol Como Broking Private Limited
Articles of Association/AoA	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 259
Auditors/Statutory Auditors	Walker Chandiok & Co. LLP
BAPL	BACQ Acquisitions Private Limited
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
BCP	Business Continuity Plan
CFO	Chief Financial Officer
CIFCPL	Chaitanya India Fin Credit Private Limited
Corporate Office	Wing B, 7th Floor, Prestige RMZ Startech, No. 139, 2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya, Bengaluru 560 095, Karnataka, India
Corporate Social Responsibility Committee	Corporate Social Responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act and as described in "*Our Management*" on page 263

Term	Description
Director(s)	The directors on the Board of our Company
Equity Shares	Equity shares of our Company of face value of ₹100 each
ESOP Plan	Navi Stock Option Scheme 2019
Group Companies	Companies (other than our Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies considered material by our Board
Independent Directors	Independent directors of our Company as described in "*Our Management*" on page 253
IPO Committee	The IPO Committee of our Company as described in "*Our Management*" on page 263
Key Managerial Personnel/KMP	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "*Our Management*" on page 268
MTPL	MavenHive Technologies Private Limited
Material Subsidiaries	Navi Finserv Private Limited, Navi General Insurance Limited and Chaitanya India Fin Credit Private Limited
Memorandum of Association/ MoA	Memorandum of association of our Company, as amended
NAMCL	Navi AMC Limited
Navi Trustee	Navi Trustee Limited
NFPL	Navi Finserv Private Limited
NGIL	Navi General Insurance Limited
NIAPL	Navi Investment Advisors Private Limited
NSPL	Navi Securities Private Limited
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 261
Previous Statutory Auditor	Varma & Varma, Chartered Accountants
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter and Promoter Group*" on page 270
Promoter	Promoter of our Company, namely, Sachin Bansal
Registered Office	3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru 560 095, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Karnataka at Bangalore
Restated Financial Statements	Restated consolidated financial information of our Company and our Subsidiaries as at and for the nine months ended December 31, 2021 and as at and for the financial years ended March 31, 2021, 2020 and 2019 (prepared in accordance with Indian accounting standards (referred to as "**Ind AS**") as prescribed under Section133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India) which comprises the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss, the restated Ind AS consolidated statement of cash flows and the restated consolidated statement of changes in equity and notes thereto
SHA	Shareholders' Agreement dated June 9, 2020 executed between our Company, our Promoter, Samit Shankar Shetty, Anand Rao, U Raghurama Rao, Sashikala Rao and Smitha Rao, Sharad Sundaramony, Seshadri Kaushika Madhavan, Nitin Jagtap and Namitha Jagtap (Jointly), Samuel Sunil Edwards, Gopikrishnan S

Term	Description
	Mahadhanapuram, Shweta Mani, Anirban Mukherjee, Praveen Visesh, Varsha Soni, Smita Mukherjee, Subramanian Mambakkam Suryanarayanan, Rohan Gogari, Narayanan Venkitaraman/ Mahalakshmi Narayanan, Paresh Sukthankar and Sangeeta P Sukthankar, Ankit Agarwal, Rekha Shankar, Neeraj Aggarwal and Venkatchelam A Ramaswamy, and as amended further by the suspension cum termination agreement to the SHA dated March 6, 2022
Shareholders	Shareholders of our Company from time to time
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in "*Our Management*" on page 262
Subsidiaries	Subsidiaries of our Company in terms of the Companies Act, namely: a. Anmol Como Broking Private Limited; b. BACQ Acquisitions Private Limited; c. Chaitanya India Fin Credit Private Limited; d. MavenHive Technologies Private Limited; e. Navi AMC Limited; f. Navi Finserv Private Limited; g. Navi General Insurance Limited; h. Navi Investment Advisors Private Limited; i. Navi Securities Private Limited; and j. Navi Trustee Limited

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis

Term	Description
	One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Bank(s), Refund Bank(s) and Sponsor Bank, as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" on page 503
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Kannada daily newspaper, [●] (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation Our Company, in consultation with the Book Running Lead Managers may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Issue Closing Date shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations

Term	Description
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Kannada daily newspaper, [●] (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BofA Securities	BofA Securities India Limited
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers/ BRLMs	Collectively, Axis Capital Limited, BofA Securities India Limited, Credit Suisse Securities (India) Private Limited, Edelweiss Financial Services Limited and ICICI Securities Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker and in case of RIBs only ASBA Forms with UPI The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	Higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the BRLMs, the Registrar to the Offer and the Bankers to the Issue for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds (if any) on the terms and conditions thereof and the appointment of Sponsor Banks in accordance with the UPI Circulars
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Credit Suisse	Credit Suisse Securities (India) Private Limited
CRISIL	CRISIL Limited
Cut-off Price	Issue Price, finalised by our Company in consultation with the Book Running Lead Managers, which shall be any price within the Price Band Only RIBs Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at

Term	Description
	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms and in case of RIBs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Issue Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Issue
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs and in case of RIBs only ASBA Forms with UPI. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated March 10, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto
"Edel" or "Edelweiss"	Edelweiss Financial Services Limited
Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Collection Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Escrow Account will be opened, in this case being [●]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted

Term	Description
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹33,500.00 million by our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and suitably modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
ICICI Securities	ICICI Securities Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Issue Price
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 126
Net QIB Portion	The QIB Portion less the number of Equity Shares allotted to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Issue being not more than 15% of the Issue which shall be available for allocation on a proportionate basis or any other manner as introduced in accordance with applicable laws, to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs and FPIs
NPCI	National Payments Corporation of India
Issue	The initial public offer of Equity Shares comprising of the Fresh Issue
Issue Agreement	The issue agreement dated March 10, 2022 entered amongst our Company and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	Final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the Book Running Lead Managers on the Pricing Date
Issue Proceeds	The proceeds of the Issue which shall be available to our Company
Pre- IPO Placement	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including by way of a private placement, rights issue, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹6,700.00 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Kannada daily newspaper, [●] (Kannada being the regional language of Karnataka, where our Registered Office is located),

Term	Description
	each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company in consultation with the BRLMs, will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Bank account to be opened under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account will be opened, in this case being [●]
RedSeer	RedSeer Management Consulting Private Limited
QIB Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated March 9, 2022 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE
Registrar to the Issue/Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s)

Term	Description
	QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services, (i) in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI
Sponsor Bank(s)	[●]
Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company the Book Running Lead Managers, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction

Term	Description
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid / Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
AI	Artificial intelligence
ALM	Asset liability management
AMC	Asset management company
AMFI	Association of Mutual Funds of India
AML	Anti-money laundering
AUM	Assets under management
BC	Business correspondent
BFSI	Banking, financial services and insurance
CAR	Capital adequacy ratio
CAGR	Compound annual growth rate
CCIL Repo	CCIL Repos are overnight secured lending/borrowings lien marked against government securities in India. The transactions are done through the Clearing Corporation of India Ltd (CCIL)'s platform.
CIBIL	TransUnion CIBIL Limited
CRAR	Capital to risk-weighted assets ratio
CRIF	CRIF High Mark Credit Information Services Private Limited
CSR	Corporate social responsibility
DPD	Days past due
ECL	Expected credit loss
EMI	Equated monthly instalment
Expense ratio	Ratio of operating expenses related to insurance business to net written premiums earned
FBSM	Funds beyond solvency margin
GDP	Gross domestic product
Gross NPA (%)	Represents the closing balance of the Gross NPA to our gross AUM for the relevant business as of the last day of the relevant period
GWP	Gross written premium
HFC	Housing finance company
IBNR	Incurred but not reported, which is a reserve to provide for insurance claims incurred before the valuation date but are still to be reported to the insurer by such date
IBNER	Incurred but not enough reported, which is a reserve reflecting expected changes (increases and decrease) in estimates for reported insurance claims only
ICRA	ICRA Limited
India Ratings	India Ratings and Research Private Limited

Term	Description
Insurtech	Technology innovations that are created and implemented to improve the efficiency of the insurance industry
IRACP	Income recognition, asset classification and provisioning norms as notified by the RBI from time to time
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information technology
JLG	Joint liability group
KYC	Know Your Customer
LAP	Loans against property
LMS	Loan management system
MAU	Monthly active users, which represents the number of Navi App user accounts through which one or more of our Company's products and services were accessed during the relevant month
Master Directions	Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended
Metro and tier-1 cities	Cities in India having a population cluster of more than 100,000 people
MFI	Microfinance institution
ML	Machine learning
Navi App	Our Company's mobile application, available on the Google Play Store and iOS App Store, through which the Company offers its personal loans, home loans and retail health insurance product offerings (on the Google Play Store) and its personal loans and home loan product offerings (on the iOS Store)
NBFC	Non-banking financial company registered with the RBI
NBFC-MFI	Non-banking financial company – microfinance institution registered with the RBI
NBFC-ND-SI	Systemically important non-deposit taking non-banking financial company
Net NPA (%)	Represents the closing balance of the Net NPA to our gross AUM for the relevant business as of the last day of the relevant period.
NPA	Non-performing asset
PAR	Portfolio at risk
Personal Loan Interested User Base	Users installing the Navi App through personal loan ad campaigns, or clicking on personal loans after opening the Navi App
RBI	Reserve Bank of India
SFB	Small finance bank
STT	Securities transaction tax
TAT	Turnaround time
TER	Total expense ratio
TPA	Third-party administrator

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
Adjusted EBITDA	EBITDA adding impact of accounting, a compound financial instrument as equity
AGM	Annual General Meeting

Term	Description
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act/Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
DP/Depository Participant	Depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EBITDA	Earnings before interest (net), taxes, depreciation and amortisation
EPS	Earnings Per Share
FBSM	Funds Beyond Solvency Margin
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
GAAR	General Anti Avoidance Rules

Term	Description
Gazette	Gazette of India
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	Republic of India
Ind AS/Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	Insurance Act, 1938
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOFHC	Non-Operative Financial Holding Company
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956

Term	Description
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S./USA/United States/United States of America	The United States, as such term is defined in Regulation S promulgated under the U.S. Securities Act, as amended
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	A person or an entity who or which is categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "U.S.", "USA" or "United States" are to the United States of America. All references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Our Restated Financial Statements have been prepared in accordance with Ind AS. There are significant differences between Ind AS and U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 32, 191, and 418 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at			
	December 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1 USD	74.50	73.50	75.39	69.17

Source: RBI reference rate and www.fbil.org.in and www.xe.com

In case March 31/ December 31 of any of the respective years/ period is a public holiday, the previous working day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various industry publications and sources, including (a) the report titled "*Industry Report on Microfinance*" released in India in March 10, 2022 by CRISIL (the "**CRISIL Report**"), and (b) the report titled "*Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management*" released in India on March 9, 2022 by RedSeer (the "**RedSeer Report**"), which have been paid for and commissioned by our Company for an agreed fee. CRISIL and RedSeer have been exclusively commissioned by our Company for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Issue.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains data and statistics from the CRISIL Report, which is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Navi Technologies Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL's Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a* *confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

Disclaimer of RedSeer

This Draft Red Herring Prospectus contains data and statistics from the RedSeer Report, which is subject to the following disclaimer:

*"The market information in RedSeer Management Consulting Private Limited's report titled "Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management" (the "***Report***") is arrived at by employing an integrated research methodology which includes secondary and primary research. RedSeer's primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. RedSeer's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. RedSeer's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. RedSeer shall not be liable for any loss suffered by any person on account of reliance on the information contained in the Report.*

While RedSeer has taken due care and caution in preparing the Report based on information obtained from sources generally believed to be reliable, its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, and data availability, amongst others. Therefore, RedSeer does not guarantee the accuracy or completeness of the underlying data or the Report.

Forecasts, estimates and other forward-looking statements contained in the Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 coronavirus pandemic has significantly affected economic activity in general and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in the Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

The Report is not a recommendation to invest/disinvest in any entity covered in the Report and the Report should not be construed as investment advice within the meaning of any law or regulation.

Without limiting the generality of the foregoing, nothing in the Report should be construed as RedSeer providing or intending to provide any services in jurisdictions where it does not have the necessary permission and/or registration to carry out its business activities in this regard. No part of the Report shall be reproduced or extracted or published in any form without RedSeer's prior written approval."

Neither we nor any of our Subsidiaries, Directors and BRLMs are related parties of CRISIL or RedSeer.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*", on page 32. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for the Issue Price*" on page 133 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs or any of their affiliates have independently verified such information.

Notice to Prospective Investors in the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("**U.S. Persons**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Draft Red Herring Prospectus as "**QPs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE). See "*Terms of the Issue – Eligibility and Transfer Restrictions*" beginning on page 490.

As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, our Company may be considered a "covered fund" as defined in the Volcker Rule. See "*Risk Factors – External Risks – Risks Relating to the Issue – U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares*" beginning on page 87.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Dependence of our business on the trust in us and our brand.
- Possibility of our technology-driven underwriting, technology-based risk management and collection processes not being able to effectively identify, monitor or mitigate the risks in our lending operations.
- Possibility of our cloud computing software and data centers for our primary and backup data storage experiencing system downtime, prolonged power outages or shortages.
- Possibility of improper collection, hosting, use or disclosure of data by us.
- Volatility in interest rates.
- Not being able to sustain our growth or manage it effectively.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 156, 191 and 418, respectively of this Draft Red Herring Prospectus has been obtained from the CRISIL Report and the RedSeer Report.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 32, 191 and 418, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company, and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Issue.

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "*Risk Factors*", "*Objects of the Issue*", "*Our Business*", "*Issue Procedure*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 32, 126, 191, 503, 522, respectively.

<table>
<tr><td>Summary of primary business of our Company</td><td>We are a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. We have adopted a mobile-first approach, utilising our strong in-house technology and product expertise to build customer-centric products. Since our Company's incorporation, we have expanded offerings under our "Navi" brand to include personal loans, home loans, general insurance and mutual funds. We also offer microfinance loans, through a wholly-owned Subsidiary, under the "Chaitanya" brand.</td></tr>
<tr><td>Summary of the industry in which our Company operates</td><td>The financial services space in India is highly underpenetrated (across segments including lending, insurance and mutual funds), which presents a big opportunity for a technology-first company to capture a large market share. Our target market segments in India present significant growth potential as reflected in the projected growth of such industries over the next five years. According to the RedSeer Report, between the Financial Years 2021 and 2026, (i) retail loan AUM is expected to grow at a CAGR of approximately 18-20% to reach US$1.15-1.25 trillion, (ii) health insurance GWP is expected to grow at a CAGR of approximately 16% to reach US$17.6 billion, and (iii) mutual fund AUM is expected to grow at a CAGR of approximately 17% to reach US$1.0 trillion.</td></tr>
<tr><td>Name of Promoter</td><td>Sachin Bansal</td></tr>
<tr><td>Issue size</td><td>Fresh Issue of up to [●] Equity Shares aggregating up to ₹33,500.00 million by our Company.

Our Company, in consultation with the BRLMs, may consider the Pre-IPO Placement aggregating up to ₹6,700.00 million. If the Pre-IPO Placement is undertaken, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company.

For further details see "The Issue" on page 89.</td></tr>
<tr><td>Objects of the Issue</td><td>The objects for which the Net Proceeds shall be utilised are as follows:
<table>
<tr><th>Particulars</th><th>Amount (in ₹ million)(1)</th></tr>
<tr><td>Investment into our Subsidiaries, NFPL and NGIL</td><td></td></tr>
<tr><td>(a) Investment into NFPL</td><td>23,700.00</td></tr>
<tr><td>(b) Investment into NGIL</td><td>1,500.00</td></tr>
<tr><td>Sub-Total</td><td>25,200.00</td></tr>
<tr><td>General corporate purposes(2)</td><td>[●]</td></tr>
<tr><td>Total</td><td>[●]</td></tr>
</table>
(1) If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.
(2) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

For further details, see "Objects of the Issue" on page 126.</td></tr>
</table>

Aggregate pre-Issue shareholding of our Promoter and Promoter Group as percentage of our paid-up Equity Share capital

The aggregate pre-Issue shareholding of our Promoter and Promoter Group as a percentage of the paid-up Equity Share capital of the Company is set out below:

Name of shareholder	Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)
Promoter		
Sachin Bansal	281,725,980	97.77
Total (A)	281,725,980	97.77
Promoter Group		
Nil	-	-
Total (B)	-	-
Total (A) + (B)	**281,725,980**	**97.77**

Summary of selected Financial Information

The details of our Equity Share capital, net worth, the net asset value per Equity Share and total borrowings as at December 31, 2021 and March 31, 2021, 2020 and 2019 as per the Restated Financial Statements are as follows:

(₹ in million, except per share data)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Equity Share capital	28,813.90	28,813.90	28,749.34	5,10.00
Net worth	37,310.99	39,332.51	39,512.94	530.69
Net asset value per Equity Share (₹/share)	129.49	136.51	137.44	104.06
Total borrowings	26,524.79	16,912.21	8,048.87	31.59

The details of our total income, earnings per Equity Share (basic and diluted) and net profit/(loss) for the nine months ended December 31, 2021 and for the year ended March 31, 2021, 2020 and 2019 as per the Restated Financial Statements are as follows:

(₹ in million, except per share data)

Particulars	For the nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Total income	7,193.79	7,800.17	2,070.16	169.52
Earnings per Equity Share				
- Basic (₹/share)	(7.16)	2.47	(2.09)	7.31
- Diluted (₹/share)	(7.16)	2.45	(2.09)	7.31
Total comprehensive profit/(loss) for the year	(2,137.80)	730.15	(59.19)	20.69

Auditor qualifications which have not been given effect to in the Restated Financial Statements

Our Restated Financial Statements do not contain any auditor qualifications which have not been given effect to.

For details of emphasis of matter in the Restated Financial Statements, see "*Risk Factors – Our Statutory Auditor has included an emphasis of matter paragraph in their report on our Restated Financial Statements for the Financial Years 2021 and 2020 and for the nine months ended December 31, 2021.*" on page 65.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings as disclosed in "*Outstanding Litigation and Material Developments*" on page 469, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated March 6, 2022, as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ million, unless otherwise specified)

Nature of cases	Number of cases	Total amount involved^
Litigation involving our Company		

Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	Nil	Nil
Tax proceedings	1	1.60
Litigation involving our Directors		
Criminal cases	1	-
Material civil cases	3	Not quantifiable
Action taken by statutory and regulatory authorities	2	Not quantifiable
Tax proceedings	3	3.71
Other non-material proceedings	7	Not quantifiable
Litigation involving our Promoter		
Criminal cases	1	-
Material civil cases	3	Not quantifiable
Action taken by statutory and regulatory authorities	1	Not quantifiable
Tax proceedings	1	-
Other non-material proceedings	7	Not quantifiable
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Material civil litigation proceedings	1	10.62
Other civil litigation proceedings	601	444.80
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	1	Not quantifiable
Tax proceedings	20	75.55
By our Subsidiaries		
Material civil cases	1	Nil
Criminal cases	286	24.50

^ *To the extent ascertainable and quantifiable*

Our Company does not have any Group Companies.

For further details, see "*Outstanding Litigation and Material Developments*" on page 469

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 32.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as of December 31, 2021:

(₹ in million)

Particulars	Amount
Contingent liabilities and commitments	
Income tax demands where the Group has filed appeal before various authorities	69.60
GST demands where the Group has filed submission to Assistant Commissioner (State Tax-Karnataka)	3.06

For further details, see "*Restated Financial Statements – Annexure V – 68 – Contingent liabilities and commitments*" on page 416.

Summary of related party transactions

A summary of related party transactions derived from Restated Financial Statements, is as follows:

(₹ in million)

Particulars	For the nine months ended December 31, 2021	For the period ended March 31,		
		2021	2020	2019
1. Loans and advances				

- Sachin Bansal:				
a) Unsecured loan received	-	-	780.00	8,600.00
b) Repayment of unsecured loan	-	-	(780.00)	(8,600.00)
- Ankit Agarwal:				
a) Unsecured loan received	-	-	-	400.00
b) Repayment of unsecured loan	-	-	-	(400.00)
2. Buy back of shares				
KMP of Navi FinServ Private Limited				
- Samit Shankar Shetty	-	-	232.49	-
- Anand Rao	-	-	39.35	-
Relatives of KMP of Navi FinServ Private Limited				
- U Raghurama Rao	-	-	23.17	-
- Shashikala Rao	-	-	10.41	-
- Smitha Rao	-	-	0.93	-
3. Issue of Equity Share Capital (including securities premium)				
- Natarajan Ranganathan	-	2.50	-	-
- Sachin Bansal	-	-	38,165.96	509.90
- Ankit Agarwal	-	-	399.86	0.10
4. Share application money refunded				
- Sachin Bansal	-	3.59	-	-
5. Reimbursement of expenses incurred on behalf of related parties				
-Sachin Bansal	-	-	-	0.21
-Ankit Agarwal	-	-	0.17	0.03
6. Director's fees				
- Nachiket Madhusudan Mor	2.50	7.50	3.13	-
- Natarajan Ranganathan	3.60	3.25	-	-
- Pratima Ram	-	-	0.33	-
- Anand Sinha	3.31	-	-	-
7. Service fee received				
- Sachin Bansal	-	-	7.50	-
8. Key management Personnel Salary and employee benefits				
- Ankit Agarwal	46.04	63.48	47.87	51.57
-Shubham Srivastava	-	0.17	0.48	-
- Thomas Joseph	1.06	0.65	-	-

For further details, see "*Restated Financial Statements – Annexure V – 57 – Related party disclosures*" on page 351.

For details in relation to related party transactions eliminated on account of Ind AS consolidation for the Financial Years 2021, 2020 and 2019 and the nine month period ended December 31, 2021, see " - *Details of eliminated related party transactions*" on page 29.

Details of all financing arrangements	Our Promoter, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than

<table>
<tr><td>whereby the Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus</td><td>in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.</td></tr>
<tr><td>Weighted average price at which the Equity Shares were acquired by our Promoter in the last one year</td><td>Our Promoter has not acquired any Equity Shares in the last one year.</td></tr>
<tr><td>Average cost of acquisition of Equity Shares of our Promoter</td><td>The average cost of acquisition of Equity Shares of our Promoter is as follows:
<table>
<tr><th>Name</th><th>Average cost of acquisition per Equity Share* (in ₹)</th></tr>
<tr><td>Sachin Bansal</td><td>137.22</td></tr>
</table>
*As certified by Manian and Rao, Chartered Accountants, by way of certificate dated March 10, 2022</td></tr>
<tr><td>Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus</td><td>
<table>
<tr><th>Name of the acquirer/shareholder</th><th>Date of acquisition of Equity Shares</th><th>Number of Equity Shares acquired*</th><th>Face value per Equity Share (In ₹)</th><th>Acquisition price per Equity Share (In ₹)*</th></tr>
<tr><td colspan="5">Promoter and Shareholder entitled with right to nominate directors or any other rights</td></tr>
<tr><td rowspan="4">Sachin Bansal</td><td>October 11, 2019</td><td>11,538,461</td><td>100.00</td><td>130.00</td></tr>
<tr><td>October 11, 2019</td><td>56,806,990</td><td>100.00</td><td>130.00</td></tr>
<tr><td>March 30, 2020</td><td>18,008,226</td><td>100.00</td><td>140.50</td></tr>
<tr><td>March 30, 2020</td><td>190,397,847</td><td>100.00</td><td>140.50</td></tr>
</table>
* As certified by Manian and Rao, Chartered Accountants, by way of certificate dated March 10, 2022.</td></tr>
<tr><td>Size of the pre-IPO placement and allottees, upon completion of the placement</td><td>Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including by way of a private placement, rights issue, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹6,700.00 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be</td></tr>
</table>

	reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company
Any issuance of Equity Shares in the last one year for consideration other than cash	Our Company has not issued any Equity Shares in the last one year for consideration other than cash. For further details, see "*Capital Structure*" on page 108.
Any split/consolidation of Equity Shares in the last one year	Our Company has not undertaken sub-division or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.
Exemption from complying with any provisions of securities laws, if any, granted by SEBI	Our Company has filed exemption applications dated March 10, 2022, seeking exemption from strict enforcement of the SEBI ICDR Regulations, under Regulation 300(1)(c) of the SEBI ICDR Regulations, from disclosing (a) a private limited company in which our Promoter holds more than 20% of the equity share capital, and the entities in which such private limited company has shareholding, and (b) an individual who is related to our Promoter, such individual's immediate relatives, and the entities in which such individual or their immediate relatives have an interest, as members of the Promoter Group in accordance with the SEBI ICDR Regulations. For further details, see "*Our Promoter and Promoter Group*" on page 270.

j)

Details of eliminated related party transactions upon consolidation

The following are the details of the transactions eliminated during the period nine months ended December 31, 2021 and years ended March 31, 2021, March 31, 2020 and for the period ended March 31, 2019:

(₹ in million)

	Particulars	For the nine-months period ended	For the year ended	For the year ended	For the period December 10, 2018 to March 31, 2019
		December 31, 2021	March 31, 2021	March 31, 2020	
a)	**Investments in Subsidiaries during the period / year**				
	Investments by Navi Technologies Limited				
	Navi Finserv Private Limited	1,000.00	1,044.21	8,657.92	-
	Navi General Insurance Limited	-	1,857.40	1,200.00	-
	Anmol Como Broking Private Limited	474.00	1,013.86	-	-
	Mavenhive Technologies Private Limited	-	8.53	-	-
	BACQ Acquisitions Private Limited	-	10.00	5.00	-
	Navi Securities Private Limited	-	-	40.00	-
	Navi Investment Advisors Private Limited	1.00	-	5.00	-
	Investments by Navi Finserv Private Limited				
	Chaitanya India Fin Credit Private Limited	-	1,140.00	1,468.54	-
	Investments by Anmol Como Broking Private Limited				
	Navi AMC Limited	-	150.00	-	-
b)	**Share based payments recoverable**				
	- Navi General Insurance Limited	1.34	6.90	-	-
	- Navi Finserv Private Limited	38.11	5.30	-	-
	- Chaitanya India Fin Credit Private Limited	5.58	2.56	-	-
	- Navi AMC Limited	6.01	-	-	-
	- Navi Trustee Limited	0.08	-	-	-
	- Navi Securities Private Limited	0.05	-	-	-
c)	**Revenue from technology cost share**				
	Navi Finserv Private Limited	236.19	110.13	-	-
	Navi General Insurance Limited	59.32	38.05	-	-
	Navi AMC Limited	2.84	-	-	-
d)	**Service Income for Prestige Office Seats Cross charge**				
	Navi AMC Limited	2.94	-	-	-
	Navi FinServ Private Limited	5.88	-	-	-
	Navi General Insurance Limited	8.32	-	-	-
e)	**Fee and commission income collected by related party**				
	Navi Finserv Private Limited	-	71.35	-	-
f)	**Service maintenance fee income**				
	Navi Finserv Private Limited	-	0.35	-	-
g)	**Rental income from sub leasing**				
	Navi Finserv Private Limited	5.95	1.18	-	-
	Navi General Insurance Limited	4.71	2.07	-	-
h)	**ESOP Cost expense transferred to subsidiaries**				
	Navi General Insurance Limited	5.04	6.90	-	-
	Navi AMC Limited	0.52	-	-	-
	Navi Finserv Private Limited	-	5.30	-	-
	Chaitanya India Fin Credit Private Limited	-	2.56	-	-
i)	**ESOP Cost expense transferred by subsidiaries**				
	Navi Finserv Private Limited	4.86	-	-	-
	Navi Securities Private Limited	0.05	-	-	-
j)	**LTIP cost transferred by subsidiaries**				
	Navi Finserv Private Limited	6.03	-	-	-
k)	**Gratuity expense transferred to subsidiaries**				

	Navi General Insurance Limited	2.49	-	-	-
	Navi AMC Limited	0.01	-	-	-
	Navi Finserv Private Limited	0.77			
l)	**LTIP cost transferred to subsidiaries**				
	Navi General Insurance Limited	1.60	-	-	-
	Navi AMC Limited	0.17	-	-	-
m)	**Earned leave cost transferred to subsidiaries**				
	Navi General Insurance Limited	1.36	-	-	-
	Navi AMC Limited	0.13	-	-	-
	Navi Finserv Private Limited	1.33			
n)	**Performance bonus cost transferred to subsidiaries**				
	Navi General Insurance Limited	11.57	-	-	-
	Navi AMC Limited	0.42	-	-	-
	Navi Finserv Private Limited	5.41	-	-	-
o)	**Purchase of PPE and intangible assets**				
	Navi General Insurance Limited	-	446.23	-	-
	Navi Finserv Private Limited	-	1.40	-	-
	Navi AMC Limited	1.59	-		
p)	**Capital Advance paid on behalf of NTPL**				
	Navi AMC Limited	0.23	-	-	-
q)	**Prepaid assets transfer for IT related assets**				
	Navi General Insurance Limited	-	16.17	-	-
	Navi AMC Limited	1.26	-	-	-
r)	**Redemption of Non-Convertible Debentures**				
	Navi Finserv Private Limited	1,000.00	10,719.72	-	-
s)	**Issue of Non-Convertible Debentures**				
	Navi Finserv Private Limited	-	999.09	24,740.29	-
t)	**Security deposit received for sub leasing**				
	Navi General Insurance Limited	9.47	4.30	-	-
	Navi Finserv Private Limited	17.40	-	-	-
	Navi AMC Limited	3.35	-	-	-
u)	**Expenses incurred for related parties**				
	Navi Finserv Private Limited	125.27	13.11	-	-
	Navi General Insurance Limited	1.26	4.53	-	-
	Chaitanya India Fin Credit Private Limited	2.40	0.77	-	-
	Anmol Como Broking Private Limited	0.02	-	-	-
	Navi AMC Limited	0.00	-	-	-
	BACQ Acquisitions Private Limited	-	-	0.17	-
	Mavenhive Technologies Private Limited	-	-	0.00	-
	Navi Securities Private Limited	-	-	0.25	-
	Navi Investment Advisors Private Limited	-	-	0.23	-
v)	**Reimbursement of expenses incurred on behalf of related parties**				
	Chaitanya India Fin Credit Private Limited	0.48	0.48	-	-
	Navi Securities Private Limited	3.23	4.03	1.81	-
	Navi Finserv Private Limited	0.18	4.67	-	-
	BACQ Acquisitions Private Limited	0.00	2.96	3.61	-
	Mavenhive Technologies Private Limited	-	0.00	0.20	-
	Navi Investment Advisors Private Limited	0.00	0.06	0.03	-
	Anmol Como Broking Private Limited	-	6.38	-	-
	Navi AMC Limited	-	2.00	-	-
tails of Eliminated Balances outstanding:					
a)	**Trade receivable from enterprises over which shareholders/key management personnel have significant influence:**				
	Navi AMC Limited	2.87	2.36	-	-
	Navi General Insurance Limited	23.71	10.47	-	-
	Navi Finserv Private Limited	93.24	39.02	-	-
	Chaitanya India Fin Credit Private Limited	0.31	1.19	-	-
	BACQ Acquisitions Private Limited	-	0.04	3.78	-

	Navi Investment Advisors Private Limited	-	0.04	0.25	-
	Navi Securities Private Limited	-	0.04	2.06	-
	Mavenhive Technologies Private Limited	-	-	0.02	
		120.13	**53.16**	**6.11**	**-**
b)	**Loans and advances receivable from enterprises over which shareholders/key management personnel have significant influence:**				
	Mavenhive Technologies Private Limited	0.03	0.03	-	-
	Anmol Como Broking Private Limited	6.38	6.38	-	-
	Navi Finserv Private Limited	171.85	-	-	-
	Navi General Insurance Limited	25.93	-	-	-
	BACQ Acquisitions Private Limited	2.99	2.96	-	-
	Navi Investment Advisors Private Limited	0.09	0.06	-	-
	Navi Securities Private Limited	7.31	4.04	-	-
	Navi AMC Limited	6.68	2.00	-	-
		221.26	**15.47**	**-**	**-**
c)	**Loans and advances payable to enterprises over which shareholders/key management personnel have significant influence**				
	Navi General Insurance Limited:				
	- Payable for Prepaid assets transferred	-	16.17	-	-
	- Security Deposit for rent	13.77	4.30	-	-
	Navi Finserv Private Limited	10.88	0.77	-	-
	Navi Securities Private Limited	0.05	-	-	-
	Chaitanya India Fin Credit Private Limited	-	0.48	-	-
		24.70	**21.72**	**-**	**-**
d)	**Non-Convertible Debentures outstanding issued by Navi Finserv Private Limited to Navi Technologies Limited**				
	Non-Convertible Debentures	13,020.57	14,020.57	24,740.29	-
Details of Investments in Subsidiaries:					
a)	**Investments by Navi Technologies Limited**				
	Navi Finserv Private Limited	12,566.77	11,566.77	10,522.56	-
	Navi General Insurance Limited	4,870.20	4,870.20	3,012.80	-
	BACQ Acquisitions Private Limited	15.00	15.00	5.00	-
	Navi Securities Private Limited	40.00	40.00	40.00	-
	Navi Investment Advisors Private Limited	6.00	5.00	5.00	-
	Anmol Como Broking Private Limited	1,500.69	1,026.69	-	-
	Mavenhive Technologies Private Limited	29.25	29.25	20.72	-
	Less: Provision for dimunition in value of equity				
	Mavenhive Technologies Private Limited	(7.57)	(7.57)	-	-
b)	**Investments by Navi Finserv Private Limited**				
	Chaitanya India Fin Credit Private Limited	3,244.60	3,244.60	2,104.60	-
c)	**Investments by Anmol Como Broking Private Limited**				
	Navi AMC Limited	1,458.70	984.70	-	-
	Navi Trustee Limited	20.87	20.87	-	-

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Prospective investors should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline and prospective investors may lose all or part of their investment. Investors in our Equity Shares should pay particular attention to the fact that we are subject to an extensive regulatory environment that may differ significantly from one jurisdiction to another.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. The risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future and may also impair our business.

To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Statements" beginning on pages 191, 418 and 274, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" on page 21. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

*Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the report entitled "Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management" dated March 9, 2022 (the "***RedSeer Report***") and the report entitled "Industry Report on Microfinance" dated March 10, 2022 (the "***CRISIL Report***") which have been commissioned and paid for by us for agreed fees for the purposes of confirming our understanding of the industry exclusively in connection with the Issue and exclusively prepared and issued by RedSeer Management Consulting Private Limited and CRISIL Limited, respectively. We officially engaged RedSeer Management Consulting Private Limited, in connection with the preparation of the RedSeer Report in relation to the financial services (excluding microfinance) industry pursuant to an engagement letter dated December 13, 2021. We officially engaged CRISIL Limited, in connection with the preparation of the CRISIL Report in relation to microfinance industry pursuant to an engagement letter dated January 18, 2022.*

Copies of the CRISIL Report and the RedSeer Report shall be available on the website of our Company at www.navi.com/[●] from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and the RedSeer Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. The data included in this section includes excerpts from the CRISIL Report and the RedSeer Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner.

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. However, as our Company was incorporated on December 10, 2018, information in relation to the

Financial Year ended March 31, 2019 is from our date of incorporation.

INTERNAL RISKS

1. ***Our business depends on the trust our customers place in us and our brand, and any failure to maintain, protect, enhance and promote such trust would adversely affect our business, financial condition, results of operations and cash flows.***

   As a technology-driven financial products and services company, protecting, maintaining, enhancing and promoting the trust our customers place in us and our brand is critical to expanding our customer base. Many factors could undermine or damage the trust in us, the Navi App or our brand, including:

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

   In addition, we rely on mobile operating systems and mobile application stores for customers on the Navi App. If we do not operate effectively with or receive favourable placements within such mobile application stores or maintain high customer reviews and scores, our usage or brand recognition could decline. If we do not successfully maintain customers' trust in us and our brand, our business, financial condition, results of operations and cash flows would be adversely affected.

2. ***Our technology-driven underwriting, risk management and collection processes may not be able to effectively identify, monitor or mitigate the risks in our lending operations.***

   We fine-tune our underwriting, risk management and collection processes through continuous training of our risk-detection algorithms/models. If any of these decision-making systems contain programming or other errors, the criteria or parameters we use for the analysis of customers credit profiles are inaccurate, the risk management models are flawed or ineffective or the customer insights we develop or receive for credit assessment are incorrect or stale, our credit assessment process related to the loans could be negatively affected, resulting in incorrect approvals, incorrect denials of loans, mispriced loans or biased rejection rates for potential customers we assess. Further, our underwriting models are dependent on data from various sources and our inability to access such data (on account of regulatory or other changes in the ecosystem) could negatively impact the efficacy of such models. In addition, as the customer journeys for our personal and home loans businesses are largely digital, we face risks associated with not meeting our customers in person, including contactability and traceability issues in the collections process. If any of the foregoing were to occur, the performance of our credit assessment will be compromised. As a result, our business, brand, reputation, results of operations and financial condition may be adversely affected.

3. ***If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.***

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

As of December 31, 2021 and March 31, 2021, ₹4,044.41 million or 25.33% and ₹1,299.14 million or 26.32% of the AUM of NFPL, respectively, were from customers who belonged to the low-income group, who are estimated to be earning not more than ₹25,000 per month. For the customers of NFPL belonging to this group, during the nine months ended December 31, 2021 and the Financial Year 2021, ₹32.22 million or 0.20% and ₹75.47 million or 1.53%, respectively, of NFPL's total AUM attributable to such customers, experienced default in repayment obligations (i.e., were in the 90+ DPD category). For details of our process for customer credit evaluation and monitoring, see "*Business – Description of our Business*" on page 191.

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

Our ability to manage the credit quality of our loans, which we measure in part through Stage 3 Assets (i.e. loans that are 90+ DPD or as regulatorily required), is a key driver of our results of operations. Our personal loan portfolio has grown during the nine months ended December 31, 2021 and the Financial Year ended March 31, 2021, and we anticipate that the size of our loan portfolio will continue to grow in the future as we pursue our expansion strategy. As of December 31, 2021 and March 31, 2021, our Stage 3 Assets were ₹158.24 million and ₹243.34 million, respectively, while our Stage 3 Assets to AUM was 1.12% and 4.96%, respectively. As of December 31, 2021 and March 31, 2021, our Stage 3 Assets (net) were ₹3.81 million and ₹10.68 million, respectively, while our Stage 3 Assets (net) to AUM (net) was 0.03% and 0.27%, respectively. In addition, a significant portion of our loan portfolio is relatively new and was disbursed during the last eight months. We believe that the risk of delinquency in our loans typically emerges from four to 12 months from disbursement. Our risk performance index is based on vintage curves as our book maturity from risk of delinquency is on the lower end. We cannot assure you that we will be able to maintain or reduce our current levels of Stage 3 Assets in the future.

Further, our Material Subsidiaries, CIFCPL and NFPL**,** as NBFCs, are regulated by the RBI and are required to adhere to the prudential norms on income recognition, asset classification and provisioning ("**IRACP**") notified by the RBI from time to time, in addition to the Ind AS accounting and provisioning requirements applicable to these Subsidiaries in the ordinary course. For instance, on November 12, 2021, the RBI issued a circular titled "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications" ("**November 12 Circular**") with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The November 12 Circular, among other matters, requires borrower accounts to be flagged as overdue by lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as special mention accounts ("**SMA**") as well as NPA is required to be undertaken as part of day-end processes for the relevant date, such that the date of SMA/ NPA shall reflect the asset classification status of an account at the day-end of that calendar date. The November 12 Circular clarifies that the SMA classification requirement for borrower accounts is applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution. Further, the November 12 Circular provides that accounts classified as NPAs may be upgraded to 'standard' only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdues. The exact impact of the November 12 Circular on the way we report the credit quality of our loans is not ascertainable at this stage, and we cannot assure you that it will not impact our current levels of NPAs in the future. Further, as our loan portfolio grows, our NPAs may increase and the current level of our provisions may not adequately cover any such increases. General economic slowdown or financial difficulties faced by our customers could unexpectedly increase delinquency rates. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs (based on November 12 Circular) as our loan portfolio matures or that any of the steps taken by us in avoiding repeat delay and / or default of loan repayments by our borrowers will be sufficient. On December 14, 2021, the RBI issued a circular titled "Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)" ("**PCA Framework Circular**") to enable supervisory intervention and implement remedial measures of NBFCs, including NBFC-NDs, on the basis of tracking certain indicators such as CRAR, Tier I Capital Ratio and Net NPA Ratio. Pursuant to the PCA Framework Circular, the PCA framework for NBFCs will come into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022. We cannot assure you that in the future, we will be able to maintain the thresholds prescribed by the RBI under the PCA Framework Circular.

As of December 31, 2021 and March 31, 2021, our gross NPA to total AUM ratio for our personal loans business was 1.12% and 4.96%, respectively, and our Net NPA to net AUM was 0.03% and 0.27%, respectively. For the nine months ended December 31, 2021 and the Financial Year 2021, our provisions for standard assets amounted to ₹879.55 million and ₹676.68 million, respectively, in our personal loans business. For the same periods, our provision for non-performing assets amounted to ₹154.43 million and ₹232.66 million, respectively, in such business.

As of December 31, 2021, our gross NPA to total AUM ratio for our home loans business was 0.00%. For the nine months ended December 31, 2021, our provisions for standard assets amounted to ₹8.78 million in our home loans business.

As of December 31, 2021, March 31, 2021 and March 31, 2020, our gross NPA to total AUM ratio for our microfinance business was 3.83%, 4.10% and 0.81%, respectively, and our net NPA to net AUM ratio was 1.03%, 0.95% and 0.40%, respectively. For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, our provisions for standard assets amounted to ₹267.76 million, ₹282.77 million and ₹171.19 million, respectively, in our microfinance business. For the same periods, our provision for non-performing assets amounted to ₹515.16 million, ₹384.17 million and ₹36.27 million, respectively, in such business.

In particular, all of the microfinance loans we provide are extended on an unsecured basis and rely on mutual guarantee mechanisms rather than any tangible assets or collateral. Our microfinance lending model involves a joint liability mechanism whereby borrowers form an informal joint liability group and provide joint and several guarantees for loans obtained by each member of the group. We cannot assure you that such joint liability arrangements will ensure repayment by the other members of the joint liability group in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if members do not participate regularly in group meetings, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities or forced migration. Further, while we have our own due diligence and credit analysis procedures, we cannot assure you that we will be able to ensure low delinquency rates.

Our unsecured personal loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that our models will be able to successfully predict the default behaviour of our personal loan customers or that our loan loss reserves will be sufficient to cover any actual losses. Further, we offer unsecured loan products with a larger ticket size, longer tenor and lower interest rate options for repeat customers. If there is a default by customers on repayment of such unsecured loans or if we are unable to recover our principal and interest through legal proceedings, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that may have an adverse effect on our business, financial condition, results of operations and cash flows.

In respect of our home loans, in the event of default by our customers, there can be no assurance that we will be able to sell the property secured as collateral at all or at a price sufficient to recover the amounts under default due to among other things, unforeseen delays in our ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, fraudulent transfers by our customers and/or builders and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those assets.

Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document may render the document inadmissible in evidence. Consequently, should any default arise in relation to home loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. In addition, for home loans extended for properties that are still under construction, we may face risks of non-payment in the event that the builders do not complete construction of the properties on time, or at all, due to cashflow or other issues. Further, if any of our customers take recourse to arbitration or litigation against our claims, it may cause a further delay in our recovery process leading to depreciation of the collateral. A failure or delay in recovering the expected value from sale of collateral could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations.

Further, our Subsidiaries, NFPL and CIFCPL are required to adhere to provisioning requirements pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended ("**Master Directions**"). If future regulations require us to increase our provisions for any reason, our profits may be adversely affected. Also, our ability to raise additional capital and debt financing as well as our results of operations and financial condition could be adversely affected as a result thereof. The amount of our reported NPAs may increase in the future due to the aforementioned factors and other factors beyond our control, and we cannot assure you that we will be able to effectively control or reduce the level of the impaired loans in our total AUM. If we are unable to manage our NPAs or adequately recover our loans, our business, financial condition and results of operations will be adversely affected. In addition, our current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of our total AUM. If the quality of our loan portfolio deteriorates, we may be required to increase our loan loss reserves. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our business, financial condition and results of operations.

4. ***Our cloud computing software and data centres for our primary and backup data storage may experience system downtime, prolonged power outages or shortages.***

We rely on a cloud strategy pursuant to which our applications and systems, including the Navi App, loan management system, underwriting engine, collections portal, CRM portal, claims portal and tele-MER platform, are deployed with one service provider and internal IT assets are hosted with a different third-party service provider. In this regard, we are unable to guarantee that we will not experience system downtime. In addition, the data centres for our primary and backup data storage are regulatorily required to be based in India. The data centre may be susceptible to, *inter alia*, regional costs of power, power shortages, planned or unplanned power outages and limitations on the availability of adequate power resources. Power outages, including, but not limited to those relating to large storms, earthquakes, fires and floods, could harm our customers and our businesses. Although we leverage our technology initiatives for periodic, often fortnightly, upgrades of the Navi App with the goal of ensuring a 24 hour uptime, any disruption in the operation of our cloud computing software and data centres could negatively impact our business results of operations and financial condition.

5. ***Our business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows.***

Our business processes a large quantity of personal data (with our users' consent) and analyses this data to generate user and user group profiles. Our privacy policies concerning the collection, use and disclosure of personal data (and users' rights thereto) are consented to by our customers and made accessible for their reference at any point in time. We face risks inherent in handling and protecting a large volume of data, especially user data. In particular, we face several challenges relating to data security and privacy, including but not limited to:

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

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

Moreover, we share a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. We have certain vendors who provide or enable, *inter alia* PAN verification with the National Securities Depository Limited ("**NSDL**"), and Aadhaar XML download from the Unique Identification Authority of India ("**UIDAI**"). During the course of providing such services, customer data may be accessed. If such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of the Navi App, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control. For example, in the past, : (a) there has been an instance of bulk messages being sent to our prospective customers by one of our third-party service providers where customers' information which was not otherwise available in the public domain was visible in the message; and (b) unauthorised tele-callers had fraudulently reached out to our customers and impersonated Navi customer care / collection representatives. While we have taken steps, including reprimanding the third-party vendors, augmenting control measures to ensure communications sent on behalf of our Company are pre-approved, filing police complaints for unauthorised use of the "Navi" name and sharing messages to customers informing them about our official contact details, to address such issues in the past, we cannot assure you that we will be able to completely stop such instances from occurring in the future, or whether the mitigating steps taken by us will be prompt or sufficient. Further, while no regulatory or legal action has been taken against us in relation to such instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future.

6. ***We have experienced significant growth in recent quarters and we may not be able to sustain our growth or manage it effectively.***

We have experienced significant growth in recent quarters. Since our inception in 2018, we have expanded our range of business lines to include personal loans, home loans, health insurance, asset management and microfinance. Our total income (excluding other income) has grown to ₹7,791.05 million in the Financial Year 2021 from ₹169.52 million in the Financial Year 2019, representing a CAGR of 425.56%. As part of our growth strategy, we plan to build on the wallet shares of our existing customer base of digital savvy customers by launching adjacent lending and insurance products. Sustained growth will require significant investments in technology and digital marketing and will also put pressure on our ability to effectively manage and control historical and emerging risks. Such further expansion will increase the size of our business and the scope and complexity of our operations and this could put a strain on our internal control framework and processes. We may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all and may not be able to reflect improvement in other indicators of financial performance from the expansion.

If we increase our credit exposure too rapidly or fail to make proper assessments of credit risks associated with new customers, a higher percentage of our loans may become non-performing, which would have an adverse effect on the quality of our assets and our financial condition. In addition, if we enter into strategic alliances or undertake inorganic acquisitions as part of our growth strategy, we may not be able to manage integration of the acquired businesses effectively. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations.

Factors such as competition, customer requirements, regulatory regimes, business practices and customs in new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only banks, MFIs, HFCs and other financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers. For instance, a number of states in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether NBFCs are required to comply with provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. If it is judicially determined or clarified by relevant authorities that such statutes apply to NBFCs, our expansion in such states could be hindered.

As we expand our business or the geographic footprint of our lending and microfinance businesses, we may be exposed to additional challenges, including, without limitation:

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

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

7. ***We are affected by volatility in interest rates in both our lending and treasury operations, which could cause our net interest income to vary and consequently affect our profitability.***

Our results of operations from our lending businesses depend substantially on the level of our net interest income, which is the difference between our interest income and other fees, and interest expense and other borrowing costs.

The carrying amount of our fixed interest-bearing financial assets (loan assets) in NFPL was ₹15,948.70 million, ₹6,240.07 million and ₹1,181.51 million for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, respectively and the carrying amount of our floating interest-bearing financial assets (loan assets) in NFPL was ₹1,755.68 million and ₹33.06 million for the nine months ended December 31, 2021 and the Financial Years 2021, respectively. The carrying amount of our fixed interest-bearing financial assets (loan assets) in CIFCPL was ₹18,121.95 million, ₹12,003.73 million and ₹8,465.52 million for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, respectively.

Our exposure to floating interest-bearing liabilities (excluding CCIL Repo) in NFPL for the nine months ended December 31, 2021 and the Financial Years 2021 was ₹ 8,377.43 million and ₹ 3,661.22 million. Our exposure to floating interest-bearing liabilities in CIFCPL for the nine months ended December 31, 2021 and the Financial Year 2021 and Financial year 2020 was ₹9,929.39 million, ₹4,593.04 million and ₹ 2,756.08 million, respectively.

Our interest income from loans for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020 was ₹3,463.79 million, ₹2,833.04 million and ₹925.16 million, respectively. This was reduced by our adjusted finance cost (excluding interest on lease liabilities and interest on current taxes) for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, which was ₹1,326.88 million and ₹846.83 million, ₹358.97 million, respectively.

Our interest income is affected by any volatility in interest rates in our lending businesses. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the Reserve Bank of India ("**RBI**"), deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Moreover, if we have to pass on any increase in the interest rates we pay on our borrowings to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds or lower cost deposits. Our exposure to fixed interest-bearing liabilities in NFPL (excluding CCIL repo) for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020 was ₹ 3,700.00 million, ₹100.00 million, ₹2,472.30 million, respectively. Our exposure to fixed interest-bearing liabilities in CIFCPL for the nine months ended December 31, 2021 and the Financial Year 2021 and Financial Year 2020 was ₹ 4,675.41 million, ₹5,569.10 million and ₹3,914.03 million, respectively.

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

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. To protect against interest rate volatility, we have recently obtained approval from the Board of Directors of NFPL to enter into overnight interest rate swaps. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings to our customers, may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, financial condition, results of operations and cash flows.

8. ***We may face information security threats attempting to exploit our network to disrupt our services and support services to customers and/ or theft of sensitive confidential company information, which may cause damage to our reputation and adversely affect our business and financial performance.***

We interact with and offer our products and services to our customers through a range of digital channels including the Navi App, which is our core front-end platform for our personal loans, home loans and health insurance businesses. Our business collects, processes, and stores personal data of our customers pursuant to their consent. This includes contact information, spending patterns, mobile application usage and behaviour, geolocation, demographic data and device data. Consequently, we face various risks in handling and protecting such large volumes of data, including risks associated with attacks on our systems by third parties or fraudulent misappropriation of data by our employees; as well as risks associated with privacy concerns, and with the transmission, sharing and other security measures relating to such data. Therefore, we are exposed to various information security threats including (i) phishing, vishing and trojans targeting our customers, wherein fraudsters through unsolicited mails/calls to our customers, attempt to defraud by, *inter alia*, impersonating Navi representatives; (ii) hacking, wherein attackers seek to hack into our website and system with the primary intention of causing reputational damage to us by disrupting services; and (iii) data theft or ransomware, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information or encrypting some or all of our data and then demand a ransom for its restoration. We have in the past received phishing emails, for which we have implemented systems to intercept and block such phishing attempts.

Information security risks for technology-focused companies and financial services organisations have significantly increased in recent years in part because of the proliferation of new technologies, increased digitization of our products and services and the use of the internet and telecommunications technologies to conduct financial transactions. Information security risks may further increase in the future as we continue to increase our mobile-payment and other digital-based services and product offerings and expand our internal usage of digital/ web-based services/products and applications.

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

In view of the COVID-19 pandemic, we have in the past enabled work-from-home arrangements for our employees, other than at the branches of CIFCPL, which continued to function given financial services was classified as an essential service. To the extent we have to revert to such work-from-home arrangements in the future, this may expose us to risks arising on account of remote work environment, data security issues, increased information security attacks and availability of critical functions and IT systems. Our customers could also be exposed to increased phishing and vishing attacks that could result in a financial loss to them, and in turn lead to claims for compensation from us or damage to our reputation. Private information stored in our database may also be vulnerable and susceptible to data breaches. We have established relevant policies and information security frameworks for securing our IT infrastructure and systems. our Company's information and cyber security policy dated August 10, 2021. However, we may still be susceptible to security risks in future, which could result in the unauthorised disclosure of confidential information.

9. ***Our inability to meet our obligations, including financial and other covenants under our financing arrangements could adversely affect our business, results of operations and financial condition.***

As of December 31, 2021, our outstanding borrowings on a consolidated basis aggregated to ₹26,682.23 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Financial Indebtedness – Principal terms of the subsisting borrowings availed by us and our Subsidiaries along with the off-balance sheet exposure*" on page 465. Our financing agreements contain several restrictive covenants and we are required to obtain prior approval from our lenders for undertaking various actions, including:

- Change in capital structure of our Company without the prior approval of the lender;
- Change in management control of our Company without the prior approval of the lender;
- Change in the constitutional documents of our Company without the prior approval of the lender;
- Undertaking or permitting any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction including creation of any subsidiary or permitting any company to become a subsidiary of our Company without the prior approval of the lender;
- Declaration or payment of dividends, or authorising or making any distribution to the Shareholders pending repayment of the outstanding dues to lenders without the prior approval of the lender; and

- Making any equity investments in the primary or secondary markets.

Under some of these financing agreements, certain lenders require us to maintain certain financial ratios at the end of certain reporting periods, including end of fiscal quarters and fiscal years. Some of our financing agreements also contain cross-default clauses, which are triggered in the event of a default by us under our respective financing agreements. For details of the indicative events of default and the consequences of events of default under our borrowing arrangements, see "*Financial Indebtedness – Principal terms of the subsisting borrowings availed by us and our Subsidiaries along with the off-balance sheet exposure*" on page 465. Our failure to meet our obligations under our financing agreements could have an adverse effect on our business, results of operations and financial condition. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Financial Indebtedness – Principal terms of the subsisting borrowings availed by us and our Subsidiaries along with the off-balance sheet exposure*" on page 465.

Our future borrowings may also contain similar restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements and/ or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

The negative covenants as mentioned in this risk factor and in the section "*Financial Indebtedness – Principal terms of the subsisting borrowings availed by us and our Subsidiaries along with the off-balance sheet exposure*" on page 465, and other clause/covenants of a similar nature under the financing arrangements entered into by us with our lenders are in the ordinary course of business and will continue post listing of the Equity Shares, as is customary for such borrowing arrangements for listed and unlisted companies. Further, there will be no direct/indirect impact of such restrictive clauses/covenants present under our financing arrangements on our public shareholders post listing of the Equity Shares.

10. Our Promoter has received a show cause notice from the Directorate of Enforcement in relation to alleged non-compliances with FEMA. If the show cause notice leads to adjudication proceedings which are determined against our Promoter, it could lead to monetary penalties being imposed on our Promoter as well as adversely affect our reputation.

The Special Director (SR), Southern Regional Office, Directorate of Enforcement, Chennai ("**ED**") has issued a show cause notice ("**Notice**") dated July 1, 2021 under Section 16(3) read with Section 42 of the FEMA to our Promoter and nine other noticees in respect of foreign investments made in the equity shares and compulsorily convertible preference shares of Flipkart Online Services Private Limited ("**FOL**") and equity shares of Flipkart India Private Limited ("**FIPL**") between the years 2009 and 2014. The Notice alleges that FOL and FIPL undertook whole sale trading in excess of the 25% cap prescribed for wholesale trading with group companies ("**Group Company Condition**") under the Consolidated Foreign Direct Investment Policy of India ("**FDI Policy**") for companies engaged in the cash and carry/ wholesale trading sector. Consequently, the Notice alleges that FOL and FIPL appear to have undertaken multi brand retail trading which was not permitted under the automatic route as per the FDI Policy. The Notice also alleges that the violations by the Flipkart group companies namely FOL, FIPL, and Flipkart Private Limited, Singapore ("**FPLS**"), involve amounts of approximately: (A) ₹64,962 million being the investment received by FOL and FIPL from foreign investors, (B) ₹63,538 million being the investment made by FPLS in FIPL, and (C) ₹106,019 million being the turnover from sales made by FOL and FIPL with one WS Retail Services Private Limited, which has been alleged to be a group company of FOL and FIPL. No direct default has been attributed to our Promoter in his personal capacity, and the allegations against our

Promoter are predicated on vicarious liability as an officer in charge of some of the noticees. Further, based on the Notice, the financial exposure of our Promoter in the matter is not determinable at this stage. As of the date of this Draft Red Herring Prospectus, other than our Promoter, none of the other noticees are either related to or associated with our Company or our Subsidiaries. Further, our Promoter divested 100% of his stake in the Flipkart group companies in 2018 and ceased to have any association with the business of the Flipkart group, including in any executive or non-executive capacity. Further, in relation to FOL, please see details in "*Our Promoter and Promoter Group*" on page 270.

While, the Notice has been issued following an investigation completed in the period 2013 to 2015, it sets forth no basis or reasons for the delay in initiation of proceedings. Our Promoter has filed writ petitions bearing WP No. 18630 of 2021 and WP No. 18682 of 2021 ("**Writ Petitions**") before the Hon'ble Madras High Court on August 27, 2021 challenging and seeking a quashing of the Notice and the complaint filed by the ED which formed the basis of the Notice on grounds of violation of his fundamental rights guaranteed under the Constitution of India. The Writ Petitions are currently pending before the Hon'ble Madras High Court, and no steps have been taken by the ED in respect of the adjudication proceedings pursuant to the Notice.

In case the Writ Petitions are not allowed by the Hon'ble Madras High Court, our Promoter will have the right to appeal before an appropriate judicial forum including, an intra court appeal to the division bench of the Hon'ble Madras High Court and the Hon'ble Supreme Court of India, or defend himself against the allegations set out in the Notice on merits before the Adjudicating Authority constituted under FEMA. However, in the event that such appeals made by our Promoter are also not allowed, or in the event that the Adjudicating Authority passes an adverse order against our Promoter, he may be held liable to pay monetary penalties under the provisions of FEMA, subject to his right to appeal against such an order as per the terms of FEMA and the rules issued thereunder. In addition, if any adverse order is passed against the Promoter, such outcome may have an adverse impact on the reputation of our Company and may also affect the business prospects of our Company.

11. ***Our Material Subsidiary, CIFCPL, has applied for a universal banking license with the RBI, and we cannot assure you that such license shall be issued by the RBI. Further, the receipt of a license by CIFCPL may require us to undertake such changes to our business, group holding structure and operations as may be required under applicable laws or as specified by the RBI.***

Our Material Subsidiary, CIFCPL, is one of the applicants for a universal banking license under the RBI Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector dated August 1, 2016 ("**On Tap Licensing Guidelines**"). As of the date of this Draft Red Herring Prospectus, we are yet to receive an in-principle approval from the RBI in terms of the On Tap Licensing Guidelines, and we cannot assure you that such in-principle approval or subsequently, the final license, will be issued to us any time soon, or at all.

If we receive an in-principle approval, such approval may be accompanied with various conditionalities and restrictions at the discretion of the RBI, and we cannot assure you that we will be able to comply with all such conditionalities within the prescribed timelines, or in a manner satisfactory to the RBI. Further, the final license may also be issued with similar licensing conditions, and we cannot assure you that the compliance with such conditions will not require us to deploy additional management time and resources.

Further, in the event we receive the in-principle approval and the final licence, our Company and subsidiaries may have to undertake, subject to regulatory and other necessary approvals and other external factors, merger, amalgamation or restructuring activities, including, *inter alia*, the inter-se merger of our Company with one of our subsidiaries as part of the application made to RBI and to comply with requirements under applicable law. In addition, once we receive the final license, the universal bank will be required to comply with various statutory and financial ratios, such as CRR, SLR and CRAR, as prescribed under the relevant rules and regulations of RBI from time to time. The universal bank will also be required to implement such other business activities as may be required by a universal bank in terms of the extant regulations as and when the bank is operational, including introduction of new products and creation of additional physical infrastructure.

The On Tap Licensing Guidelines also prescribe detailed criteria in relation to universal banks, including in relation to the composition of the promoter and promoter group, the corporate holding structure, shareholding restrictions, requirements in relation to demarcation of financial and other activities within a group, as well as corporate governance, prudential and exposure norms. For instance, the On Tap Licensing Guidelines require us to incorporate an entity which will be carrying out the universal banking operations, and also to set up a NOFHC as part of the overall holding structure. The regulatory framework also provides a timeframe for dilution of promoters' equity in the NOFHC over 10 to 15 years. The regulatory framework applicable to private sector banks and universal banks, including the Banking Regulation Act, the RBI Act, the On Tap Licensing Guidelines or any other guidelines as may be issued by the RBI from time to time also prescribes or may prescribe requirements in relation to group holding structure and business operations.

We cannot assure you that we will be able to undertake changes to our current holding structure, business activities, shareholding pattern or management composition in order to comply with such requirements, or the licensing and approval conditions under the in-principle approval or final banking license, within the timelines prescribed thereunder, or at all. Further, setting up a universal bank within the group is likely to result in increased compliance requirements on the other entities forming part of the group. In the event that we are required to undertake any one or more changes to our business, group holding structure or operations in the manner set out above, or if we are unable to meet the regulatory timelines prescribed for implementing such changes, it may impact our ability obtain or maintain the banking license, and may also impact our business, financial condition and results of operations.

12. ***Our lending and microfinance business operations rely intensively on substantial capital and any disruption in our sources of capital could adversely affect our liquidity and financial condition.***

The liquidity and profitability of our lending and microfinance business depends, in large part, on our timely access to, and the costs associated with, raising financing. Our financing requirements historically have been met from various sources, including loans from non-banking financial companies, bank loans and working capital facilities, non-convertible debentures, commercial paper and equity. As such, our lending and microfinance businesses depend and will continue to depend on our ability to access a variety of sources of capital. For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, the capital adequacy ratio of NFPL was 32.14%, 38.04% and 20.80%, respectively. For the nine months ended December 31, 2021, and the Financial Years 2021 and 2020, the capital adequacy ratio of CIFCPL was 20.04%, 26.39% and 38.21%, respectively. We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. To the extent our capital requirements exceed our available resources; we will be required to seek additional debt or equity capital. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity capital could dilute our earnings per Equity Share and your interest in us, and could adversely impact the trading price of our Equity Shares.

The ability of our Subsidiaries which are NBFCs, i.e. NFPL and CIFCPL, to obtain financing on favourable terms, if at all, will depend on a number of factors, including our profitability, asset quality, market interest rates, vintage of our business and the prevailing macroeconomic and other conditions. In addition, the cost and availability of debt capital depends in part on our short-term and long-term credit ratings. Our long-term debt for NFPL is rated A- (Stable) and A (Stable) by ICRA Limited and India Ratings, respectively, as of December 31, 2021. Our long-term debt for CIFCPL is rated A- (Stable) by ICRA Limited and CRISIL as of December 31, 2021. There is no guarantee that we will be able to maintain such ratings in the future. We have not experienced downgrades in our credit ratings in the past. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, as well as increase the probability that our lenders may impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our current or future borrowings. For the list of credit ratings on our financial instruments, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Borrowing Rates and Lending Rates*" on page 191 as well as "*Our Business – Credit Ratings*" on page 191.

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

We cannot assure you that our Subsidiaries which are NBFCs, i.e. NFPL and CIFCPL, will be able to raise financing on acceptable terms in a timely manner or at all. Our failure to raise debt could adversely impact our business, financial condition and results of operations.

13. ***The COVID-19 pandemic has affected our regular business operations and may continue to do so, depending on the severity and duration of the COVID-19 pandemic.***

The spread of the COVID-19 pandemic and related lockdowns and movement restrictions during 2020 and 2021 adversely impacted our business and financial condition. There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future actions by the Government (for example, as a result of new variants of the virus such as Omicron), which makes it very difficult for us to predict with certainty the impact that COVID-19 will have on our business, financial condition, results of operations (including collections in particular) and cash flows in the future. Further, one or more states where we have operations may impose additional regional or local lockdowns in the event of a further outbreak of the COVID-19 pandemic. Our Business Continuity Plan enabled us to perform key obligations such as repayment to lenders, payment of salaries to employees and payment of administrative expenses. The COVID-19 pandemic has affected and may continue to affect our business, financial condition, results of operations and cash flows in a number of ways such as:

- the Business Continuity Plans of our Material Subsidiaries, namely, CIFCPL, NFPL and NGIL were implemented upon the Government's announcement of lockdown restrictions;
- it caused a decline in general economic and business activity, including loss of jobs and livelihood, depletion of savings, increase of household debt, reduced cash flows and liquidity, uncertainty and conservative market sentiments, which resulted in a decrease in disbursals of our loan products, an increase in restructuring of loans and a decrease in collection efficiency; for example, with the onset of the second wave of COVID-19 during the first quarter of Financial Year 2022, our disbursals decreased by 61.90% for our personal loans business and by 76.91% for our microfinance loans business for the first

quarter of the Financial Year 2022 from the fourth quarter of the Financial Year 2021; in addition, during the first two quarters of the Financial Year 2022, 21,704 loan accounts amounting to ₹470.18 million representing 2.60% of our total assets under management as of December 31, 2021 relating to our microfinance loans business and 41 loan accounts amounting to ₹2.32 million representing 0.02% of our total assets under management as on December 31, 2021 relating to our personal loans business were granted restructuring under the Resolution Framework 2.0;

- our customer base comprises of primarily retail borrowers who may default on their repayment obligations as a result of challenges with job security or other factors;
- it led to a closure of our corporate office for 41 days from March 25, 2020 to May 31, 2020 during the first COVID-19 wave in India and for 43 days from April 4, 2021 to June 15, 2021 during the second COVID-19 wave in India, and we moved to a work-from-home model for those months; following such closures, we resumed operations at our corporate office in a staggered manner by September 2020 and August 2021, respectively, in compliance with the lockdown restrictions and central and state government guidelines; inherent challenges to productivity, connectivity and oversight due to an increase in number of individuals working from home; further imposition of such orders as a result of the resurgence of COVID-19;
- the RBI, pursuant to its circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 announced certain regulatory measures, including, among others, measures to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and to ensure the continuity of viable businesses; in furtherance of these circulars and in line with our Board approved policy, we granted a five-month moratorium to all customers who were less than or equal to 90 days-past-due ("**DPD**") as of March 31, 2020, in respect of instalments falling due between April 1, 2020 and August 31, 2020; the RBI also clarified that for all standard accounts as on February 29, 2020, moratorium period will be excluded from DPD calculation for the purpose of asset classification under the Income Recognition and Asset Classification norms; the moratorium was granted by us to eligible loans in line with RBI's defined criteria with a principal outstanding as of March 31, 2020 of ₹251.11 million for our personal and home loans and ₹8,409.36 million for our microfinance loans;
- our ability to service our debt obligations and comply with the covenants in our financing facilities and other agreements could result in events of default and the acceleration of indebtedness, which could adversely affect our results of operations and financial condition and our ability to make additional borrowings;
- our inability to access debt and equity capital on acceptable terms, or at all, and a further disruption and instability in the global financial markets or deterioration in credit and financing conditions or downgrade of our or India's credit rating may affect our access to financing and other sources of financing necessary to fund our operations or address maturing liabilities on a timely basis;
- increased vulnerability to information-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals working from home;
- potential negative impact on the health and safety of our personnel, particularly because a number of them were and could in the future be afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity during this disruption; and
- our Statutory Auditors have included an emphasis of matter in their examination report on the Restated Financial Statements for the nine months ended December 31, 2021 and the Financial Years ended March 31, 2021 and March 31, 2020 in this regard.

For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, our trade receivables were ₹5.96 million, ₹17.37 million and ₹0.63 million, respectively. Despite the

COVID-19 pandemic, our total income (excluding other income) has grown to ₹7,791.05 million in the Financial Year 2021 from ₹169.52 million in the Financial Year 2019, representing a CAGR of 425.56%. For the nine months ended December 31, 2021 and the Financial Years 2021, 2020 and 2019, our revenue from contracts with customers were ₹965.75 million, ₹1,366.63 million, ₹559.48 million and ₹125.70 million, respectively.

The full extent to which the COVID-19 pandemic, including its mutations, or any future pandemic or widespread public health emergency impacts our business, financial condition and results of operations will depend on numerous evolving factors that we may not be able to accurately predict or estimate, including the spread, severity and duration of the pandemic; economic and social impact of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for our products, and customers' ability to repay the principal amount or interest; disruptions or restrictions on our employees' ability to work, travel and/or fulfil their obligations to us; volatility in foreign exchange rates, interest rates and availability of adequate liquidity in the financial system; and disruptions to our ability to establish and implement business development plans. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely impact our business, financial condition, results of operations and cash flows. Further, COVID-19 may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section. For further details on the impact of COVID-19 on our results of operations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 418.

14. ***We are subject to laws and regulations governing the lending, insurance, asset management and financial services industry in India and changes in laws and regulations governing us could adversely affect our business, financial condition, results of operations and cash flows.***

The laws and regulations governing the lending, insurance, asset management and financial services industry in India have become increasingly complex and are continuously evolving. The requirement to comply with increasing regulations may continue to adversely affect our business and the industries in which we operate in general.

In relation to our lending business, as an NBFC/ NBFC-MFI, our Subsidiaries i.e., NFPL and CIFCPL are subject to regulations by government authorities, including the RBI. For example, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure provisioning and other master directions. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

In relation to our health insurance business, the laws and regulations governing the general insurance industry in India have over a period, come to govern a wide variety of issues, including foreign investment, solvency requirements, investments, money laundering, privacy, record keeping, marketing and selling practices. Our insurance operations are under active supervision of the Insurance Regulatory and Development Authority ("**IRDAI**") and other regulatory and statutory authorities of India. Any change in the policies by the IRDAI, including in relation to investment or provisioning or rural and social sector obligations or norms, may result in our inability to meet such increased or changed requirements as well as require us to increase our coverage to relatively riskier segments. The Insurance Act and the regulations issued by the IRDAI contain a number of provisions which regulate our operating flexibility and investors' shareholding or rights. For details, see "*Key Regulations and Policies*" on page 223.Future changes in laws and regulations and failure or the apparent failure to address any regulatory changes or supervisory action could have an adverse effect on our business and our future financial performance, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions or increase our litigation risks.

The IRDAI may also issue directions or advice to us from time to time, which may require certain expenses to be charged to the shareholders fund, with respect to non-compliance under the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016 ("**IRDAI Expenses of Management Regulations**") and Insurance Regulatory and Development Authority of India (Remuneration of Chief Executive Officer / Whole-time Director/ Managing Director of Insurers) Guidelines, 2016. For example, (i) where an insurance company has violated the limits of expenses of management for one or more segments but is compliant on an overall basis, the excess over the limit in that segment and; (ii) remuneration to executive directors must be to the extent above ₹15.0 million per annum.

In relation to our asset management business, we are regulated by SEBI through a variety of regulations, guidelines, circulars and notifications issued from time to time as applicable for mutual funds. For instance, the SEBI Mutual Fund Regulations govern a wide range of issues in connection with a mutual fund, including the constitution and management of a mutual fund. SEBI has also recently introduced changes to the gross exposure limits, investment pattern, procedure for changes in control of an AMC, process and procedure to be followed for change in the sponsors. We are subject to regular scrutiny and supervision by SEBI, such as periodic inspections. SEBI has the power to inspect our books from time to time to ensure that we are in compliance with regulations, based on which SEBI may take such action as it may deem fit, including under the SEBI Act, SEBI Mutual Fund Regulations, and other regulations issued by SEBI, which includes fines and sanctions and, in certain circumstances, could also lead to revocation of our license to function as an asset management company.

In the regular course of our business, we have received various queries, clarifications and observations from the RBI, IRDAI, SEBI and other statutory or regulatory authorities. For example, in the past, Navi General Insurance Limited ("**NGIL**") has received a showcause notice from IRDAI for alleged violation of Section 32 D of the Insurance Act, 1938 on account of not meeting the minimum obligatory requirement in respect of its third-party motor insurance business. For further details, see "*Outstanding Litigation and Material Developments*" on page 469. While this obligation was subsequently met by NGIL, we cannot assure you that NGIL will be able to meet the minimum obligatory requirement in respect of its third-party motor insurance business on an ongoing basis and that it will not receive such notices in the future. Failure to address or satisfactorily address these queries and clarifications in a timely manner or at all may result in us being subject to statutory and/or regulatory actions. Further, responding to these regulatory actions, regardless of their seriousness or ultimate outcome, requires a significant investment of resources and management's time and effort. Moreover, our provisions, defences, grounds or interpretations against regulatory actions may be inadequate. Given the uncertainties and complexity of many of these regulatory actions, their outcome generally cannot be predicted with any reasonable degree of certainty and may have adverse effects on our operations.

Further, NFPL qualified as a 'high value debt listed entity' as per the thresholds set out under the SEBI Listing Regulations in November, 2021. As a 'high value debt listed entity', Chapter IV of the SEBI Listing Regulations will be applicable to NFPL six months from the date of it being categorised as such, on a 'comply or explain' basis until March 31, 2023 and thereafter on a mandatory basis. Accordingly, the required compliance with Chapter IV of the SEBI Listing Regulations may cause additional compliance and legal costs for NFPL and any non-compliance in relation to this may attract penalties, which may affect our financials adversely. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to redesign our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance. For details, see "*Key Regulations and Policies*" beginning on page 223.

Further, as of December 31, 2021, we employed 4,680 employees (on a consolidated basis), and we are required to comply with various statutory requirements in relation to payment of gratuity, minimum wages, employee state insurance and provident fund payments to such employees. Changes in the compensation requirements for our employees may increase our costs or otherwise negatively affect our business, results of operations, financial condition and cash flows.

Our ability to function in the lending, insurance, asset management and financial services industry will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes. Any change to the existing legal or regulatory framework may require us to allocate additional resources to our business, which may increase our regulatory compliance costs and direct management attention, and consequently affect our business, financial condition, results of operations and cash flows. To the extent that we enter new geographies or new product markets, the complexity of our regulatory environment will increase, potentially increasing the cost of compliance and the risk of noncompliance. Further, if the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. If we fail to comply with these requirements, or are interpreted by the regulators as not having complied with these requirements, we may be subject to penalties and compounding proceedings. For further information on laws and regulations applicable to us, see "*Key Regulations and Policies*" on page 223.

15. We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.

We operate in a highly competitive industry. Given the diversity of our businesses, and the range of products and services that we offer, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, asset management companies, insurance companies, captive finance affiliates of players in various industries, SFBs, MFIs, HFCs and other NBFCs. Competition across our business lines depends on, among other things, the ongoing evolution of government policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

In particular, margins from our personal loans, home loans and microfinance businesses are affected in part by our ability to continue to secure low-cost financing, and charge optimum interest rates at which we lend to our customers. As a result, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the rates of financing on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. Many of our competitors have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide, thus affecting our ability to compete with them effectively. In addition to NBFCs, we believe that the competition we face from banks is increasing as more banks are targeting products and services similar to ours.

For our health insurance business, we face significant competition from other insurers in the insurance markets in India (established insurers and new entrants to the market). The targeting of the markets in which we operate, by insurers with greater financial resources, better brand recognition, greater pricing flexibility or risk tolerance than us could adversely affect our ability to obtain new, or retain existing, customers, which would negatively affect our market share and results of operations. If we are unable or are perceived to be unable to compete effectively in our core insurance markets or products, our competitive position may be adversely affected. In particular, competitive pressures may, among other things, compel us to reduce prices, which may adversely affect our operating margins and, where there is no commensurate reduction in expenses, may adversely affect our net profit, or reduce our market share.

For our asset management business, the mutual fund industry is rapidly evolving and intensely competitive and we expect competition to continue and intensify in the future. Low barriers to entry have also resulted in a large number of smaller participants entering the market. It is possible that there may in the future be consolidation in the market, amongst the smaller market participants, between such smaller participants and the larger participants, or amongst the larger participants. Any such consolidation may create stronger competitors in the market overall, or leave us at a competitive disadvantage. Increased competition may result either in a decrease in AUM market share, or force us to reduce our management fees so as to preserve such market share, either of which would decrease our revenue from operations.

For our microfinance business, we face competition from traditional commercial banks, SFBs as well as regional and cooperative banks which may continue to increase their participation in microfinance, such as by financing the loan programs of self-help groups often in partnership with non-governmental organisations, or through certain state-sponsored social programs. Further, some commercial banks are also beginning to directly compete with for-profit MFIs, including through the business correspondent operating model, for lower income segment customers in certain geographies. In addition, as competition amongst microfinance players increases, customers may take more than one loan from different microfinance players, which may adversely affect their ability to repay and thus, our asset quality or the asset quality of the industry as a whole. Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. We cannot assure you that we will be able to react effectively to market developments or compete effectively with new and existing players in the industries in which we operate. Increasing competition may adversely affect our net interest margins, income and market share.

16. *Our inability to maintain our capital adequacy ratio at our Subsidiaries NFPL and CIFCPL could adversely affect our business.*

The Master Directions currently require NBFCs to comply with a capital to risk (weighted) assets ratio, or CRAR, consisting of Tier I and Tier II capital. Under these requirements, Tier I and Tier II capital should not be less than 15% of the sum of the NBFC's risk-weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, as applicable. In addition, our Tier I capital, at any point in time, shall not be less than 10%. For details, see "*Key Regulations and Policies*" on page 223.

For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, the capital adequacy ratio of NFPL was 32.14%, 38.04% and 20.80%, respectively. For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, the capital adequacy ratio of CIFCPL was 20.04%, 26.39% and 38.21%, respectively. We cannot assure you that we will be able to raise adequate capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business. Further, the RBI may also in the future require compliance with other prudential norms and standards, which may require us to alter our business and accounting practices or take other actions that could adversely affect our business and operating results.

17. ***Non-compliance with RBI and IRDAI inspections, or other regulatory compliance requirements by our Material Subsidiaries i.e., CIFCPL, NFPL and NGIL, may have an adverse effect on our business, financial condition or results of operation. Any adverse observations from such regulators could have an adverse effect on our business, financial condition, results of operation and cash flows.***

Our Material Subsidiaries CIFCPL and NFPL are subject to periodic inspections by the RBI under the Banking Regulation Act and the RBI Act, pursuant to which the RBI issues observations, directions and monitorable action plans, on issues related to various operational risks and regulatory non-compliances. Further, our Material Subsidiary, NGIL, is under active supervision of the IRDAI and other regulatory and/or statutory authorities of India.

In its previous inspection report, RBI has made certain observations regarding the business and operations of CIFCPL in relation to, but not limited to: (i) not framing the requisite fraud risk management policy; (ii) certain instances of delay in detection and reporting of frauds; (iii) deficiencies in information technology systems and controls; (iv) non-satisfaction of the requisite committee composition requirements for audit and nomination and remuneration committee; (v) certain instances of failure in ensuring compliance of qualifying asset criteria, adequacy of provisions in respect of insurance receivables and deficiencies in calculation of capital adequacy; and (vi) certain observations in relation to the asset quality of CIFCPL.

Similarly, in previous inspection report, RBI has made certain observations regarding the business and operations of NFPL, in relation to, but not limited to: (i) lack of an outsourcing framework and procedures to evaluate the risk and materiality for existing and prospective arrangements; (ii) deficiencies in information technology systems; (iii) certain deficiencies in AML and KYC framework; (iv) deficiencies in the fair practice code; (v) absence of internal supervisory assessment process for facilitating due diligence on directors, nomination and remuneration committees and certain other committees for determination of fit and proper criteria; (vi) committee composition requirements for risk management committee; and (vii) absence of requisite systems of stress testing for liquidity stress scenarios.

Pursuant to the past RBI inspections and these observations, CIFCPL and NFPL have responded to the RBI with corrective actions, including, review of audit of internal accounts, review of AML and KYC frameworks, introduction of system based controls and integration of information technology systems to rectify any deficiencies. While CIFCPL and NFPL have respectively responded to such observations in the past, we cannot assure you that the RBI will not make similar or other observations in the future in respect of the business and operations of CIFCPL and NFPL.

In addition to the above, our Material Subsidiary, NGIL, is regulated by the IRDAI and as part of its routine processes, the IRDAI conducts detailed examinations of the actuarial practices, reinsurance treaties, books, records, accounts and operations, and status of compliance with applicable insurance laws and regulations, for NGIL. In the regular course of its business, NGIL has been receiving various queries, clarifications and observations from IRDAI and other statutory or regulatory authorities. For example, IRDAI has shared a showcause notice dated December 6, 2021 with NGIL for not meeting the minimum obligatory requirement in respect of third-party motor insurance business.

Further, IRDAI has conducted routine inspections of NGIL, in relation to its business and operations and made certain observations pertaining to non-compliances in relation to, but not limited to: (i) violation of regulations vis-à-vis policies solicited by point of salesperson; (ii) absence of third-party cover details in the stand-alone own damage policy; (iii) non-alignment of expense allocation with the policy approved by the board of directors; (iv) non-demonstration of arm's length pricing in case of policies issued to related parties; and (v) delay in resolution of certain customer complaints; and (vi) failure to designate a grievance officer at one of the branches of NGIL. While NGIL has responded to such observations in the past, we cannot assure you that the IRDAI will not make similar or other observations in the future in respect of the business and operations of NGIL.

In addition to the observations issued during routine inspections, the IRDAI may also issue directions or advice to us from time to time under the regulations governing general insurance companies in India.

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

18. We have expanded into new lines of business and if we are unable to successfully run the new businesses profitably, our results of operations and financial condition may be affected.

As part of our growth strategy, we aim to expand our product portfolio by launching adjacent lending and insurance products to capture a larger portion of the wallet share of our customers. We have limited experience in some of the recently launched products and business verticals. There can be no assurance that we will be able to continue to successfully implement our strategy.

With respect to our lending businesses, if we grow our total credit exposure too rapidly or fail to make proper assessments of credit risks associated with new customers, a higher percentage of our loans may become non-performing, which would have an adverse effect on the overall quality of our assets and, consequently, our financial condition.

In the past, we have grown inorganically pursuant to the acquisition of existing companies and businesses, including those forming part of business conglomerates. For instance, our Subsidiaries NFPL, NGIL, CIFCPL, NAMCL, MTPL, Navi Trustee and ACBPL have all been acquired by our Company. Out of these, NGIL, Navi Trustee and NAMCL were part of business conglomerates, and CIFCPL had also been operating under a different management. Further, these Subsidiaries were incorporated and were operational prior to the incorporation of our Company. For further details, see "*Our Subsidiaries*" on page 243. While the acquisition of each of these Subsidiaries was undertaken following a detailed review and due diligence process, we cannot assure you on the manner in which each such Subsidiary was conducting its business and operations prior to the date of acquisition by our Company, or that there are no past instances of non-compliances involving such Subsidiaries or the business groups/ conglomerates that such Subsidiaries formed a part of, which may result in any regulatory or legal action against such Subsidiaries or us. Further, in the event that any such action results in an adverse impact on our business, financial condition or results of operations, we cannot assure you that we will be able to successfully take any action or make indemnity claims against the relevant counterparties involved in the acquisition of each of these Subsidiaries.

19. We depend on the services of our management team and employees. Our inability to retain existing members of our management team and recruit new members for our management team may adversely affect our business.

Our future success depends substantially on the continued service and performance of members of our management team and employees and also upon our ability to manage key issues relating to human resources by hiring, retaining and developing key managerial personnel. In particular, we believe that the inputs of our senior management, including our Promoter, are valuable for the growth and development of our business and operations and the strategic directions taken by our Company. Competition in hiring professionals with the necessary experience, reputation and relationships in our industry is intense and we may not be successful in recruiting and retaining the required personnel that perform our critical functions. There can be no assurance that we will not experience any disruptions to our operations due to disputes or other problems with our employees, which may adversely affect our business and results of operations. As of December 31, 2021, we employed 4,680 employees (on a consolidated basis), including 2,362 relationship officers for our microfinance business. During the nine months ended December 31, 2021 and the Financial Year 2021, we had an overall employee attrition rate of 37.96%* and 61.91%, respectively. During the nine months ended December 31, 2021 and the Financial Year 2021, our attrition rate for all employees (excluding relationship officers for our microfinance business) was 7.46%* and 17.20%, respectively.

**Not annualised*

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

High attrition rates could also have significant impacts on our business continuity. For example, in our microfinance business. Failure to effectively train and motivate our relationship officers may result in an increase in attrition rates thus affecting our microfinance loan origination and collection rates, increasing our exposure to high-risk credit and imposing significant costs on us.

20. ***We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information not detected by our information systems could adversely affect our business and financial performance.***

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

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

In addition, we are subject to the risk of fraudulent activity both on the Navi App, as well as in the claims process for our insurance business. Our resources, technologies and fraud detection tools may be insufficient to accurately detect and prevent fraud. Significant increases in fraudulent activity could negatively impact our reputation and may render it necessary to take additional steps to reduce fraud risk, which could increase our costs and expenses.

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

In our retail health insurance business, we face the risk of fraudulent individuals attempting to make/ artificially increasing the quantum of, claims under our policies by using forged documentation or in collusion with medical professionals.

In the past, our Subsidiary CIFCPL has been subject to fraudulent activities, including arising out of misappropriation and criminal breach of trust, fraudulent encashment through fictitious accounts and conversion of property, robbery and theft. As of December 31, 2021, the outstanding cases of employee frauds of CIFCPL amounted to ₹19.36 million.

We also cannot assure you that such incidents of fraud will not recur, and any such recurrences could have an adverse effect on our business, financial condition, results of operations and reputation.

We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Moreover, the availability of accurate and comprehensive credit information on retail customers in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets. While we are implementing measures aimed at minimising the inaccuracy and incompleteness of information provided by or on behalf of our customers, intermediaries and counterparties, we may not be able to minimise such inaccuracies and incompleteness, which could lead us to evaluate risks incorrectly or lead to regulatory action and have an adverse effect on our business, financial condition, results of operations and prospects, and result in a violation of laws, including anti-money laundering laws.

21. ***Any failure or significant weakness of our internal controls system could cause operational errors or incidents of fraud, which would adversely affect our profitability and reputation.***

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

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. Failures or errors in our internal controls systems may lead to transaction errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition. For further details, please see section "*Outstanding Litigation and Material Developments*" on page 469.

22. ***We utilise the services of certain third parties for parts of our operations. We have also entered into certain indemnity obligations in relation to agreements with some of our Subsidiaries. Any deficiency or interruption in the third parties' services and invocation of indemnity obligations could adversely affect our business and reputation.***

We engage third-party service providers for certain parts of our operations including, *inter alia*, (a) third-party administrators to process insurance claims that are admissible under our health insurance policies, (b) third-party collection and recovery agents, (c) for contractual staffing, managing and facilitating recruitment requirements, (d) to avail financial technology related services, and (e) marketing. Our agreements with such third parties typically do not provide for any exclusivity, and accordingly, they can work with other companies, including our competitors. In the event any of these third parties were to terminate their contractual relationships with us or fail to provide the agreed services to us for any reason, our business, results of operations and cash flows may be disrupted and we may be held liable legally or suffer reputational damage on account of any deficiency of services on the part of such service providers. In addition, our mutual funds are sold through third-party aggregator platforms and broker channels.

If our third-party service providers are subject to data breaches which have the effect of any leaks in customer or operational data, mismanagement of the customer interface, or failure to operate or comply with applicable regulations or governance standards, our mutual funds business could suffer reputational harm and may be subjected to regulatory actions. Also see, " - *Our business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows*" on page 37.

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

While the agreements that we enter into with such third-party service providers typically impose indemnity obligations on the service providers in relation to any instances of customer data breaches, any such breach may have an adverse impact on our reputation as it could pertain to our customers or our products. Further, we cannot assure you that we will be able to make indemnity claims against such third-party service providers successfully, or that we will be able to find suitable replacements in a timely manner, or at all, or at the same costs. Our inability to do so may have an adverse impact on our financial condition and results of operations.

Some of our vendors do not work on the basis of agreements, purchase orders or work orders, and accordingly, we are limited in our ability to negotiate terms of engagement which are favourable to us, or which are not detrimental to us. Our Material Subsidiary, CIFCPL, is dependent on certain third-party banking correspondents and other vendors for several functions which are critical to its business, such as cash collection points. Any termination or disruption of these third-party arrangements may have an adverse impact on the ability of CIFCPL to continue its business in the manner as presently undertaken. Further, total liability of third-party service providers, except in case of, *inter alia*, fraud and gross negligence is typically limited to the fees paid to them over a particular period. If such liability is also not covered under the insurance policies obtained by us, we will not have any recourse and will incur losses in case a third-party service provider defaults. In certain cases, third-party vendors also do not guarantee the provision of uninterrupted, timely or error free services, and accordingly, we cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party service providers. Any disruption or inefficiency in the services provided by our third-party service providers could affect our business and reputation.

Further, we have entered into master services and service outsourcing agreements with NFPL, NGIL and NAMCL. Our results of operations are dependent on uninterrupted and quality services being provided to the Subsidiaries pursuant to such master services and service outsourcing agreements. In addition, under such agreements, we have indemnity obligations in relation to any data breaches or data security incidents which are directly attributable to our Company. We cannot assure you that such indemnity obligations will not be invoked in the future and any disruption or inefficiency in the services provided to our Subsidiaries may have an adverse effect on our business, results of operations and financial condition.

23. ***Our Company and certain of our Subsidiaries have significant inter-dependence on each other for their business and revenues, and any impact on such inter-dependence could reduce our revenues and adversely affect our business, results of operations, financial condition, and cash flows.***

We have derived and we believe that in the foreseeable future we will continue to derive, a significant portion of our revenues from our Subsidiaries, NFPL, NGIL and NAMCL pursuant to outsourcing agreements entered into with such Subsidiaries. The services and solutions that we provide to our Subsidiaries, and the revenues generated from those services, may decline or vary as per their varying needs. Our business is largely dependent on the demand for our services from customers in the industries in which such Subsidiaries operate. Further, the outsourcing agreements of our Company are only with certain of our Subsidiaries, and we do not have any other external customers. A number of factors could cause the loss of or reduction in business or revenues from such Subsidiaries, and these factors are not predictable. For example, such Subsidiaries may decide to reduce spending on technology services or sourcing from us due to a challenging economic environment or other factors, both internal and external, or relating to their business. Further, factors which are not in our or our Subsidiaries' control may also impact our business adversely. These factors, among others, may include Subsidiaries pursuing a corporate restructuring, facing pricing pressure, changing outsourcing strategy, switching to other providers or moving such work in-house. The loss of business from any of our Subsidiaries, or a significant decrease in the volume of services we provide or the price at which we sell our services to them could adversely affect our business, results of operations, financial condition, and cash flows.

At the same time, our Subsidiaries depend significantly on the technological capabilities of our Company for their products and services, and in the event that our Company is unable to provide our Subsidiaries with the quality or extent of services as per the current levels, or is unable to scale its technological capabilities in tune with the growth of the business of our Subsidiaries for any internal or external reasons, it may adversely impact the business and results of operations of our Subsidiaries, and consequently, our financial condition at a consolidated level. Further, in the event that our Company is unable to provide services to its Subsidiaries at the current levels, or at all, we cannot assure you that our Subsidiaries will be able to replace our Company with other service providers within the requisite timelines or on terms which are commercially favourable to our Subsidiaries, which may have an impact on our business, financial condition and results of operations.

24. ***There is outstanding litigation pending against us, our Promoter, Directors and our Subsidiaries which, if determined adversely, could affect our business, results of operations and financial condition.***

In the ordinary course of business, we, our Promoter, our Directors, and our Subsidiaries are involved in certain legal proceedings, at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if decided against us, could adversely affect our reputation, business, results of operations and financial condition. We cannot assure you that the currently outstanding legal proceedings will be decided favourably or that no further liability will arise from these claims in the future. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally.

For details, see "*Outstanding Litigation and Material Developments*" on page 469. Brief details of material outstanding litigation that have been initiated by and against us, our Promoter, our Directors and Subsidiaries is set forth below:

(in ₹ million, unless otherwise specified)

Nature of cases	Number of cases	Total amount involved^
Litigation involving our Company		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	Nil	Nil
Tax proceedings	1	1.60
Litigation involving our Directors		
Criminal cases	1	-
Material civil cases	3	Not quantifiable
Action taken by statutory and regulatory authorities	2	Not quantifiable
Tax proceedings	3	3.71
Other non-material proceedings	7	Not quantifiable
Litigation involving our Promoter		
Criminal cases	1	-
Material civil cases	3	Not quantifiable
Action taken by statutory and regulatory authorities	1	Not quantifiable
Tax proceedings	1	-
Other non-material proceedings	7	Not quantifiable
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Material civil litigation proceedings	1	10.62
Other civil litigation proceedings	601	444.80
Criminal cases	Nil	-
Action taken by statutory and regulatory authorities	1	Not quantifiable
Tax proceedings	20	75.55
By our Subsidiaries		
Material civil cases	1	Nil
Criminal cases	286	24.50

^ *To the extent ascertainable and quantifiable*

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

25. ***We require certain statutory and regulatory approvals for conducting our business. Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows.***

We operate in a heavily regulated industry and are required to obtain and maintain a number of approvals and licenses from governmental and regulatory authorities, including SEBI, RBI and IRDAI. For an overview of the applicable regulations and the nature of key approvals and licenses to be obtained, see "*Key Regulations and Policies*" on page 223.

Some of these approvals are granted for a limited duration and are subject to numerous conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. There is no assurance that the approvals and licenses that we require will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would render our operations non-compliant with applicable laws, and may subject us to penalties by relevant authorities. While we have obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending in the ordinary course of business. For details of Government and other approvals, see "*Government and Other Approvals – Material Approvals in relation to us and Material Subsidiaries*" on page 475.

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

We, our directors, executive officers and employees may also face criminal charges. Furthermore, any investigation or legal and regulatory proceedings in connection with alleged violations could result in the imposition of further financial or other obligations or restrictions on us and generate negative publicity for our business. Changes to existing public policies, laws, regulations, guidelines and licensing requirements could also impose additional compliance costs that may adversely affect our profitability and business. We cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses.

As we expand our business under the evolving regulatory landscape, there may be additional approvals or licenses that are or become required for our operations. If we fail to obtain or renew any applicable approvals, accreditations, licenses, registrations or consents in a timely manner, or at all, we may not be able to perform certain activities that may be necessary for our Company, which may affect our business, cash flows or results of operations.

26. ***Our non-convertible debentures are listed on the BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our non-convertible debentures are listed on the debt segment of BSE. We are required to comply with various applicable rules and regulations, including the applicable SEBI regulations and applicable provisions of the Listing Regulations, in terms of our listed nonconvertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows. For details of such listed non-convertible debentures, see "*Financial Indebtedness – Non-convertible debentures issued by our Subsidiaries*" on page 465.

27. ***Any non-compliance with mandatory Anti-Money Laundering and Know Your Customer policies could expose us to additional liability and harm our business and reputation.***

In accordance with the requirements applicable to us, we are mandated to comply with AML, anti-terrorism laws, KYC and other regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. In the ordinary course of our operations, we run the following risks: (i) risk of failing to comply with the prescribed KYC procedures; (ii) the consequent risk of fraud and money laundering by fraudulent customers; and (iii) risk of assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and systems in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation by other parties. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation. For further details, see "*Key Regulations and Policies*" on page 223.

28. ***We derive a significant portion of our revenue from certain business lines, and any decrease in demand for such business lines could reduce our revenues and adversely affect our business, financial condition and results of operations.***

For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, our revenue derived from our lending business (personal, housing and other loans) was ₹3,162.88 million, ₹3,335.78 million and ₹379.67 million, representing 43.97%, 42.77% and 18.34% of our total income, respectively. For the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, our revenue derived from our microfinance business was ₹2,339.11 million, ₹2,315.24 million and ₹863.91 million, representing 32.52%, 29.68% and 41.73% of our total income, respectively. Accordingly, any downturn in the performance of either of these business lines may result in an adverse change in our business, financial condition, results of operations and cash flows.

29. ***Changes in the tenor of our loan products could result in asset liability mismatches and expose us to interest rate and liquidity risks, which may adversely affect our business, financial condition, results of operations and cash flows.***

Assets and liabilities mismatches, which represent a situation when the financial terms of assets and liabilities do not match, are a key financial parameter. We face liquidity risk due to varying periods over which our assets and liabilities mature. We borrow through different instruments of different tenures and rely on short to medium term instruments such as commercial papers, non-convertible debentures, etc. While we aim to diversify our funding sources, and we pay careful attention to the maturity of liabilities while creating financial assets, extending the duration of our financial liabilities as needed, the maturity of our loan assets may not match the maturity of our liabilities. Consequently, our inability to raise further credit facilities or renew our existing facilities in a timely and cost effective manner or at all, may lead to mismatches in our assets and liabilities. Further, mismatches between our assets and liabilities are compounded in case the assets are restructured and we need to give customers longer tenor loans. Such mismatches could adversely affect our business, financial condition, results of operations and cash flows. For details of asset liability management maturity pattern, see "*Restated Financial Statements* " on page 274.

30. *There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company and Subsidiaries in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.*

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

For instance, there have been the following instances of delays and non-compliances in relation to secretarial/ regulatory filings:

a. Our Company has had certain inadvertent delays in relation to secretarial filings in the past, such as delay in filing of (a) Form MGT-14 in relation to the EGM held on January 4, 2019 for approval of amendment to the objects clause of our Memorandum of Association, for which we have paid additional fee as penalty (b) two Form CHG-1s, for which we have paid additional fee as penalty, and (c) Form MGT-7 for the Financial Year ended March 31, 2020, for which we have paid additional fee as penalty.

b. Our Subsidiary, NFPL, has filed a compounding application on November 28, 2016 with the RBI for compounding of contravention under Foreign Exchange Management Act, 1999 for (a) delay in reporting receipt of inward remittances towards subscription of equity, and (b) delay in submission of Form FC-GPRs to the RBI. NFPL received the compounding order dated March 31, 2017 and has subsequently made the requisite payment to RBI pursuant to the compounding order. Further, NFPL has filed a *suo moto* compounding of violation under Section 177 of the Companies Act in Form CG-1 with the central government for not filing the requisite special resolution dated July 11, 2014 for approving issue of shares for consideration other than cash by swap of shares and the related Form MGT-14 within the prescribed time limit. NFPL received the order for condonation of delay dated October 7, 2016 and has subsequently filed form INC-28 and the MGT-14 with additional fees. Further, NFPL, has had certain inadvertent delays in relation to secretarial filings in the past, such as delay in filing of Form AOC-5, for which NFPL has paid additional fee as penalty.

c. Our Subsidiary, CIFCPL, has filed a suo moto application dated December 3, 2021 under Section 454 of the Companies Act for contravention of Section 161 of the Companies Act, where such matter is currently pending. For details, see "*Outstanding Litigation and Material Developments*" on page 469.

d. Our Subsidiary, NAMCL, has had certain inadvertent delays in relation to secretarial filings in the past, such as delay in filing of Form MGT-14s, Form AOC-4, Form PAS-6, Form DIR-12 and Form GNL-2.

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

31. Our inability to recover the full value of collateral or amounts outstanding under defaulted loans under our home loans business, in a timely manner, or at all, could adversely affect our business, results of operations and financial condition.

Under our home loans business, we extend (i) home loans for ready to move-in, under-construction and self-constructed properties, and (ii) loans against property for constructed properties, where the collateral is the underlying residential real estate. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including due to adverse market conditions prevalent in the real estate sector. As a result, if our customers default, we may not be able to fully recover the outstanding loan balance by liquidating the collateral under the relevant financing facility, and, in turn, incur losses, even where we are able successfully repossess and liquidate the collateral.

Following the introduction of the SARFAESI Act in 2002, we may now foreclose on collateral after 60 days' notice to a borrower whose loan has been classified as non-performing. However, the actual time taken for full foreclosure generally ranges between 90 to 180 days. Further, in a case before the Supreme Court of India in 2004, while the constitutional validity of the SARFAESI Act was affirmed, the right of a defaulting borrower to appeal to the Debt Recovery Tribunal ("**DRT**") was also affirmed. The DRT has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, we cannot assure you that any foreclosure proceedings would not be stayed by the DRT. In addition, we may be unable to realise the full value of our collateral, as a result of factors including delays in foreclosure proceedings. Further, in case insolvency proceedings are initiated under the Insolvency and Bankruptcy Code, 2016 against one of our borrower, we may not have complete control over the recovery of amounts due to us.

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

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

32. ***We may face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.***

In our microfinance business, we extend credit to low-income women in rural and semi-urban areas across India, where, infrastructure may be limited, particularly for transportation, electricity and internet bandwidth. As of December 31, 2021, we had 411 branches spread across 118 districts in 10 states in India for our microfinance business. At some of the branch offices of our Subsidiary, CIFCPL, in remote markets, we may face difficulties in conducting operations, such as arranging centre meetings in the villages, accessing power facilities, and implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we grow our distribution network in rural and semi urban markets, which could adversely affect our profitability.

33. ***Differences between our actual claim payments and those assumptions and estimates used in the pricing of our general insurance products could have an adverse effect on our business, financial condition, results of operations and prospects.***

We price our products based on our estimates of probability of loss and various costs and the judgment of our management. Our results of operations depend significantly upon the extent to which actual claims are consistent with the assumptions and estimates used in pricing our products. Such assumptions include many factors, such as frequency and severity of past claims, inflation, expenses, commissions, IBNR and profit margin. Due to the nature of underlying risks and the uncertainties associated with the determination of liabilities for future policy claims, the amount which we will ultimately pay to settle our liabilities may differ from estimated amount, which could have an adverse effect on our business, financial condition, results of operations and prospects.

Further, in recent years, we have launched various new products. The pricing strategy varies from product to product. Generally, the implicit risk relativity in erstwhile tariff tables provides the initial bases for the final premium charged for all exposures. The final rate is a combination of the exposure's loss experience and the erstwhile tariff for all business lines except for third-party motor insurance whereby the rates follow the prevailing tariff. We have purchased catastrophic reinsurance based upon our risk retention policy. In addition, we use a modelling technique to simulate various disaster scenarios, periodically stress test our exposure, and aim to keep our exposure well diversified across geographies and product lines. However, the models we use to value our expected claim payments themselves could be incorrect. As we increase the number and complexity of products we offer, the likelihood of an inaccuracy in our models may also increase.

Although we have adopted risk-based pricing across various product lines and have a risk retention framework to contain concentration risk, if our actual claim payments experience is significantly worse than our assumptions used in the pricing of our products, it could have an adverse effect on our business, financial condition, results of operations and prospects.

34. ***Our loss reserves for our general insurance business are based on estimates as to future claims liabilities and if they prove inadequate, it could lead to further reserve additions and adversely affect our results of operations.***

We are required to establish a liability in our accounts for the unpaid portion of ultimate costs (including loss adjustment expenses) of claims that have been IBNR and IBNER as at the end of each reporting period. Prevailing regulations do not permit these reserves to be discounted. These reserves are required to be certified by an appointed actuary. A significant proportion of these reserves are for third-party motor insurance claims, which tend to involve longer periods of time for the reporting and settlement of claims. Given that settlement times are often longer than the period for which data is available with the insurers, particularly the private sector insurers, significant assumptions are involved in estimating these reserves. Further, since third-party motor claims are adjudicated in courts, a change in law or a change in the basis of adjudication of a claim can result in prior assumptions being rendered invalid and increase the inherent risk and uncertainty associated with claim reserves. As per the current accounting practices, IBNR/IBNER reserves are not discounted and are accounted based on expected claim payment for future periods as well.

There are several possible methods for the determination of this ultimate cost. The method most appropriate in a particular case will depend on the nature of the business and the claims development pattern. The provisions for IBNR and IBNER are calculated separately for each year of occurrence and are aggregated to arrive at the total amount to be provided, by line of business. Our methodology is consistent with regulatory guidelines, which do not permit discounting of reserves or negative provisions for any particular year of occurrence.

The process of establishing the liability for unpaid losses and loss adjustment expenses is complex, as it takes into consideration many variables that are subject to the outcome of future events. Reserves do not represent an exact calculation of liability. Reserves represent estimates, generally involving actuarial projections at a given time, of what we expect the ultimate settlement of claims will cost. Estimates are based on assessments of known facts and circumstances, assumptions related to the ultimate cost to settle such claims, estimates of future trends in claims severity and frequency, changing judicial pronouncements, and other factors. These variables are affected by both internal and external events, including changes in claims handling procedures, economic inflation, unpredictability of court decisions, risks inherent in major litigation and legislative changes. Many of these items may not be directly quantifiable particularly on a prospective basis. As a result, informed subjective estimates and judgments about our ultimate exposure to losses are an integral component of our loss reserving process. Significant reporting lags may exist between the occurrence of an insured event and the time it is actually reported.

Our technical reserves (Claims Outstanding, Reserve for Unexpired Risk and Premium deficiency) for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020 were ₹3,118.30 million, ₹3,003.69 million and ₹1,709.38 million, respectively. Due to the inherent uncertainty in estimating reserves for losses and loss adjustment expenses, we are unable to guarantee that the ultimate liability will not exceed amounts reserved. Although we use proprietary and commercially available actuarial models, as well as historical loss development patterns, to assist in the establishment of appropriate claim reserves, if our estimated reserves turn out to be inadequate, it could have an adverse effect on our financial condition and results of operations.

Our various businesses are well established in terms of product construct, underwriting and claim settlement practices. Hence, the historical data is found to be representative in estimating future losses with appropriate adjustments where necessary. As an exception to this, our third-party motor insurance business, given the lack of any year which has run-off completely, has to make significant future extrapolation of losses to estimate ultimate losses. A significant proportion of our reserves are for third-party motor insurance liability, which tend to involve longer periods of time for the reporting and settlement of claims. This may increase the inherent risk and uncertainty associated with our loss reserve estimates.

One of the significant factors involved in estimating future claims liability is the effect of inflation on claims. The anticipated effect of inflation is implicitly considered when estimating liabilities for unpaid losses and loss adjustment expenses. Estimates of the ultimate value of all unpaid losses are based in part on the development of average paid losses, which reflects inflation. Inflation is also reflected in the case estimates established on reported open claims, which, when combined with paid losses, form another basis for the derivation of estimates of reserves for all unpaid losses. We also consider specific factors that may impact losses, such as changing trends in medical costs, minimum wages and other economic indicators, and changes in legislation and social attitudes that may affect the decision to file a claim or the magnitude of court awards. There is no precise method for subsequently evaluating the adequacy of the consideration given to inflation, since claim settlements are affected by many factors.

As a result of all the above, our loss reserves may not be adequate to meet our future claim liabilities, which could require us to make provisions for additional reserves and adversely affect our financial condition and results of operations.

35. ***The actuarial valuations in respect of IBNR and IBNER are not required to be audited and if such valuation is incorrect, it could have an adverse effect on our financial condition.***

The actuarial valuation presented in our financial statements and elsewhere of liabilities that are IBNR and IBNER are performed by our appointed actuary. In India, the appointed actuary of an insurance company certifies such valuation and that in his/her opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. Our auditors rely upon our appointed actuary's certificate and do not review or audit such valuation independently, which practice might differ from other jurisdictions. If the assumptions and/or models used to conduct such an actuarial valuation are incorrect, or if there is an error in a calculation, it could have an adverse effect on our financial condition, given that there is no independent assurance on the actuarial liabilities through an audit process. In the past five fiscal years, no materially incorrect actuarial valuations with outstanding liabilities have been found. However, we cannot assure you that there will be no instances of incorrect actuarial valuations in the future.

We continually monitor the actual claims pay-out for all our products and adjust our reserves accordingly on a quarterly basis. If we have to increase our reserves, our profits could be adversely affected impacting our financial condition and results of operations in the period in which we make the determination, and this may lead to an increase in our pricing of certain products, which could have an adverse effect on our business, financial condition and results of operations.

36. ***There are certain risks related to our health insurance offering that could have an adverse effect on our business, financial condition, results of operations and prospects.***

For the nine months ended December 31, 2021 and the Financial Year 2021, we derived 28.20% and 19.73%, respectively, of our gross direct premium income from health insurance products. We face certain risks in connection with our health insurance offering, including:

- losses due to imperfect pricing or inadequate underwriting;
- losses due to misrepresentations of pre-existing conditions by customers;
- losses due to fraud by customers and other third parties; or
- additional payments that we may have to make due to our inability to meet certain service level guarantees provided by us.

In India, under the Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016, as amended, health insurance policies shall ordinarily be renewable except on grounds of fraud, moral hazard or misrepresentation or non-cooperation by the insured, provided the policy is not withdrawn. Additionally, the regulations provide for the manner in which the waiting period with respect to pre-existing diseases and time bound exclusions shall be taken into account. Any inadequacy in pricing arising out of an abnormal number of chronic health issues requiring long-term care, and limitations on our ability to cancel health insurance policies or modify pricing, even in cases where the continued provision of such policies results in significant losses to us, as well as any of the foregoing risks, could result in an adverse effect on our business, financial condition, results of operations and cash flows.

37. ***As an insurance provider, we are required to meet certain solvency ratio requirements.***

Under the Insurance Act, every insurer is required to maintain (at all times) an excess of value of assets over the amount of liabilities of, not less than 50% of the amount of minimum capital as prescribed therein. IRDAI further specifies a level of solvency margin on the breach of which IRDAI may take action as prescribed therein (including requiring such insurer to submit a financial plan to IRDAI, indicating a plan of action to correct the deficiency within a specified period not exceeding six months). The solvency ratio specified by IRDAI is a factor of 1.50 times. As of December 31, 2021, March 31, 2021 and March 31, 2020, our solvency margin (excluding funds beyond solvency margin) was 2.15 times, 2.12 times and 3.35 times, respectively. If our share capital and profit do not continue to support the growth of our business in the future, or if the statutorily required solvency margin increases, or if our financial condition, including quality of assets or results of operations deteriorate, or for other reasons we cannot comply with the statutory solvency ratio requirements, we may need to raise additional capital in order to meet such requirements.

The solvency regime that applies to us is different from those of other countries. Therefore, our solvency ratio might not be comparable to that of insurance companies in other countries with which an investor in the Equity Shares might be familiar. Our capital requirement is determined through the framework prescribed in the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 (the "**ALSM Regulation**"). As per the Insurance Laws (Amendment) Act 2015, insurance companies licensed to operate in India are required to maintain a solvency margin at all times. The solvency margin is determined by dividing available solvency margin by required solvency margin.

38. ***The IRDAI requires us to underwrite policies in respect of certain rural and social sectors of the population, which may affect our profitability.***

Under the Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors), Regulations, 2015, we have an obligation to underwrite business in rural and social sectors as follows:

- between 2% to 7% of our total gross direct premium income for each Financial Year must be from the rural sector; and
- the total number of "human lives" underwritten in each Financial Year in the social sector, measured as a percentage of total business procured in the preceding Financial Year, must be between 0.50% to 5%.

"Rural sector" means the places or areas classified as "rural" based on the latest available population census by the Government. "Social sector" includes the unorganised sector, the informal sector, economically vulnerable or backward classes and other categories of persons, in both rural and urban areas.

If the IRDAI increase the relevant required participation from the current levels mentioned above, we may have to satisfy our rural and social sector obligations by underwriting risks which we would not otherwise underwrite, including at relatively low premium rates, in geographies which may have concentration risks and through products we would otherwise reduce our exposure to, potentially increasing our risk exposure and reducing our profitability. Failure to meet the obligation to underwrite business in rural and social sectors may also result in adverse regulatory action by the IRDAI, including imposition of penalties, which could have an adverse effect on our financial condition and results of operations.

39. ***Our expenses for our insurance business may be higher than permitted which could have an adverse effect on our business, financial condition and results of our operations.***

The pricing of our insurance products is based on expenses and expected to be incurred for the business. The assumptions for estimating expenses includes policy issuance cost, infrastructure related costs, employee costs, commission costs, policy maintenance cost and other support costs. Expenses may be higher than expected due to specific events and changes in macroeconomic conditions including inflation, changes in regulations, competition dynamics, erroneous assumptions, human error and other factors. In addition, if actual inflation is significantly higher that our assumptions, it could result in higher-than-expected expenses. If actual incurred expenses exceed those assumed in our pricing, it may have an adverse effect on our business, financial condition and results of operations. We may also be unable to control or maintain our costs due to low productivity or increased competition. Any of these could cause higher than expected expenses and could have an adverse effect on our business, financial condition and results of operations.

The Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016 ("**IRDAI Expenses of Management Regulations**") sets out the allowable limit for expenses of management on an overall basis and segment-wise basis. For instance, under these regulations, an insurer carrying on general insurance business or health insurance business in India is not permitted to spend in any Financial Year as expenses of management, an amount exceeding (i) the amount of commission or other remuneration paid to insurance agents and insurance intermediaries in respect of their business transacted in the Financial Year as may be allowed by IRDAI from time to time (subject to exceptions); (ii) commission and expenses reimbursed on reinsurance inward; and (iii) operating expenses.

The sum of (i), (ii) and (iii) above shall not exceed an amount computed on the basis of percentages appropriate to the various parts of its total gross premium written in India during the year in respect of various segments of business (ranging from 22.5% to 37.5% of Gross Written Premium) as specified in Schedule-I of the IRDAI Expenses of Management Regulations.

As the IRDAI Expenses of Management Regulations limits what portion of our fixed expenses can be passed on to customers, we are required to incur the balance of such expenses ourselves. As a portion of our expenses are fixed, they will not vary in accordance with future sales. Therefore, if future sales are lower than expected, our expenses may not fall proportionally, or at all. This could adversely affect business, financial condition and results of our operations. Any violation of the limits on overall basis may lead to either or a combination of (i) excess charged to shareholders' account; (ii) restriction on performance incentive to the chief executive officer and key management persons; (iii) restriction on opening of new places of business; (iv) graded penal action under the Insurance Act; (v) removal of managerial personnel and / or appointment of an administrator; and (vi) any other action as specified in the Insurance Act.

Currently, our insurance business is exempted from the IRDAI Expenses of Management Regulations until the Financial Year 2023. After the Financial Year 2023, our insurance business is required to present to IRDAI, our business plan and time period required for compliance with the IRDAI Expenses of Management Regulations in accordance with the applicable provisions of the Insurance Act. If such balance of fixed expenses increase and do not fall proportionally with sales from the Financial Year 2023, this could have an adverse effect on our business, financial condition and results of operations.

40. ***Our revenue and profit for our asset management business are dependent on the value of the AUM of the mutual funds managed by us and any adverse change in our AUM may result in a decline in our revenue and profit.***

The revenues from our asset management business depend on the management fees charged by us for the mutual funds we manage. Any decrease in the AUM of our mutual funds will cause a decline in our fees which will negatively impact our revenue from operations and, consequently, our net profit. The AUM may decline or fluctuate for various reasons, many of which are outside our control.

Under our asset management business, we primarily focus on passive equity mutual funds to retail investors. Such equity investments are concentrated in Indian equity markets. As such, declines in Indian equity markets would cause the AUM we manage to decline directly as the value of the securities declines, and indirectly as securities investment becomes less attractive for investors resulting in redemptions. The equity markets in India have been and may continue to be volatile, including as a result of the COVID-19 pandemic and the current international geopolitical tensions. Any such volatility will contribute to fluctuations in the AUM we manage. Further, the occurrence of events that have an adverse effect on any particular industry, asset class, country or geographic region may affect the investment portfolio of our mutual funds to the extent that such portfolio is concentrated in such affected category.

In addition, in response to market conditions, inconsistent or poor investment performance, the pursuit of other investment opportunities (including similar opportunities provided by competitors) or other factors, investors may reduce their investments in mutual funds or the market segments in which related investments are concentrated. Such reductions may lead to a decrease in our AUM. In a declining market, withdrawals or redemptions may accelerate rapidly, potentially more quickly than we can sell assets to meet such redemptions. This could also cause us to temporarily suspend redemptions or borrow money to meet redemption requirements. Some mutual funds do not have an exit load, meaning investors can redeem/withdraw/exit these funds at any time without any additional exit charges. Although we have diversified our mutual funds into diversified equity oriented funds, index fund, hybrid funds and debt fund, investors may choose not to reinvest with us after making redemptions and seek alternative forms of savings or investment avenues.

Further, our ability to deliver strong investment performance depends largely on our ability to identify appropriate investment opportunities. If we are not able to identify favourable investment opportunities in a timely manner, or at all, our investment performance and consequently our results of operations may be adversely affected. If we do not have sufficient investment opportunities for new funds, we may limit the growth of such funds by reducing the rate at which they receive new investments or delay or cancel the proposed launch of new funds. Further, any delay in the deployment of investor funds beyond any relevant commitment period may lead to investors withdrawing funds. Our inability to continue to grow our AUM, maintain our overall growth levels while enhancing our customer's product portfolio, or discontinue some of our investment products, may adversely affect our market position and profitability. If we are unable to identify sufficient investment opportunities for such funds, our investment performance may decline and we may have to change the investment objectives of affected funds. Further, our investment style and strategy may fall out of favour for various reasons including underperformance and competition which could lead to a decline in assets we manage. Any inability to promptly re-calibrate or formulate new strategies for investments will adversely affect the growth of our AUM and have an adverse impact on our revenue and profit.

41. ***Underperformance of investment products in respect of which we provide asset management services could lead to a loss of investors, reduction in AUM and adversely affect our results of operations and reputation.***

The investments held by the mutual funds for which we provide asset management services may be illiquid or volatile which may result in losses, and may not outperform either their relevant benchmarks or similar investment products provided by our competitors. Many other investments, particularly investments in equity, are subject to potential capital losses. Other than our investment strategies, the performance of such investment products will depend on a number of factors, the majority of which are outside our control and include market, economic and other conditions. Such underperformance may have an adverse effect on our business, including:

- existing investors may withdraw funds in favour of better performing products offered by our competitors, which would reduce the AUM of the mutual funds we manage, resulting in reduced revenue from management fees;
- our ability to attract funds from new investors or incremental funds from existing investors may diminish; and
- negative absolute investment performance will directly reduce the value of AUM of the mutual funds we manage, resulting in reduced revenue from management fees.

In addition, we may periodically review our investment management fees, or limit total expenses, on certain products or services to, manage costs, to help retain or increase managed assets, or for other reasons. If our revenue declines without a commensurate reduction in our expenses, our profit after tax will decline.

Further, under our asset management business, we have recently launched our first overseas fund, Navi US Total Stock Market Fund, which invests in Vanguard Total Stock Market ETF, benchmarked to CRFS US Total Market Index. This mutual fund product has not been tested historically in India and we are unable to guarantee that it will not face any issue such as acceptance in the Indian market and regulatory oversight.

42. ***Reductions of the expense limits prescribed under applicable SEBI regulations may impact the profitability of our asset management business and cause us to decrease marketing and other efforts on behalf of the funds.***

Pursuant to the SEBI Mutual Fund Regulations, all mutual fund scheme expenses (other than those specifically mentioned in the SEBI Mutual Funds Regulations, which are required to be fully borne by the asset management company, trustee or the sponsors) must be borne by the scheme itself rather than the asset management company.

SEBI also prescribes the upper limits with respect to the total expense ratio (which excludes the issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but includes the investment management and advisory fee) for (a) funds of funds, (b) index fund scheme or exchange traded fund (c) open ended schemes and (d) close ended and interval schemes.

From time to time, these total expense ratio ("**TER**") limits may be reviewed and revised. For example, with effect from April 1, 2019, TERs for open-ended equity-oriented schemes were reduced from a range (depending on AUM) of 2.5% to 1.75% to the current range of 2.25% to 1.05%. There is a possibility that TER limits may be reduced further in the future. Any failure to manage costs for our schemes is likely to reduce the amount of management fees we are able to charge such schemes in compliance with the prescribed TER limits. Further reductions in prescribed TER limits may reduce our revenues and profits and may cause us to decrease our general marketing efforts on behalf of our funds during a new fund offer, which could adversely affect our AUM and overall demand for the asset management services we offer. Advertisement, marketing and publicity expenses for our asset management business was ₹67.00 million for the nine months ended December 31, 2021 and comprised of New Fund Offer expenses and expenses on creating awareness regarding various products like index funds.

43. ***The mutual fund industry in India may be adversely affected by changes in the present regulatory regime.***

Prior to the Finance Act, 2020, under the Indian income tax regime, income received by investors in respect of units held in a mutual fund was exempt from income tax, though certain mutual funds were required to pay certain additional income tax on the income distributed to their unitholders. However, the Finance Act, 2020 has amended the Income Tax Act to provide that income distributed by mutual funds after March 31, 2020 is subject to tax in the hands of the investor as per the applicable rate. Additionally, mutual funds are currently required to withhold tax at the rate of 10% on such income distributed to domestic investors, and with respect to such income distributed to non-resident investors, mutual funds are required to withhold tax at the applicable tax rates in force (which may vary depending on the relent facts and circumstances), which tax would be required to be withheld at rates in force, where such income is distributed to non-resident investors.

Further, any gains in excess of ₹100,000 in a Financial Year made by domestic investors upon redeeming their investment in equity-oriented mutual funds, as defined in the Income Tax Act, are taxable at the rate of 10% (plus applicable surcharge and cess (i.e. additional taxes for specified purposes)), provided the investment is made for a period of more than 12 months. In the event such investment is redeemed prior to or on completion of the duration of 12 months, capital gains tax at the rate of 15% (plus applicable surcharge and cess) is charged. These beneficial rates are available subject to payment of securities transaction tax ("**STT**"). Investors in equity-oriented funds have to pay STT at the rate of 0.001% on the sale of units back to the mutual fund.

Further, changes in tax laws, regulations, interpretations of such laws or regulations or failure to comply with procedures laid down under such laws and regulations may have an adverse effect on our business, financial condition and operations. If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of those transactions. Further, the mutual fund industry is subject to other conditionalities as may be prescribed by the regulators from time to time. For instance, in January 2022, the SEBI and the Association of Mutual Funds in India ("**AMFI**") advised Indian mutual funds with overseas exposure to temporarily stop fresh overseas investments so as to not breach the overall cap of USD 7 billion prescribed by the RBI in 2016 on overseas investments by Indian mutual funds registered with SEBI. Similarly, there is an overall cap of USD 1 billion on Indian mutual funds investing in overseas exchange traded funds. In the event that these limits are not increased by the RBI, it may have an impact on the mutual fund industry, including our Subsidiary, NAMCL, specifically on the ability to launch new fund offerings with overseas exposures. We cannot predict whether any tax laws or regulations impacting mutual fund products will be enacted, or the nature and impact of the specific terms of any such laws or regulations would have an adverse effect on our business, financial condition and operations. Thus, any change or uncertainty regarding the present tax regime may adversely affect our business as it may draw mutual fund investors away from investing in mutual funds and towards other saving instruments.

44. ***The microfinance industry in India faces unique risks due to the category of customers that it services, which are generally not associated with other forms of lending.***

Our focus customer segment for our microfinance business is low-income families in rural and semi-urban areas across India with an annual household income of up to ₹0.13 million and ₹0.20 million, respectively. Our customers generally have limited sources of income, savings and credit histories. In addition, although we are generally able to obtain credit reports from credit bureaus on our customers, to the extent that there is limited financial information available for our focus customer segment and customers do not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures or other related documents, it may be difficult to carry out credit risk analyses on them. As a result, such customers may pose a higher risk of default than customers with greater financial resources and more established credit histories and customers living in urban areas with better access to education, employment opportunities and social services.

Collections for our microfinance business are primarily in cash, exposing us to certain operational risks. Such cash collections expose us to the risk of theft, fraud, misappropriation or unauthorised transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. While we have taken insurance policies, including coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorised transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections. Although we have introduced collection points at banks and with third-party fintech vendors, key safety lockers, accompanying personnel such as senior loan officer and assistant branch manager for physical transportation of cash and conducted period audits, we may be unable to avoid all operational risks. This may adversely affect our business, results of operations and cash flows.

In addition, political and social risks, such as the negative publicity surrounding the growth and profitability of the microfinance industry, public criticism of the microfinance industry, or religious beliefs and convictions regarding the extension of credit and repayment of interest may deter our customers from fulfilling their obligations to us. In addition, the microfinance sector may be susceptible to election cycles. For example, political pressure by incumbents to write off loans or the announcements of debt-waiver schemes by state governments ahead of general elections may result in an accretion of NPAs across the microfinance industry. Due to the precarious circumstances of our customers and our non-traditional lending practices, we may, in the future, experience increased levels of NPAs and related provisions and write-offs that may adversely affect our business, financial condition and results of operations. We cannot assure you that our monitoring and risk management procedures will effectively predict and/or prevent such losses or that loan loss reserves will be sufficient to cover actual losses.

45. Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations, financial condition and cash flows.

We maintain insurance coverage for our operations in normal course. As of December 31, 2021, the aggregate coverage of the insurance policies obtained by us was ₹995.39 million, which constituted 241.36% of our Property, Plant and Equipment and Cash in Hand assets. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. For further details on our insurance arrangements, see "*Our Business – Insurance*" on page 191.

46. *Our Statutory Auditor has included an emphasis of matter paragraph in their report on our Restated Financial Statements for the Financial Years 2021 and 2020 and for the nine months ended December 31, 2021.*

Our Statutory Auditor has included emphasis of matters in their report on our financial statements for the Financial Years 2021 and 2020 and for the nine months ended December 31, 2021, which describes uncertainties relating to the effects of the COVID-19 pandemic on us and our Subsidiaries' operations and the impact on the impairment provision recognized towards the loan assets and unquoted investments. For further details see "*Restated Financial Statements*" on page 465. We cannot assure you that our Statutory Auditor's observations for any future financial period will not contain similar remarks, emphasis of matters or other matters including any matters required to be reported under Companies (Auditors Report) Order 2016, and that such matters will not otherwise affect our results of operations.

47. *Our inability to protect or use our intellectual property rights may adversely affect our business.*

Our name and trademarks are significant to our business and operations. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Our Company has 36 registered trademarks under the Trademarks Act, 1999 including registrations for the trademark 'NAVI', which is the trademark for our primary business operations, under classes 9, 36 and 42. Additionally, our Company has "Navi" registered under class 36 from European Union Intellectual Property Office, "Navi" under Rule 18(1) of the protocol relating to the Madrid Agreement concerning the International Registration of Marks from the International Bureau of the World Intellectual Property Organization, "Navi" registered under class 36 in accordance with the Trade Marks Act 1994 of Great Britain and Northern Ireland and "Navi" mark registered under Rule 18(1) of the protocol relating to the Madrid Agreement concerning the International Registration of Marks from the Intellectual Property Office of the Philippines. Additionally, one of our Material Subsidiaries, NGIL, has 16 registered trademarks under the Trademarks Act, 1999 which is the trademark for insurance consultancy and services under class 36. For details see, "*Government and Other Approvals*" on page 475.

It is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. We may not be able to prevent infringement of such trademarks and a passing off action may not provide sufficient protection until such time the applicable registrations are granted. Further, our trademark applications may fail to result in trademarks being issued in a timely manner or at all. We may also be susceptible to claims from third parties asserting infringement and other related claims. In the past, we have filed two notices of opposition to applications for registration of trademarks before the Registrar of Trade Marks, Trade Marks Registry, Delhi for potential infringement of our 'Navi' trademark. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, and may subject us to significant liabilities. Any of the foregoing could have an adverse effect on our business, results of operations and financial condition.

48. *Any unsecured loans taken by us may be recalled at any time.*

As of December 31, 2021, we had availed unsecured loans from banks amounting to ₹199.57 million. Existing unsecured loans from banks or any unsecured loans availed in the future, including working capital loans, may be recalled at any time at the option of the lender on the occurrence of an event in terms of the relevant lender agreements. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, if such unsecured loans are recalled at any time, it may adversely affect our financial condition and results of operations.

49. ***We may be subject to labour disputes which could adversely affect our business, financial condition, results of operations and cash flows.***

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

50. ***Our business is subject to seasonal variations that could result in fluctuations in our results of operations.***

Our business is seasonal in nature. Generally, the period from October to March is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. Our revenues are generally higher during the second half of each Financial Year as compared to first half of the Financial Year. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season would adversely affect our results of operations and growth. During these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced. This seasonality can also be expected to cause quarterly fluctuations in our revenue, profit margins and earnings.

In addition, the insurance sector is subject to seasonal fluctuations in results of operations and cash flow. As a result of these factors, we may be subject to seasonal fluctuations and volatility in growth in premiums, results of operations and cash flows between financial periods of reporting. Our investment income is also subject to fluctuations as we time the sales of our investments on the basis of market opportunities.

As such, our operating results have fluctuated and are expected to continue to vary from period to period, and may not be indicative of our annual financial results.

51. ***All of our offices and other key properties, including our Registered Office and Corporate Office, are located in leased premises.***

As of December 31, 2021, all of our offices (including our Registered Office and Corporate Office) and branches, and other key properties to our business are located on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition, results of operations and cash flows.

52. ***We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialise.***

The following table sets forth our contingent liabilities as per Ind AS 37 and our capital commitments as per Ind AS 16, as of December 31, 2021:

Contingent liabilities	As of December 31, 2021

	(₹ in millions)
Demands	
Income tax demands where we have filed appeal before various authorities	69.60
GST demands where we have filed submission to Assistant Commissioner (State Tax-Karnataka)	3.06

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialise, our financial condition and results of operation may be adversely affected. For further details on our contingent liabilities, see also "*Restated Financial Statements*" on page 274, and Note 68 to our Restated Financial Statements.

53. ***Certain of our Directors and Key Management Personnel may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in conflict of interest with us.***

Certain of our Directors and Key Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoter is also interested in us to the extent of his shareholding in us and any benefits arising therefrom. We cannot assure you that our Promoter, certain of our Directors and Key Management Personnel will exercise their rights as shareholders to our benefit and best interest.

54. ***We have in the past entered into related-party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.***

We have entered into certain transactions with related parties and are likely to continue to do so in the future. For details on our related-party transactions, see "*Other Financial Information – Related Party Transactions*" on page 417. Although all related-party transactions that we may enter into are subject to approval by our Audit Committee, Board or shareholders, and are at arm's length, as required under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to our interest and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

55. ***The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilisation of the Net Proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds of the Issue for investment into our Subsidiaries, NFPL and NGIL, and general corporate purposes, as described in "*Objects of the Issue*" beginning on page 126. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to fund any other expenditure or any exigencies arising out of changes in our competitive environment, business conditions, economic conditions or other factors beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates and current market conditions, and have not been appraised by any bank or financial institution or other independent agency. It is subject to amendment due to changes in external circumstances, costs, other financial condition or business strategies. Although the deployment of the Net Proceeds is at our discretion, it will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at our discretion. We intend to utilise ₹[●] million from the Net Proceeds for general corporate purposes. For details, see "*Objects of the Issue*" on page 126.

In accordance with Sections 13(8) and 27 of the Companies Act, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining shareholders' approval through a special resolution. In the event of any such circumstances that require us to vary from the disclosed proposed utilisation of the Net Proceeds, we may not be able to obtain shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of any contract referred to in this Draft Red Herring Prospectus, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to a variation from the proposed utilisation of the Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. For further details on exit opportunity to dissenting shareholders, see "*Objects of the Issue – Variation in Objects of the Fresh Issue*" on page 126.

In light of these factors, we may not be able to use any unutilised proceeds of the Issue in variation from the objects of the Issue, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of the Net Proceeds, which may adversely affect our business, financial condition and results of operations. Additionally, various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth.

56. ***Our Promoter will continue to retain control over us after completion of the Issue and any substantial change in our Promoters' shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Following the completion of the Issue, our Promoter will continue to hold a significant percentage of our Equity Share capital. Our Promoter will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After the Issue, our Promoter will continue to exercise significant control or influence over our business and major policy decisions. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter.

As at the date of this Draft Red Herring Prospectus, our Promoter holds 281,725,980 Equity Shares, or 97.77% of our issued, subscribed and paid-up Equity Share capital. Upon completion of the Issue, our Promoter will hold [●]% (subject to finalisation of the Basis of Allotment) of our Equity Share capital. For details of our Equity Shares held by our Promoter, see "*Capital Structure - Notes to the Capital Structure - History of the equity share capital held by our Promoter*" on page 108. Following our listing, the Promoter also seeks to retain his right to nominate Directors on the Board, subject to the receipt of the requisite regulatory authorization and corporate authorizations (including special resolution to be passed by the shareholders in a general meeting post-listing of the Equity Shares pursuant to the Issue, wherein appropriate disclosure in this regard shall be given to the shareholders). For further details in relation to the current and proposed nominee rights of our Promoter, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements – Key terms of shareholders' agreements*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 238 and 522, respectively.

Our Board composition shall at all times remain compliant with the applicable provisions of the Companies Act and the SEBI Listing Regulations, and we believe that the Board nomination rights proposed to be retained by our Promoter subsequent to the listing are not prejudicial to the interests of any Shareholder, including any public Shareholder. However, there can be no assurance that the continuing right of our Promoter to nominate directors on our Board will not be considered as a special right by any of our present or future Shareholders.

57. ***This Draft Red Herring Prospectus contains information from third parties including reports prepared by independent third-party research agencies, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

The industry and market information contained in this Draft Red Herring Prospectus includes information that is derived from the report entitled "Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management" dated March 9, 2022 prepared by an independent third-party research agency, RedSeer Management Consulting Private Limited and the report entitled "Industry Report on Microfinance" dated March 10, 2022 prepared by an independent third-party research agency, CRISIL Limited. The RedSeer Report and CRISIL Report have been commissioned and paid for by us for the purposes of confirming our understanding of our industry exclusively in connection with the Issue. The reports use certain methodologies for market sizing and forecasting, and may include numbers relating to us that differ from those we record internally. While we believe such information to be true, we cannot assure you that such information is complete or reliable. Given the scope and extent of the reports, disclosures herein are limited to certain excerpts and the reports have not been reproduced in their entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ from those included in this Draft Red Herring Prospectus. While these industry sources and publications may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

58. ***We reported a restated consolidated net loss for the nine months ended December 31, 2021 and during the Financial Year 2020 and may incur additional losses in the future.***

We reported a restated consolidated net loss of ₹2,064.27 million and ₹80.71 million for the nine months ended December 31, 2021 and during the Financial Year 2020. We may incur losses after tax in the future. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our cash flows and ability to pay dividends and impair our ability to raise capital and expand our business.

59. *We have had negative net operating cash flows in the past and may continue to have negative cash flows in the future.*

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Nine Months Ended December 31,	For the Financial Year Ended March 31,		
	2021	**2021**	**2020**	**2019**
	(₹ in millions)			
Net cash (used in) operating activities	(23,555.94)	(8,940.46)	(2,724.49)	(15.94)
Net cash generated from/(used in) investing activities	15,275.35	2,257.63	(14,297.34)	(523.73)
Net cash generated from financing activities	9,555.30	8,023.17	17,337.87	539.68

For further details, see "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 274 and 418, respectively.

60. *This Draft Red Herring Prospectus contains certain Non-GAAP measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.*

This Draft Red Herring Prospectus includes certain non-GAAP measures, including EBITDA, Net Worth and Return on Net Worth, which are in a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We consider these non-GAAP measures useful in evaluating our business and financial performances. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. There are no standard methodologies in the industries for computing such measures, and those non-GAAP measures we included in this Draft Red Herring Prospectus may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For details, see "*Other Financial Information*" on page 417.

61. *We are not, and do not intend to become, regulated as an investment company under the U.S. Investment Company Act and related rules.*

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act of 1940, as amended, or the U.S. Investment Company Act. Accordingly, unlike registered investment companies, we will not be subject to the vast majority of the provisions of the U.S. Investment Company Act, including provisions that require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates. None of these protections or restrictions is or will be applicable to us.

If we were to become subject to the U.S. Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the U.S. Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect our operating results and financial performance. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the U.S. Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity, and shareholders in that entity may be entitled to withdraw their investment.

We are relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act to avoid being required to register as an investment company under the U.S. Investment Company Act and related rules. In order to help ensure compliance with the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, we have implemented restrictions on the ownership and transfer of Equity Shares by any persons acquiring our Equity Shares in Issue who are in the United States or who are U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended, or the U.S. Securities Act), which may affect your ability to transfer our Equity Shares. See "*Terms of the Issue – Eligibility and Transfer Restrictions*" on page 490.

62. *There can be no assurance that we will or will not be a PFIC for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors.*

For U.S. federal income tax purposes, we will be a passive foreign investment company ("**PFIC**") for any taxable year in which, after the application of certain look-through rules with respect to our subsidiaries, either (i) at least 75% of our gross income consists of passive income or (ii) at least 50% of the average value of our assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties and certain capital gains. Cash is generally a passive asset. Based on the current and projected composition of our income and assets, and the valuation of our assets, we expect to be a PFIC for the current taxable year and the foreseeable future. However, because PFIC status is determined on an annual basis, our PFIC status for the current taxable year and any future taxable year will depend upon the future composition of our income and assets. There can be no assurance that we will or will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor holds Equity Shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds such Equity Shares, even if we ceased to meet the threshold requirements for PFIC status. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on disposition as ordinary income, (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends and (iii) compliance with certain reporting requirements. We do not intend to provide the information that would enable investors to make a qualified electing fund election that could mitigate the adverse U.S. federal income tax consequences should we be classified as a PFIC. You are urged to consult your tax advisor concerning the U.S. federal income tax consequences of owning and disposing of Equity Shares if we are classified as a PFIC.

EXTERNAL RISKS

Risks Relating to India

63. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

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

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

Consumer confidence, consumer spending, unemployment and overall economic growth rates are among the main factors that often impact the demand for credit. Poor economic conditions and regulatory forbearances or relaxations tend to adversely affect our end-customers' ability and willingness to repay the amounts borrowed, thus increasing delinquencies, charge-offs and provisions for credit losses, and decreasing recoveries. While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition and results of operations.

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

64. Changing laws, rules and regulations and legal uncertainties, including tax laws and regulations, may adversely affect our business and financial performance.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- The Government of India has notified the Finance Act, 2021 ("**Finance Act**") which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or the industry in which we operate. In addition, unfavourable changes in or interpretation of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals.
- In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering enactment of Personal Data Protection Bill, 2019 ("**Data Protection Bill**") for implementing organisational and technical measures in processing personal data, laying down norms for cross-border transfer of personal data and ensuring accountability of entities processing personal data. The enactment of the Data Protection Bill may introduce stricter data protection norms for a company such as us and may impact our processes. On December 16, 2021, the Joint Parliamentary Committee submitted its report to the Indian Parliament after two years of deliberations on the Data Protection Bill. The scope of the Data Protection Bill has undergone an expansion and will now cover both personal and non-personal data. The bill has been renamed from "Personal Data Protection Bill" to "Data Protection Bill (Bill)."
- On September 7, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 were notified, pursuant to which the SEBI Listing Regulations stand amended. The amended SEBI Listing Regulations, amongst other matters, require entities that have listed non-convertible securities to disclose financial results on a quarterly basis (as opposed to a half yearly basis), including assets and liabilities, and cash flows. This will impose additional compliance requirements on companies such as some of our Subsidiaries, which have listed their non-convertible debentures on the debt segments of the stock exchanges.
- On November 12, 2021, the RBI released the Reserve Bank – Integrated Ombudsman Scheme 2021, pursuant to which all erstwhile Ombudsman schemes (banking, non-banking and digital) were merged into one scheme and which also lists deficiency of service as a ground for filing a complaint, pursuant to which customers of non-banking financial companies can raise complaints with the RBI directly. This may result in an increased number of customer complaints across the industry, including for our Subsidiaries which are NBFCs, i.e., NFPL and CIFCPL.

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

65. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

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

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

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

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. The impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, if we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

66. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

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

67. ***If the rate of inflation in India increases, our business and results of operations may be adversely affected.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. In recent years, India has experienced consistently high inflation, which has increased interest rates and increased costs to our business, including finance costs as well as costs of salaries and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit demand and growth. Consequently, we may also be affected and fall short of business growth and profitability.

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

68. ***Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our financial condition.***

Our Restated Financial Statements for and as of the nine months ended December 31, 2021 and the Financial Years 2021, 2020 and 2019 included in this Draft Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP.

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

69. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents is freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 520.

70. ***Our ability to raise foreign debt capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

71. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

The Articles of Association, the composition of our Board and other aspects of our corporate affairs, including the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights, are governed by Indian laws and may differ from companies in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

72. ***Investors may have difficulty in enforcing foreign judgments against us or our management.***

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

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

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

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

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

Risks Relating to the Issue

73. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.*

The Issue Price of our Equity Shares has been determined by us in consultation with the BRLMs and in accordance with the Book Building Process. This price is based on numerous factors, as described under "*Basis for Issue Price*" beginning on page 133 and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may reduce the market price of our Equity Shares, regardless of our performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Issue Price.

74. Our Equity Shares have never been publicly traded, and, after the Issue, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity in such market for our Equity Shares. The Issue Price of our Equity Shares has been determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments;
- claims or proceedings by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;
- additions or departures of Key Management Personnel; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could affect the price of our Equity Shares.

75. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the NSE and BSE. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

76. Future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding. Any sale of Equity Shares by our Promoter or future equity issuances may adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any sale of our Equity Shares by our Promoter or future equity issuances by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

77. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in us would be diluted.

78. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. The rates of capital gain tax depend upon certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, investors may be subject to payment of capital gains tax in

India, in addition to payment of securities transaction tax ("**STT**") which will be levied and collected by an Indian stock exchange on which equity shares are sold.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

79. ***There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the NSE and BSE.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the NSE and BSE, which would adversely affect your ability to sell our Equity Shares.

80. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements and we cannot assure you that we will be able to pay dividends in the future.***

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. In addition, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into, and any dividend payments we make may be subject to the prior consent of certain of our lenders pursuant to the terms of the agreements we have with them. For details, see "*Financial Indebtedness*" beginning on page 465.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realisation of a gain on the Shareholders' investments will depend on the appreciation of the price of our Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

81. ***Requirements of being a listed company may strain our resources.***

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows.

82. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after the Bid/ Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise or withdraw their Bids during the Bid/ Issue Period. While we are required to complete Allotment pursuant to the Issue within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition and results of operations may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or cause the trading price of our Equity Shares to decline on listing. QIBs and Non-Institutional Bidders will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

83. ***U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares.***

The Volcker Rule, generally prohibits certain banking entities from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with covered funds, subject to certain exclusions and exemptions. As we are relying on an analysis that we do not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, we may be considered a "covered fund" for purposes of the Volcker Rule. The following would be considered a "banking entity" subject to the Volcker Rule: (i) any U.S. insured depository institution, (ii) any company that controls an U.S. insured depository institution, (iii) any non-U.S. company that is treated as a bank holding company for purposes of Section 8 of the International Banking Act of 1978 (i.e. a non-

U.S. company that maintains a branch, agency or commercial lending office in the U.S.) and (iv) any affiliate or subsidiary of any of the foregoing under the U.S. Bank Holding Company Act, other than a covered fund that is not itself a banking entity under clauses (i), (ii) or (iii).

There may be limitations on the ability of banking entities to purchase or retain our Equity Shares in the absence of an applicable Volcker Rule exemption. Consequently, depending on market conditions and the banking entity status of potential purchasers of our Equity Shares from time to time, the Volcker Rule restrictions could negatively affect the liquidity and market value of our Equity Shares.

Each investor must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares. Investors are responsible for analysing their own regulatory position and none of us, the Managers or any other person connected with the Issue makes any representation to any prospective investor or holder of our Equity Shares regarding the treatment under the Volcker Rule, or to such investor's investment in us at any time in the future.

SECTION III: INTRODUCTION

THE ISSUE

The following table sets forth details of the Issue:

Issue of Equity Shares[(1)(2)]	Up to [●] Equity Shares, aggregating up to ₹33,500.00 million
The Issue consists of:	
A) QIB Portion[(3)]	Not less than [●] Equity Shares* aggregating up to ₹[●] million
of which:	
Anchor Investor Portion	Up to [●] Equity Shares*
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares*
of which:	
Mutual Fund Portion	[●] Equity Shares*
Balance for all QIBs including Mutual Funds	[●] Equity Shares*
B) Non-Institutional Portion[(4)]	Not more than [●] Equity Shares* aggregating up to ₹[●] million
C) Retail Portion[(4)]	Not more than [●] Equity Shares* aggregating up to ₹[●] million
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	288,138,978 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Issue*" on page 126 for information about the use of the proceeds from the Fresh Issue.

* *Subject to finalisation of the Basis of Allotment.*

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company.*

(2) *The Issue has been authorised by our Board of Directors at their meetings dated March 6, 2022 and by our Shareholders at their meeting dated March 7, 2022.*

(3) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced from the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Funds portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Issue Procedure" on page 503*

(4) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Under subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, the BRLMs and the Designated Stock Exchange. If there remain any balance valid Bids in the Issue, the Allotment for the balance valid Bids will be made towards Fresh Issue. For further details, see "Issue Structure" on page 500.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Issue Procedure – Basis of Allotment*" on page 503.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements. The Restated Financial Statements have been prepared, based on financial statements for the nine months period ended December 31, 2021 and Financial Years 2021, 2020 and 2019. The Restated Financial Statements have been prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations.

The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 418.

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SUMMARY OF RESTATED CONSOLIDATED BALANCE SHEET

(All amount in ₹ Millions, unless otherwise stated)

Particulars			As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I.	ASSETS					
(1) Non-current assets						
	Property, plant and equipment		408.58	172.45	227.88	3.63
	Right of use assets		727.43	686.30	273.44	30.39
	Other intangible assets		1,044.62	1,192.39	1,125.53	0.04
	Intangible assets under development		0.91	0.05	101.92	5.61
	Goodwill on consolidation		1,501.95	1,501.95	1,271.10	-
	Financial assets					
	(i)	Investments	3,717.09	1,315.93	7,792.52	-
	(ii)	Investments of Insurance business: Policyholders	2,576.06	3,175.82	1,496.47	-
	(iii)	Investments of Insurance business: Shareholders	2,109.47	1,909.80	820.43	-
	(iv)	Loans	12,631.37	5,231.75	2,817.48	-
	(v)	Other financial assets	214.91	302.91	112.49	3.51
	Reinsurance assets		701.39	696.99	230.03	-
	Non current tax assets (net)		272.97	107.60	25.56	-
	Other non-current assets		47.36	44.67	23.69	1.61
	Deferred tax assets (net)		994.90	451.00	166.41	-
	Total non-current assets		**26,949.01**	**16,789.61**	**16,484.95**	**44.79**
(2) Current assets						
	Financial assets					
	(i)	Investments	14,877.92	28,146.74	26,006.97	558.03
	(ii)	Investments of insurance business: Policyholders	700.94	607.73	337.12	-
	(iii)	Investments of insurance business: Shareholders	280.23	326.29	651.15	-
	(iv)	Trade receivables	5.96	17.37	0.63	-
	(v)	Cash and cash equivalents	3,347.75	2,073.04	316.05	0.01
	(vi)	Other bank balances	1,649.37	2,745.19	118.36	-
	(vii)	Loans	21,025.04	11,377.01	6,557.81	-
	(viii)	Other financial assets	1,884.19	268.98	99.58	-
	Reinsurance assets		242.12	383.73	262.62	-
	Other current assets		1,605.00	326.97	174.52	3.76
	Total current assets		**45,618.52**	**46,273.05**	**34,524.81**	**561.80**
	TOTAL ASSETS		**72,567.53**	**63,062.66**	**51,009.76**	**606.59**
II.	**EQUITY AND LIABILITIES**					
	Equity					
	Equity share capital		28,813.90	28,813.90	28,749.34	510.00
	Other equity		8,501.55	10,523.07	10,766.89	20.69
	Total equity		**37,315.45**	**39,336.97**	**39,516.23**	**530.69**
(1) Non-current liabilities						
	Financial liabilities					

(All amount in ₹ Millions, unless otherwise stated)

Particulars			As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	(i)	Borrowings	11,754.09	8,845.26	2,369.41	-
	(ii)	Lease liabilities	616.83	581.70	210.14	24.10
	(iii)	Other financial liabilities	-	10.51	-	-
	Insurance contract liabilities		1,936.02	2,600.46	927.20	-
	Provisions		194.83	116.23	87.81	-
	Other non-current liabilities		134.82	129.49	110.78	-
	Deferred tax liabilities (net)		-	-	-	0.54
	Total non-current liabilities		**14,636.59**	**12,283.65**	**3,705.34**	**24.64**
(2) Current liabilities						
	Financial liabilities					
	(i)	Borrowings	14,770.70	8,066.95	5,679.46	31.59
	(ii)	Lease liabilities	201.59	127.01	72.41	6.72
	(iii)	Trade payables				
		- total outstanding dues of micro enterprises and small enterprises; and	1.39	13.03	0.04	0.12
		- total outstanding dues of creditors other than micro enterprises and small enterprises.	294.08	208.98	189.26	3.25
	(iv)	Other financial liabilities	2,710.83	1,171.57	385.78	0.90
	Insurance contract liabilities		2,125.78	1,483.95	1,274.84	-
	Other current liabilities		258.56	233.47	128.90	5.25
	Provisions		173.19	99.64	50.35	-
	Current tax liabilities (net)		79.37	37.44	7.15	3.43
	Total current liabilities		**20,615.49**	**11,442.04**	**7,788.19**	**51.26**
	Total liabilities		**35,252.08**	**23,725.69**	**11,493.53**	**75.90**
	TOTAL EQUITY AND LIABILITIES		**72,567.53**	**63,062.66**	**51,009.76**	**606.59**

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amount in ₹ Millions, unless otherwise stated)

	Particulars	For the nine-months period ended	For the year ended	For the year ended	For the period December 10, 2018 to
		December 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
I.	**Income**				
	Revenue from operations	965.75	1,366.63	559.48	125.70
	Interest income	4,376.33	4,509.53	1,639.33	1.47
	Other income	36.08	9.12	11.54	-
	Net gain/(loss) on fair value changes	1,684.20	1,725.08	(148.76)	42.35
	Net gain on derecognition of financial instruments under amortised cost category	131.43	189.81	8.57	-
	Total income	**7,193.79**	**7,800.17**	**2,070.16**	**169.52**
II.	**Expenses**				
	Employee benefits expense	2,107.42	1,696.74	616.14	58.11
	Finance costs	1,371.05	882.10	370.26	0.87
	Depreciation and amortisation expense	357.32	406.59	89.33	1.69
	Impairment on financial instruments	1,042.74	1,872.44	238.21	-
	Policyholders expense of insurance operations	429.58	668.17	148.52	-
	Other expenses	4,356.17	1,211.52	578.43	65.73
	Total expenses	**9,664.28**	**6,737.56**	**2,040.89**	**126.40**
III.	**Restated (Loss)/Profit before tax**	**(2,470.49)**	**1,062.61**	**29.27**	**43.12**
IV.	**Tax expense**				
	Current tax expense	129.49	641.71	215.14	21.89
	Deferred tax (credit)/expense	(535.71)	(290.98)	(105.16)	0.54
	Total Tax expense	**(406.22)**	**350.73**	**109.98**	**22.43**
V.	**Restated Net (Loss)/Profit for the period/year**	**(2,064.27)**	**711.88**	**(80.71)**	**20.69**
VI.	**Other Comprehensive Income**				
A	Items that will not be reclassified to profit or loss	(3.99)	2.16	(1.83)	-
	Income tax related to items (A)	1.98	0.43	0.32	-
B	Items that will be reclassified to profit or loss	(77.73)	22.76	23.03	-
	Income tax related to items (B)	6.21	(7.08)	-	-
	Restated other comprehensive (loss) / income for the period /year (A+B)	**(73.53)**	**18.27**	**21.52**	**-**
VII.	**Restated Total Comprehensive (loss) / income for the period /year (A+B)**	**(2,137.80)**	**730.15**	**(59.19)**	**20.69**
VIII.	**Restated Earnings per equity share**				
	Basic (₹ per share)	(7.16)	2.47	(2.09)	7.31
	Diluted (₹ per share)	(7.16)	2.45	(2.09)	7.31

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amount in ₹ Millions, unless otherwise stated)

Particulars		For the nine-months period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period December 10, 2018 to March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES					
	Profit / (loss) before tax	**(2,470.49)**	**1,062.61**	**29.27**	**43.12**
	Adjustments for:				
i.	Depreciation and amortisation expense	357.32	406.59	89.33	1.69
ii.	Finance costs	1,370.84	881.81	369.99	0.87
iii.	Interest income on debt securities and deposits	(907.52)	(1,386.64)	(218.20)	(0.15)
iv.	(Gain)/loss on sale of investments	(1,684.20)	(1,725.08)	148.75	(40.05)
v.	Impairment expense	1,042.74	1,872.44	238.20	-
vi.	Other adjustments				
	- Premium received on redemption of debt securities	-	-	(0.89)	-
	- Gain on sale of bills purchased	-	-	(7.51)	-
	- (Gain)/Loss on sale of property, plant and equipment	0.04	5.31	(0.05)	-
	- (Gain)/Loss on derecognition of right of use for sub-leasing	-	(3.51)	-	-
	- Unwinding of discount on security deposits paid	(5.02)	(1.62)	(0.44)	(0.12)
	- Unwinding of discount on security deposits received	0.21	0.29	0.27	-
	- Prepaid rental charges	-	1.69	0.47	0.08
	- Share based payments expense	116.28	58.44	24.11	-
	- Employee incentive plan	31.39	15.57	10.11	-
	- Stamp duty charges on share allotment	-	8.23	39.05	-
	- Change in valuation of liabilities in respect of insurance policies in force	(22.61)	299.21	49.15	-
	- Net gain on derecognition of financial instruments under amortised cost category	(131.43)	(189.81)	(8.57)	-
	- Re-measurement gains/(losses) on defined benefit plans (net of tax)	(2.01)	2.59	(1.51)	-
	- Effective interest rate adjustment for financial instruments	113.73	-	-	-
	- Others	2.76	3.56	0.95	-
	Operating profit before working capital changes	**(2,187.97)**	**1,311.68**	**762.48**	**5.44**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Trade receivables	(3.35)	(12.80)	6.33	-
	Loans	(18,464.34)	(9,042.31)	(3,331.70)	(6.71)
	Other financial assets	(2,138.25)	2,055.85	(58.03)	-
	Other assets	(862.89)	(3,643.52)	54.92	(5.67)

	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	20.36	43.54	(40.65)	3.37
	Other financial liabilities	(174.16)	(160.39)	42.30	0.90
	Other liabilities	94.48	1,053.80	(44.69)	5.32
	Provisions	418.96	170.57	62.65	-
	Cash generated from operations	**(23,297.16)**	**(8,223.58)**	**(2,546.39)**	**2.65**
	Less: Income taxes paid (net of refunds)	(258.78)	(716.88)	(178.10)	(18.59)
	Net cash flow (used in) operating activities (A)	**(23,555.94)**	**(8,940.46)**	**(2,724.49)**	**(15.94)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
i.	Property, plant and equipment				
	- Purchased during the year / period	(323.21)	(59.52)	(35.52)	(3.73)
	- Sold during the year / period	1.28	52.73	2.55	-
ii.	Intangible assets (including intangibles under development)				
	- Purchased during the year / period	(11.73)	(79.01)	(199.38)	(5.65)
	- Sold during the period	-	-	-	-
iii.	Deposits with Bank				
	- redeemed during the year / period	(30.69)	(2,685.20)	294.47	-
	- made during the year / period	1,389.80	40.92	(300.00)	-
iv.	Purchase consideration paid for acquisition of subsidiaries (net of cash and cash equivalents on date of acquisition)	-	(868.34)	(3,497.65)	-
v.	Net proceeds from sale/ (purchase) of investments(net)	12,432.81	4,302.63	(10,859.61)	(554.56)
ix.	Interest income received on investments	966.89	1,243.82	218.20	0.16
x.	Gains/premium realised on sale/redemption of investments	850.20	309.60	79.60	40.05
	Net cash flow generated from / (used in) investing activities (B)	**15,275.35**	**2,257.63**	**(14,297.34)**	**(523.73)**
C. CASH FLOWS FROM FINANCING ACTIVITIES					
i.	Share capital issued				
	- Proceeds from issue of share capital	-	72.85	14,238.13	510.00
	- Share application money received pending allotment	-	(3.59)	21.45	-
ii.	Borrowings from Banks and Financial Institutions				
	- Availed during the year / period	64,826.98	32,950.19	5,633.34	31.59
	- Repayments during the year / period	(67,828.78)	(28,430.04)	(2,197.58)	-
iii.	Unsecured loan from directors				
	- Availed during the year / period	-	-	780.00	9,000.00
	- Repayments during the year / period	-	-	(780.00)	(9,000.00)
iv.	Unsecured loan from others				

	- Availed during the year / period	-	-	55.00	-
	- Repayments during the year / period	-	(70.94)	(21.00)	-
v.	Bank overdraft				
	- Availed during the year / period	-	-	5.36	-
vi.	Debentures				
	- Availed during the year / period	14,549.72	5,229.00	-	-
	- Repayments during the year / period	(557.51)	(802.16)	-	-
iv.	Payment of lease liability				
	- Principal portion	(64.45)	(65.59)	(9.15)	(1.17)
	- Interest portion	(43.61)	(22.88)	(7.43)	(0.58)
v.	Interest expenses incurred				
	- Interest paid on borrowings	(1,326.91)	(833.49)	(380.09)	(0.16)
	- Interest paid on taxes	(0.14)	(0.18)	(0.16)	-
	Net cash flow generated from Financing Activities (C)	**9,555.30**	**8,023.17**	**17,337.87**	**539.68**
	Net increase in cash and cash equivalents (A+B+C)	**1,274.71**	**1,340.34**	**316.04**	**0.01**
	Cash and cash equivalents at the beginning of the year	2,073.04	316.05	0.01	-
	Cash and cash equivalents acquired upon acquisitions	-	416.65	-	-
	Cash and cash equivalents at the end of the year	**3,347.75**	**2,073.04**	**316.05**	**0.01**
	Cash and cash equivalents as per the cash flow statement	**1,274.71**	**1,340.34**	**316.04**	**0.01**

GENERAL INFORMATION

Registered Office

Navi Technologies Limited
3rd floor, Salarpuria Business Center
93, 5th A Block, Koramangala Ind Layout
Bangalore 560 095, Karnataka, India
CIN: U72900KA2018PLC119297

Corporate Office

Navi Technologies Limited
Wing B, 7th Floor, Prestige RMZ Startech
No.139, 2, Hosur Rd, Koramangala Industrial Layout
S.G. Palya, Bangalore 560 095
Karnataka, India

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies, Karnataka at Bangalore
'E' Wing, 2nd Floor, Kendriya Sadana
Kormangala, Bangalore 560 034
Karnataka, India

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises the following:

S. No	Name	Designation	DIN	Address
1.	Sachin Bansal	Chairman, Managing Director, and Chief Executive Officer	02356346	Athens 1, 903 Prestige Acropolis, Next to Forum Mall Koramangala, Bangalore 560 095, Karnataka, India
2.	Ankit Agarwal	Executive Director and CFO	08299808	Flat no A 402, Mantri Classic Apartments, ST Bed Layout, Koramangala 4th Block, Bangalore 560 034, Karnataka, India
3.	Anand Sinha	Non- Executive Director	00682433	Flat No 1103, Boulevard 2, The Address, Opp. R City Mall, Ghatkopar (West), Mumbai 400 086, Maharashtra, India
4.	Usha A Narayanan	Independent Director	06939539	1006, 17th Main, BTM Layout, 1st Stage, Bangalore 560 079, Karnataka, India
5.	Abhijit Sinha Bose	Independent Director	05129763	Villa 14A, Phase 1, Adarsh Palm Meadows, Varthur road, Ramagondanahalli, Bengaluru North, Immedihalli, Bengaluru 560 066, Karnataka, India
6.	Shripad Shrikrishna Nadkarni	Independent Director	00075371	A-2401, Beau Monde, A, Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India

For further details of our Directors, see "*Our Management*" on page 253.

Company Secretary and Compliance Officer

Thomas Joseph is our Company Secretary and Compliance Officer. His contact details are set out below:

Thomas Joseph
Wing B, 7th Floor, Prestige RMZ Startech, No.139
2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya
Bengaluru 560 095, Karnataka, India
Tel: +91 80 4511 3400
E-mail: cs@navi.com

Book Running Lead Managers

Axis Capital Limited
1st Floor, C-2, Axis House
Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: navi.ipo@axiscap.in
Investor grievance e-mail:
complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Harish Patel
SEBI registration no.: INM000012029

BofA Securities India Limited
Ground Floor, "A" Wing
One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6632 8000
E-mail: dg.project_omega_2021@bofa.com
Investor grievance e-mail:
dg.india_merchantbanking@bofa.com
Website: www.ml-india.com
Contact person: Deepa Salvi
SEBI registration no.: INM000011625

Credit Suisse Securities (India) Private Limited
Ceejay House, 9th Floor, Plot F
Shivsagar Estate, Dr. Annie Besant Road
Worli, Mumbai 400018
Maharashtra, India
Tel: +91 22 6777 3885
E-mail: list.naviipo@credit-suisse.com
Investor grievance e-mail: list.igcellmer-bnkg@credit-suisse.com
Website: www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html
Contact person: Abhishek Joshi
SEBI registration no.: INM000011161

Edelweiss Financial Services Limited
6th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: customerservice.mb@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Dhruv Bhavsar
SEBI registration no.: INM0000010650

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: navi.ipo@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com

Website: www.icicisecurities.com
Contact person: Rupesh Khant/ Akhil Mohod
SEBI registration no.: INM000011179

Legal Counsel to our Company as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower
19, Brunton Road, Off M.G Road,
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

IndusLaw
2nd Floor, Block D, The MIRA
Mathura Road, New Delhi 110 065
New Delhi, India
Tel: +91 11 4782 1000

International Legal Counsel to the BRLMs

Sidley Austin LLP
Level 31, Six Battery Road
Singapore 049909
Tel: +65 6230 3900

Statutory Auditors to our Company

Walker Chandiok & Co. LLP
11th Floor, Tower II, One Financial Centre
S B Marg, Prabhadevi, Elphinstone (W)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6626 2699
E-mail: manish.gujral@walkerchandiok.in
Firm registration no.: 001076N/N500013
Peer review certificate no.: 011707

Changes in Auditors

Pursuant to the Board meeting held on December 13, 2018, Varma & Varma, Chartered Accountants, were appointed as the first auditor of our Company till the first AGM of the Company. Pursuant to the AGM held on August 30, 2019, Walker Chandiok & Co. LLP were appointed as the Statutory Auditors of our Company.

S. No.	Auditor	Date of change	Reasons
1.	**Varma & Varma, Chartered Accountants** 424, 4th C Main, 6th Cross, OMBR Layout, Banaswadi, Bengaluru 560 043, Karnataka, India **Tel:** +91 80 4244 4999 **Firm registration no.:** 004532S **Peer review certificate no.:** 011759	December 13, 2018	Appointment as the first auditor of the Company by the Board

S. No.	Auditor	Date of change	Reasons
2.	**Varma & Varma, Chartered Accountants** 424, 4th C Main, 6th Cross, OMBR Layout, Banaswadi, Bengaluru 560 043, Karnataka, India **Tel:** +91 80 4244 4999 **Firm registration no.:** 004532S **Peer review certificate no.:** 011759	August 30, 2019	End of term as the first auditor of our Company at the first AGM
3.	**Walker Chandiok & Co. LLP** 11th Floor, Tower II, One Financial Centre S B Marg, Prabhadevi (W), Mumbai 400 013 Maharashtra, India **Tel:** +91 22 6626 2699 **Firm registration no.:** 001076N/N500013 **Peer review certificate no.:** 011707	August 30, 2019	Appointment as Statutory Auditor

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: navitech.ipo@linkintime.co.in
Investor grievance e-mail: navitech.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Syndicate Members

[●]

Bankers to the Issue

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Issue Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited
Zenith House, 2nd floor, K.K. Road
Dr. Baba Saheb Ambedkar Colony
Mahalaxmi, Mumbai 400 034
Maharashtra, India
Tel: +91 98201 06549, +91 93229 02939
E-mail: shweta.poojary@hdfcbank.com/ sharman.dandekar@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Shweta Poojary/ Sharman Dandekar

ICICI Bank Limited
Ground 1, Commissariat Rd, Ashok Nagar
Bengaluru, Karnataka 560 025
Tel: +91 44 4016 6242
E-mail: ashok.narayanan@icicibank.com
Website: www.icicibank.com
Contact Person: Ashok Narayanan

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor
Building No. 21, Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (East)
Mumbai: 400 097, Maharashtra
Maharashtra, India
Tel: +91 22 6605 6588
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Kushal Patankar

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Issue can be made only through the SCSBs mobile applications whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated from our Statutory Auditors namely Walker Chandiok & Co. LLP, to include their name as an "expert" as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, in relation to the Restated Financial Statements, the examination report dated March 6, 2022 on the Restated Financial Statements and the statement of possible special tax benefits dated March 9, 2022 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated from, Manian and Rao, Chartered Accountants, as the independent chartered accountants to include its name as an "expert" under Section 2(38) of the Companies Act, and other applicable provisions of the Companies Act in its capacity as an independent chartered accountant, in respect of the certificates dated March 10, 2022, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

Trustees

As this is an Issue of Equity Shares, the appointment of trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

S. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	All BRLMs	Axis
2.	Drafting and approval of all statutory advertisement	All BRLMs	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	All BRLMs	Edel
4.	Appointment of Registrar to the Issue, Advertising Agency and Printer to the Issue including co-ordination for their agreements.	All BRLMs	Axis
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	All BRLMs	ICICI Securities
6.	Preparation of road show presentation and frequently asked questions	All BRLMs	Road Show: Credit Suisse FAQs: BofA Securities
7.	International institutional marketing of the Issue, which will cover, *inter alia*: • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	All BRLMs	Joint – BofA Securities & Credit Suisse
8.	Domestic institutional marketing of the Issue, which will cover, *inter alia*:	All BRLMs	Axis

S. No	Activity	Responsibility	Co-ordinator
	• Institutional marketing strategy • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules		
9.	Retail marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers etc. • Finalising collection centers; • Arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material	All BRLMs	ICICI Securities
10.	Non-Institutional marketing of the Issue, which will cover, inter alia: • Finalising media, marketing and public relations strategy; and • Finalising centres for holding conferences for brokers, etc	All BRLMs	Edel
11.	Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	All BRLMs	Credit Suisse
12.	Managing the book and finalisation of pricing in consultation with the Company.	All BRLMs	BofA Securities
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders.	All BRLMs	ICICI Securities

S. No	Activity	Responsibility	Co-ordinator
	Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of final post Issue report to SEBI		

Filing

A copy of this Draft Red Herring Prospectus will be filed electronically on the platform provided by SEBI and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and has also been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act will be filed with the RoC and a copy of the Prospectus will be filed under Section 26 of the Companies Act with the RoC at its office. For details of the address, see "- *Address of the RoC*" on page 98.

Book Building Process

Book Building Process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLMs and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and regional editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding can revise their Bids during the Bid/ Issue Period and withdraw their Bids on or before the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the QIBs (other than Anchor Investors) and Non-Institutional Buyers will be on a proportionate basis while allocation to the Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLMs to manage this Issue and procure Bids for this Issue.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

For further details on the method and procedure for Bidding, see "*Issue Structure*" and "*Issue Procedure*" on pages 500 and 503, respectively.

Bidders should note that the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure*" on page 503.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriter(s) for the Equity Shares proposed to be issued and offered in the Issue. The extent of underwriting obligations and the Bids to be underwritten by each BRLMs shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriter(s) will be several and will be subject to certain conditions specified therein.

The Underwriter(s) have indicated their intention to underwrite the following number of Equity Shares pursuant to the Underwriting Agreement:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Issue, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriter(s)), the resources of the abovementioned Underwriter(s) are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriter(s) may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriter(s) shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data)

S. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Issue Price*
A.	**AUTHORIZED SHARE CAPITAL**[(1)]		
	750,000,000 Equity Shares having face value of ₹100 each	75,000,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	288,138,978 Equity Shares having face value of ₹100 each	28,813,897,800	-
C.	**PRESENT ISSUE**[#]		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 33,500.00 million[(2)]	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares having face value of ₹100 each (assuming full subscription in the Issue)	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	10,745,451,374	
	After the Issue	[●]	

* *To be updated upon finalisation of the Issue Price*

\# *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the MoA" on page 238*

(2) *The Issue has been authorised by our Board of Directors at their meetings dated March 6, 2022 and by our Shareholders at their meeting dated March 7, 2022*

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) ***Equity Share capital***

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
December 10, 2018[&]	100,000	100	100	Cash	Initial subscription to the Memorandum of Association[(1)]	100,000	10,000,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
January 25, 2019	5,000,000	100	100	Cash	Rights issue in the ratio of 50 Equity Shares for every one Equity Shares held in the Company(2)	5,100,000	510,000,000
October 11, 2019	11,538,461	100	130	Cash	Rights Issue (3)	73,445,451	7,344,545,100
	56,806,990	100	130	Other than cash	Rights issue (4)		
March 30, 2020	23,650,051	100	140.50	Cash	Preferential Allotment(5)	287,493,349	28,749,334,900
	190,397,847	100	140.50	Other than cash	Preferential Allotment(6)		
April 20, 2020	627,836	100	140.50	Cash	Preferential Allotment(7)	288,121,185	28,812,118,500
November 27, 2020	17,793	100	140.50	Cash	Private Placement(8)	288,138,978	28,813,897,800
Total	**288,138,978**					**288,138,978**	**28,813,897,800**

& A certificate of incorporation dated December 13, 2018 was issued by the Deputy Registrar of Companies, Central Registration Centre to our Company

(1) *Allotment of 99,010 Equity Shares to our Promoter and 990 Equity Shares to Ankit Agarwal*

(2) *Allotment of 5,000,000 Equity Shares to our Promoter*

(3) *Allotment of 11,538,461 Equity Shares to our Promoter*

(4) *Allotment of 56,806,990 Equity Shares to our Promoter*

(5) *Allotment of 18,008,226 Equity Shares to our Promoter, 2,845,985 Equity Shares to Ankit Agarwal, 7,11,744 Equity Shares to Paresh Sukthankar and Sangeeta Sukthankar (jointly), 61,868 Equity Shares to Narayanan Venkitraman and Mahalakshmi Narayanan (jointly), 44,191 Equity Shares to Gopikrishnan S Mahadhanapuram, 3,465 Equity Shares to Subramanian Mambakkam Suryanarayanan, 1,654,748 Equity Shares to Samit Shankar Shetty, 280,038 Equity to Anand Rao, 6,631 Equity Shares to Smitha Rao, 33,155 Equity Shares to Shweta Mani*

(6) *Allotment of 190,397,847 Equity Shares to our Promoter*

(7) *Allotment of 65,262 Equity Shares to Seshadri Kaushika Madhavan, 57,454 Equity Shares to Samuel Sunil Edwards, 70,716 Equity Shares to Sharad Sundaramony, 61,868 Equity Shares to Nitin Jagtap and Namitha Jagtap (Jointly), 26,524 Equity Shares to Praveen Visesh, 164,885 Equity Shares to U Raghurama Rao, 74,077 Equity Shares to Shashikala Rao, 18,737 Equity Shares to Anirban Mukherjee, 18,737 Equity Shares to Smita Sahatpure, 19,798 Equity Shares to Varsha Soni, 49,778 Equity Shares to Rohan Gogari*

(8) *Allotment of 17,793 Equity Shares to Natarajan Ranganathan*

(b) ***Preference share capital***

Our Company has not issued any preference shares since its incorporation.

2. **Issue of Equity Shares at a price lower than the Issue Price in the last year**

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

3. **Issue of Equity Shares for consideration other than cash or out of revaluation of reserves**

(a) Our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation.

(b) Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue as on the date of this Draft Red Herring Prospectus:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
October 11, 2019	56,806,990	100	130	Rights issue[1]	Our Company acquired securities consisting of listed and unlisted securities aggregating to ₹7,035.08 million pursuant to a share subscription agreement dated October 11, 2019 comprising of 3,750 listed coupon-bearing non-convertible debentures of Shriram Transport Finance Company Limited for a consideration of ₹38.88 million, 1,000 listed coupon-bearing non-convertible debentures of Housing Development Finance Corporation Limited for a consideration of ₹1,051.00 million, 400 pass through certificates of Sansar Trust for a consideration of ₹2,611.90 million, 1,319,076,510 pass through certificates of Vivriti Apollo Series A1 of Muthoot Fincorp Limited for a consideration of ₹1,312.40 million, 17,998 pass through certificates of Mobil Trust for a consideration of ₹1,667.00 million, and 3,500 unlisted coupon-bearing non-convertible debentures of Krazybee Services Private Limited for a consideration of ₹353.90 million

March 30, 2020	190,397,847	100	140.50	Preferential Allotment(2)	Our Company acquired securities comprising of listed and unlisted securities aggregating to ₹26,750.89 million in the manner set out as below pursuant to a share subscription agreement dated March 30, 2020: a. The financial securities comprising of listed and unlisted securities, cumulatively valued at ₹16,361.00 million acquired by our Company comprising of 250 listed coupon-bearing non-convertible debentures of the National Highways Authority of India, 950 listed coupon-bearing non-convertible debentures of Rural Electrification Corporation Limited, 500 listed coupon-bearing non-convertible debentures of National Bank for Agriculture and Rural Development, 500 listed coupon-bearing non-convertible debentures of Power Finance Corporation Limited, 750 listed coupon-bearing non-convertible debentures of Small Industries Development Bank of India, 65 listed coupon-bearing non-convertible debentures of Housing Development Finance Corporation Limited, 1,200 listed coupon-bearing non-convertible debentures of Muthoot Fincorp Limited, 1,000 listed coupon-bearing non-convertible debentures of Clix Capital Services Private Limited, 650 listed coupon-bearing non-convertible debentures of Vivriti Capital Private limited, and 500 listed coupon-bearing non-convertible debentures of U GRO Capital, 100 pass through certificates of Sansar Trust, 1,017 pass through certificates of MFL Securitisation Trust,

					1,272,010,873 pass through certificates of Vivriti Bane Series A of Muthoot Capital Services Limited, 1,313,656,537 pass through certificates of Northern Arc Capital, and 1,084,539,460 pass through certificates of Home Credit Titan, 2,500 certificate of deposits of Oriental Bank of Commerce, 10,000 certificate of deposits of National Bank for Agriculture and Rural Development, and 5,000 certificate of deposits of Small Industries Development Bank of India, 200 unlisted coupon-bearing non-convertible debentures of Oxyzo Financial Services Private Limited, 2,500 unlisted coupon-bearing non-convertible debentures of Si Creva Capital Services Private Limited Tranche, 500 unlisted coupon-bearing non-convertible debentures of Lendingkart Finance Limited, and 150 unlisted coupon-bearing non-convertible debentures of Wheelsemi Private Limited, 13,806,286.3 unit of mutual fund of Kotak Standard Multicap Fund, 10,929,917.4 unit of mutual fund of HDFC Small Cap Fund and 5,265,375.3 unit of mutual fund of Invesco India Contra Fund b. 100% shareholding of our Promoter's aggregating to 149,408,224 equity shares in NFPL (formerly known as Chaitanya Rural Intermediation Development Services Private Limited) for a consideration of ₹10,389.80 million

(1) *Allotment of 56,806,990 Equity Shares to our Promoter*
(2) *Allotment of 190,397,847 Equity Shares to our Promoter*

4. Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Sections 230 to 234 of the Companies Act.

5. **History of the Equity Share capital held by our Promoter**

As on the date of this Draft Red Herring Prospectus, our Promoter holds 281,725,980 Equity Shares equivalent to 97.77% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) **Build-up of the shareholding of our Promoter in our Company**

The details regarding the Equity shareholding of our Promoter since the incorporation of our Company is set forth in the table below:

Date of allotment and date on which Equity Shares were made fully paid-up	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue price per Equity Share (₹)	Percentage of the pre- Issue capital on a fully-diluted basis (%)*	Percentage of the post-Issue capital (%)
Sachin Bansal							
December 10, 2018	Initial subscription to the Memorandum of Association	99,010	Cash	100	100	0.03	**[•]**
January 25, 2019	Rights issue in the ratio of 50 Equity Shares for every one Equity Shares held in the Company	5,000,000	Cash	100	100	1.73	**[•]**
October 11, 2019	Rights issue	11,538,461	Cash	100	130	3.99	**[•]**
	Rights issue	56,806,990	Other than cash			19.64	**[•]**
March 30, 2020	Preferential Allotment	18,008,226	Cash	100	140.50	6.23	**[•]**
	Preferential Allotment	190,397,847	Other than cash			65.82	**[•]**
October 21, 2021	Transfer of Equity Shares to Neeraj Aggarwal	(71,174)	Cash	100	140.50	(0.02)	**[•]**
November 2, 2021	Transfer of Equity Shares to Venkatchalam A.	(53,380)	Cash	100	140.50	(0.02)	**[•]**

Date of allotment and date on which Equity Shares were made fully paid-up	Nature of transaction	No. of equity shares	Nature of consideration	Face value per equity share (₹)	Issue price per Equity Share (₹)	Percentage of the pre- Issue capital on a fully-diluted basis (%)*	Percentage of the post-Issue capital (%)
	Ramaswamy						
Total		**281,725,980**				**97.39**	**[●]**

**Assuming exercise of 1,126,288 vested employee stock options*

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares.

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged.

(b) ***Details of Promoter's contribution and lock-in:***

1. Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoter (assuming exercise of vested options, if any, under the ESOP Plan), shall be locked in for a period of 18 months as minimum Promoter's contribution from the date of Allotment and the shareholding of the Promoter in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of six months from the date of Allotment.

2. Details of the Equity Shares held by our Promoter to be locked-in for 18 months from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre- Issue paid-up Equity Share capital (%)	Percentage of the post-Issue paid-up Equity Share capital (%)	Date up to which Equity Shares are subject to lock-in
Sachin Bansal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated in the Prospectus

3. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

4. In this connection, please note that:

   a. The Equity Shares offered for Promoter's contribution do not include equity shares acquired in the three immediately preceding years (i) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (ii) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution;

b. The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

c. Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;

d. The Equity Shares forming part of the Promoter's contribution are not subject to any pledge or any encumbrances; and

e. All the Equity Shares held by the Promoter are held in dematerialised form.

(c) ***Other lock-in requirements:***

1. In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by the Promoter locked in for 18 months as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment except for (i) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been or will be allotted to them under the ESOP Plan; and (ii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

2. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

3. Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment. The Equity Shares held by any person other than our Promoter and locked-in for a period of six months from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

4. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant depository.

5. Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations. Further, the Equity Shares held by persons other than our Promoter prior to the Issue and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations, as applicable.

6. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)	Number of Shares pledged or otherwise encumbered (XIII)	Number of Equity Shares held in dematerialised form (XIV)	
								Number of Voting Rights		Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)
								Class: Equity Shares	Total							
(A)	Promoter and Promoter Group	1	281,725,980	-	-	281,725,980	97.77	281,725,980	281,725,980	97.77	-	-	-	-	281,725,980	97.77
(B)	Public	24	6,412,998	-	-	6,412,998	2.23	6,412,998	6,412,998	2.23	-	-	-	-	6,375,524	2.21
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**25**	**288,138,978**	**-**	**-**	**288,138,978**	**100.00**	**288,138,978**	**288,138,978**	**100.00**	-	-	-	-	**288,101,504**	**99.98**

7. **Details of Shareholding of the major Shareholders of our Company**

(i) The major Shareholders holding 1% or more of the paid-up share capital of the Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)*^
1.	Sachin Bansal	281,725,980	97.39
Total		**281,725,980**	**97.39**

^ Based on the beneficiary position statement dated March 8, 2022 and the relevant vested stock options data
** Assuming exercise of 1,126,288 vested options*

(ii) The major Equity Shareholders who held 1% or more of the paid-up share capital of the Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)*^
1.	Sachin Bansal	281,725,980	97.41
Total		**281,725,980**	**97.41**

^ Based on the beneficiary position statement dated February 25, 2022 and the relevant vested stock options data
** Assuming exercise of 1,087,583 all vested options*

(iii) The major Equity Shareholders who held 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre- Issue Equity Share Capital on a fully diluted basis (%)*^
1.	Sachin Bansal	281,850,534	97.67
Total		**281,850,534**	**97.67**

^ Based on the Register of Members of our Company and the relevant vested stock options data
** Assuming exercise of 431,099 vested options*

(iv) The major Equity Shareholders who held 1% or more of the paid-up share capital of the Company and the number of shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)*^
1.	Sachin Bansal	73,444,461	100.00&
Total		**73,444,461**	**100.00&**

^ Based on the Register of Members of our Company and the relevant vested stock options data
&Rounded off to 100.00% (990 Equity Shares were held by Ankit Agarwal)
** There were no vested options as of the date two years prior to the date of this Draft Red Herring Prospectus*

8. **Details of Equity Shares held by our Promoter, members of our Promoter Group, our Directors and Key Managerial Personnel**

(i) Set out below are details of the Equity Shares and employee stock options held by our Directors and Key Managerial Personnel:

S. No.	Name	No. of Equity Shares	Number of vested employee stock options	Number of unvested employee stock options	Percentage of the pre-Issue Equity Share Capital (%)	Percentage of the post-Issue of Equity Share Capital (%)
Directors						
1.	Sachin Bansal	281,725,980	-	-	97.77	[●]
2.	Ankit Agarwal	2,846,975	184,835	92,527	0.98	[●]
Total (A)		**284,572,955**	**184,835**	**92,527**	**98.75**	**[●]**
Key Managerial Personnel						
1.	Thomas Joseph	-	533	1,069	-	[●]
2.	Apurv Anand	-	-	355,872	-	[●]
Total (B)		**-**	**533**	**356,941**	-	**[●]**
Total (A+B)		**284,572,955**	**185,368**	**449,468**	**98.75**	**[●]**

(ii) Set out below are the details of the Equity Shares held by our Promoter and the members of our Promoter Group:

Name	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
Promoter		
Sachin Bansal	281,725,980	97.77
Total (A)	**281,725,980**	**97.77**
Promoter Group		
Nil	-	-
Total (B)	-	-
Total (A+B)	**281,725,980**	**97.77**

For further details, see "*Our Promoter and Promoter Group*" and "*Our Management*" on pages 270 and 253, respectively.

9. **Employee Stock Options Plans of our Company**

Navi Stock Option Scheme 2019 ("ESOP Plan")

Our Company, pursuant to the resolutions passed by our Board on December 19, 2019 and our Shareholders on December 19, 2019, adopted the ESOP Plan with the objective of granting employee stock options convertible into Equity Shares to the eligible employees, and to be allotted Equity Shares upon exercise of such employee stock options to the eligible employees. The ESOP Plan was further subsequently amended pursuant to the resolution passed by our Board on September 24, 2020 and Shareholders on September 29, 2020, and September 16, 2021 and September 29, 2021, respectively. The ESOP Plan was further modified and amended pursuant to the resolution passed by the Nomination and Remuneration Committee on March 6, 2022, by our Board on March 6, 2022 and the resolution passed by our Shareholders on March 7, 2022. The ESOP Plan has been designed in order to achieve employee ownership, motivate employees to contribute to the growth and profitability of the Company and provide an incentive to attract, retain and reward the employees. The aggregate number of Equity Shares to be issued/ transferred under the ESOP Plan, upon exercise, shall not exceed 19,000,000 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the NRC.

The ESOP Plan is in compliance with the SEBI SBEB Regulations.

The details of ESOP Plan, as certified by Manian and Rao, Chartered Accountants, through their certificate dated March 10, 2022 are as follows:

<table>
<tr><th rowspan="2">Particulars</th><th colspan="5">Details</th></tr>
<tr><th>Financial Year ended March 31, 2019</th><th>Financial Year ended March 31, 2020</th><th>Financial Year ended March 31, 2021</th><th>Nine months period ended December 31, 2021</th><th>January 1, 2022, till the date of DRHP</th></tr>
<tr><td>Options outstanding at the beginning of the period</td><td>NA</td><td>-</td><td>1,945,923</td><td>2,679,208</td><td>5,338,908</td></tr>
<tr><td>Options granted</td><td>NA</td><td>1,984,385</td><td>2,144,559</td><td>3,117,830</td><td>1,685,590</td></tr>
<tr><td>Exercise price of the Options</td><td>NA</td><td>₹ 100</td><td>₹ 100</td><td>₹ 100</td><td>₹ 100</td></tr>
<tr><td>Vesting period</td><td>NA</td><td colspan="4">Vesting of options under the ESOP Plan takes place, i.e., the period between the Grant Date and the Vesting Date; subject to the condition that the said period shall not be less than one year.

Vesting is done in a graded manner over a period of four years.</td></tr>
<tr><td>Options vested (excluding options that have been exercised)</td><td>NA</td><td>Nil</td><td>451,828</td><td>881,980</td><td>1,126,288</td></tr>
<tr><td>Options exercised</td><td>NA</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)</td><td>NA</td><td>1,945,923</td><td>2,679,208</td><td>5,338,908</td><td>6,773,416</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td>NA</td><td>(38,462)</td><td>(1,411,274)</td><td>(458,130)</td><td>(251,082)</td></tr>
<tr><td>Variation of terms of options</td><td colspan="5">The Board by way of their resolution dated March 6, 2022 and the Shareholders by way of their resolution dated March 7, 2022 have made the changes to the ESOP Plan to make it compliant with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further, our Company made the following variations in the Navi Stock Option Scheme 2019:

I. <u>The amendments applicable only to future optionees:</u>

a. The eligibility criteria for granting options to the employees is expanded to include performance parameters, merit, grade, conduct and length of service of the eligible employee etc. The compensation committee reserves the right to decide the maximum number of options to be granted to an employee, however it shall not exceed 19,000,000 options per eligible employee. A special resolution from the Shareholders is required, if the number of options that may be offered to an eligible employee during any one year is equal to or more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company. For grant of options to employees of associate and its group company, a separate shareholder resolution is required. Further, options to be granted to non-resident employees shall be in accordance with FEMA Regulations and FEMA Non-debt Instruments Rules.
b. The definition of ‘grant date’ be modified to include “Grant Date means the date on which the Options are granted to an Eligible Employee by the Compensation Committee or the date on which the Employee joins the Company, whichever is later.”

II. <u>The amendments applicable to both present as well as future optionees:</u>

a. The definition of ‘exercise’ be modified to include “exercise means the tendering of the Exercise Notice and payment of the Exercise Price by an Optionee or on behalf of the Optionee or the intended purchaser on behalf of the Optionee to the Company for issue of Shares against Options Vested in him in pursuance of the Scheme.”
b. To clearly define the ‘permanent disability’ under the definition section as ‘Permanent Disability means any disability of whatsoever nature, be it</td></tr>
</table>

Particulars	Details				
	Financial Year ended March 31, 2019	Financial Year ended March 31, 2020	Financial Year ended March 31, 2021	Nine months period ended December 31, 2021	January 1, 2022, till the date of DRHP
	physical, mental or otherwise, which incapacitates or prevents or handicaps from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined in this regard based on a certificate of a medical expert identified by the Company." c. The Company may fund or finance the payment of exercise price payable by the optionee on exercise of the vested options, subject to applicable laws and approvals. Optionees are entitled to exercise the vested options at any other time prior to listing of options, at the discretion of compensation committee. The compensation committee also has the discretion to decide the black-out period where optionee may not exercise the options. The discretion of the compensation committee to cancel the vested options of the employees who intends to exercise in lieu of cash payment equivalent to the fair value of the vested options shall be applicable only until pre-listing. The vesting conditions for the optionees on any long leave/sabbatical shall be deferred for such leave/sabbatical period. Further, the Company will cross-charge the expense incurred in relation to the number of options granted as well as the exercise price funded by the Company to the employees of the subsidiary (ies), or associate, or a company belonging to the same group as the Company, as the case may be.				
Money realised by exercise of options	NA	Nil	Nil	Nil	Nil
Total number of options in force	NA	1,945,923	2,679,208	5,338,908	6,773,416
Employee wise details of options granted to					
i. Key managerial personnel	(see table below)				

S. No.	Name of the KMP	No. of Options Granted	Financial Year
1	Ankit Agarwal	92,308	2020
2	Ankit Agarwal	92,527	2021
3	Ankit Agarwal	92,527	2022 (From April 1, 2021 till the date of this Certificate)
4	Thomas Joseph	1,602	2021
5	Apurv Anand	355,872	2022 (From April 1, 2021 till the date of this Certificate)

ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year

S. No	Name of the Employee	No. of Options Granted	% of the options granted during the year	Financial Year
1	Riya Bhattacharya	269,231	13.57%	2020
2	Bhavin Chandulal Javia	346,154	17.44%	2020
3	Jayaraman Anandha Krishna	346,154	17.44%	2020

iii. Identified employees who were granted options during any one year equal to or	Nil

<table>
<tr><th rowspan="2">Particulars</th><th colspan="5">Details</th></tr>
<tr><th>Financial Year ended March 31, 2019</th><th>Financial Year ended March 31, 2020</th><th>Financial Year ended March 31, 2021</th><th>Nine months period ended December 31, 2021</th><th>January 1, 2022, till the date of DRHP</th></tr>
<tr><td>exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td colspan="5"></td></tr>
<tr><td>Fully diluted EPS on a pre-offer basis on exercise of options calculated in accordance with applicable accounting standard for ‘Earnings per Share’</td><td colspan="5">Fully diluted EPS as per the Restated Financial Statements:
<table>
<tr><th>Particulars</th><th>Financial Year ended March 31, 2019</th><th>Financial Year ended March 31, 2020</th><th>Financial Year ended March 31, 2021</th><th>Nine months period ended December 31, 2021</th></tr>
<tr><td>Diluted EPS (₹ per share)</td><td>7.31</td><td>(2.09)</td><td>2.45</td><td>(7.16)</td></tr>
</table></td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals</td><td colspan="5">For employee stock options outstanding as on the Financial Years ended March 31, 2020, March 31, 2021 and nine months period ended December 31, 2021 there is no difference in employee cost and earning per share as the share-based employee compensation is calculated as per fair value method.</td></tr>
<tr><td>Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option.</td><td colspan="5">The fair value of stock options 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:
<table>
<tr><th>Particulars</th><th>March 31, 2020</th><th>March 31, 2021</th><th>April 1, 2021 – September 30, 2021</th><th>October 1, 2021 - December 31, 2021</th></tr>
<tr><td>Weighted average fair values at the measurement date</td><td>₹140.50</td><td>₹143.40</td><td>₹143.40</td><td>₹382.00</td></tr>
<tr><td>Expected life of share options (years)</td><td>7.50</td><td>7.50</td><td>7.50</td><td>5.00</td></tr>
<tr><td>Expected volatility (%)</td><td>23.7</td><td>27.5</td><td>27.6</td><td>29.6</td></tr>
<tr><td>Dividend yield (%)</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr>
<tr><td>Risk–free interest rate (%)</td><td>6.9</td><td>6.3</td><td>6.6</td><td>5.9</td></tr>
<tr><td>Weighted average share price (INR)</td><td>₹100</td><td>₹100</td><td>₹100</td><td>₹100</td></tr>
</table>
Expected volatility during the expected life of the option can be estimated using</td></tr>
</table>

Particulars	Details				
	Financial Year ended March 31, 2019	Financial Year ended March 31, 2020	Financial Year ended March 31, 2021	Nine months period ended December 31, 2021	January 1, 2022, till the date of DRHP
	historical volatility of the underlying asset observed during the period equivalent to the expected life of the option.				
Impact on the profits and on the EPS of the last three years if the Company had followed the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in respect of options granted in the last three years	The Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.				
Intention of the key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of an employee stock option scheme, this information same shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer.	Nil				
Specific disclosures about the intention to sell equity shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued under an employee stock option scheme or employee stock purchase	Nil				

Particulars	Details				
	Financial Year ended March 31, 2019	Financial Year ended March 31, 2020	Financial Year ended March 31, 2021	Nine months period ended December 31, 2021	January 1, 2022, till the date of DRHP
scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions), which inter-alia shall include name, designation and quantum of the equity shares issued under an employee stock option scheme or employee stock purchase scheme and the quantum they intend to sell within three months.					

10. None of the BRLMs or their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. However, Venkatchalam A. Ramaswamy, one of the promoters and directors of Edelweiss Financial Services Limited, one of our BRLMs, holds 53,380 Equity Shares in our Company as of the date of this Draft Red Herring Prospectus.

11. There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares issued pursuant to the Issue will be fully paid-up at the time of Allotment.

12. Except as disclosed in " – *Notes to the Capital Structure – 5. History of the Equity Share capital held by our Promoter – (a) Build-up of the shareholding of our Promoter in our Company*" on page 113, none of our Promoter, our Directors or their relatives have sold or purchased any equity shares of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

13. There have been no financing arrangements whereby Promoter, our Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

14. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 25.

15. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

16. Except for the allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP Plan and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this DRHP until the listing of the Equity Shares on the BSE and NSE pursuant to the Issue or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be this is in the event there is a failure of the Issue.

17. No person connected with the Issue, including, but not limited to, the members of the Syndicate, our Company, the Directors, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Issue, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

18. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Issue; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOP Plan.

19. Except for the outstanding options granted under the ESOP Plan, there are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Investment into our Subsidiaries, Navi Finserv Private Limited ("**NFPL**") and Navi General Insurance Limited ("**NGIL**"); and

2. General corporate purposes.

(collectively, referred to herein as the "**Objects**")

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to (i) to undertake our existing business activities; and (ii) undertake the activities for which the funds are being raised by us in the Fresh Issue and are proposed to be funded from the Net Proceeds. The main objects and objects incidental and ancillary to the main objects set out in the memorandum of association of our Subsidiaries, NFPL and NGIL, enable such Subsidiaries, respectively, to undertake (i) their respective existing business activities; and (ii) the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

S. No.	Particulars	Amount (in ₹ million)
1.	Gross Proceeds of the Issue[1]	33,500.00
2.	(Less) Estimated expenses in relation to the Issue[2][3]	[●]
	Net Proceeds	[●]

[1] *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

[2] *To be finalised upon determination of Issue Price and will be updated in the Prospectus prior to filing with the RoC.*

[3] *For details, see "- Issue related expenses" on page 130.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided hereunder:

S. No.	Particulars	Amount (in ₹ million)
1.	Investment into our Subsidiaries, NFPL and NGIL	
	(a) Investment into NFPL	23,700.00
	(b) Investment into NGIL	1,500.00
	Sub-Total	**25,200.00**
2.	General corporate purposes[1]	[●]
	Total	[●]

[1] *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue*

Proposed deployment of Net Proceeds

The Net Proceeds are proposed to be deployed in Financial Year 2023.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates; the capital requirements and estimates of our Subsidiaries, NFPL and NGIL; and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. See, "*Risk Factors – The* *objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilisation of the Net Proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 74. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition and the financial condition of our Subsidiaries, NFPL and NGIL, business and strategy, competition, and other external factors such as changes in the business environment, market conditions, regulatory frameworks and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, deployment schedule and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. In the event that the estimated utilisation of the Net Proceeds in a Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes shall not exceed 25% of the gross proceeds of the Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

Details of the Objects

1. Investment into our Subsidiaries NFPL and NGIL

(A) Investment in NFPL for augmenting its capital base

NFPL is one of the Material Subsidiaries of our Company. It is a non-deposit taking systemically important non-banking financial company (NBFC-ND-SI) registered with the RBI, with a Gross AUM of ₹15,964.01 million and ₹4,936.39 million as of December 31, 2021 and Financial Year 2021, respectively, and over 480,000 loan accounts as of December 31, 2021. NFPL acts as the lender to our personal loan and home loan customers who are onboarded through the 'Navi' mobile app. For further details, see "*Our Business – Personal Loans Business*" and "*Our Business – Home Loans Business*" on page 191.

As an NBFC-ND-SI, NFPL is subject to RBI Regulations in relation to, *inter alia*, capital adequacy and asset classification. Historically, the CRAR of NFPL as of December 31, 2021, Financial Years 2021 and 2020, has been 32.14%, 38.04% and 20.80% respectively of which Tier-1 capital was 30.77%, 36.56% and 20.57% respectively. Further, in the ordinary course of business, NFPL *inter alia* utilises various sources of funding including bank financing, securitizations and direct assignments to augment its capital base to meet its ongoing capital requirements arising out of the growth of its lending business. During the nine month period ended December 31, 2021 and the Financial Year 2021, NFPL has disbursed ₹17,454.83 million and ₹6,771.78 million, respectively to its customers.

As NFPL continues to grow its loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business. With the primary capital raise planned through the Issue, NFPL is expected to have adequate capital without any further need of fresh capital in the short to medium term. Accordingly, given the capital requirements and growth prospects of NFPL, we propose to infuse ₹23,700 million from the Net Proceeds in NFPL, for the augmentation of its capital base.

Form of Investment

Our Company shall deploy the Net Proceeds towards this object in the form of equity or debt, in the manner determined by our Company and as permitted under applicable law.

Details and utilisation

Our Company proposes to invest ₹23,700.00 million from the Net Proceeds into NFPL. As an NBFC-ND-SI, NFPL is subject to RBI regulations relating, *inter-alia*, to capital adequacy, which determine the minimum amount of capital it must hold as a percentage of the risk-weighted assets on its portfolio and of the risk adjusted value of off-balance sheet items, as applicable. As per the extant capital adequacy norms issued by the RBI, NFPL is required to maintain a minimum CRAR of 15% at all times. For further details, see "*Key Regulations and Policies*" on page 223.

Nature of Benefit

The Net Proceeds will be utilised towards augmenting the capital base of NFPL, to ensure that NFPL is able to comply with the capital adequacy requirements prescribed by the RBI, and meet its future capital requirements.

For details in relation to audited standalone financial statements of NFPL, for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019, please access www.navi.com/corporate-governance.

(B) Investment in NGIL for augmenting its capital base and maintaining current solvency levels

NGIL is one of the Material Subsidiaries of our Company. NGIL is a general insurance provider and is registered with the IRDAI. We operate our general insurance business through NGIL. We entered this business through the acquisition of the erstwhile DHFL General Insurance Limited in February 2020. During the nine months ended December 31, 2021, we had issued a total of 220,491 policies of which 27,800 were retail health insurance policies. For further details see "*Our Business – General Insurance Business*" on page 191. As per applicable IRDAI norms, NGIL is required to maintain a solvency ratio of 1.5x of Required Solvency Margin (RSM) at all times as a measure of its capital adequacy. For further details, see "*Key Regulations and Policies*" on page 223.

We propose to infuse ₹1,500.00 million from the Net Proceeds in NGIL, for the augmentation of the capital base of NGIL to ensure maintenance of the IRDAI prescribed solvency levels and to meet its future capital requirements.

Form of Investment

Our Company shall deploy the Net Proceeds towards this object in the form of equity or debt, in the manner determined by our Company and as permitted under applicable law.

Details and utilisation

Our Company proposes to invest ₹1,500.00 million from the Net Proceeds into NGIL. NGIL will use this amount for augmentation of its capital base and consequently, the maintenance of solvency levels. As per the applicable IRDAI regulations, "solvency ratio" is determined on the basis of the 'available solvency margin' and the 'required solvency margin', each calculated as per the IRDAI guidelines. Currently as per Section 64VA of the Insurance Act read with Regulation 6 and Paragraph 3 of Schedule III to the applicable IRDAI regulations, NGIL is required to maintain a minimum solvency ratio at 1.50x or 150% of RSM. As of December 31, 2021, NGIL's solvency ratio was 4.07x of RSM (including funds beyond solvency margin). Accordingly, we intend to utilise the Net Proceeds from the Fresh Issue to augment NGIL's capital base to meet future capital requirements and maintain current solvency levels.

The further utilisation of the increased capital base of NGIL post-deployment of the Net Proceeds would be as per the regulations enacted by IRDAI and the policy adopted by the board of directors of NGIL to implement the growth and expansion of NGIL. As we focus on growing the business of NGIL, the Gross Premium/Net Written Premium and Gross Incurred Claims/ Net Incurred Claims may also increase, which consequently results in higher required solvency margin and corresponding higher capital requirement.

Set out below is the calculation of the solvency ratio:

Assets	March 31, 2021	December 31, 2021	Post-utilisation of Net Proceeds
Investments – Shareholders	2,199.30	2,348.57	
Investments – Policyholders	3,687.50	3,211.51	

Assets	March 31, 2021	December 31, 2021	Post-utilisation of Net Proceeds
Total Investments (A)	**5,886.80**	**5,560.08**	
Fixed assets (B)	6.28	4.42	
Current Assets			
Cash and bank balances[1]	27.07	80.39	1,580.39
Advances and other assets[1]	179.53	1,133.86	
Sub-Total (C)	206.60	1,214.25	
Current liabilities	1,543.70	2,769.24	
Provisions	1,995.47	1,955.29	
Sub-Total (D)	3,539.17	4,724.53	
NET CURRENT ASSETS (E) = (C - D)	(3,332.57)	(3,510.27)	
TOTAL (F) = (A + B + E)	2,560.50	2,054.22	
Less: Disallowance as IRDAI regulations	21.43	18.88	
Available Solvency Margin (ASM)	2,539.07	2,035.34	3,535.34
Required Solvency Margin (RSM) Calculation - Trailing 12 months			
Gross Premiums	1,049.16	988.77	
Net Premiums	888.05	848.77	
Gross Incurred Claims	712.95	607.63	
Net Incurred Claims	636.93	657.83	
RSM 1[2]	183.74	169.75	
RSM 2[2]	191.32	197.57	
RSM[2]	245.25	243.49	
SOLVENCY RATIO			
ASM	2,539.07	2,035.34	3,535.34
RSM	500.00	500.00	500.00
Solvency Ratio (ASM/ RSM)[1]	5.08	4.07	7.07

[1] *Including funds beyond Solvency Margin*
[2] *Calculated for each line of business as per calculation given in IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016*

Nature of Benefit

The Net Proceeds will be utilised towards augmenting the capital base of NGIL, to ensure that NGIL is able to maintain its solvency levels and meet its future capital requirements.

For details in relation to audited standalone financial statements of NGIL, for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019, please access www.navi.com/corporate-governance.

2. **General Corporate Purposes**

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and business requirements of our Company and its Subsidiaries, subject to such amount not exceeding 25% of the gross proceeds of the Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) working capital requirements, (ii) capital expenditure requirements, (iii) rental and administrative expenses, (iv) investments in accordance with the investment policy of the Company, and (v) meeting exigencies and expenses and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act incurred by our Company in the ordinary course of business, as may be applicable. Further, this portion of Net Proceeds may also be utilised to meet the shortfall in the Net Proceeds for the Objects set out above.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and other applicable laws. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Means of Finance

We propose to fund the requirements of the Objects detailed above from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of the Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Issue, Escrow Collection Bank to the Issue and Sponsor Banks, including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The break-up for the estimated Issue expenses is as follows:

Activity	Estimated expenses(1) (in ₹ million)	As a % of total estimated Issue expenses(1)	As a % of the total Issue size(1)
BRLMs fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Issue. Brokerage, underwriting commission and selling commission and bidding charges for members of the Syndicate, Registered Brokers, RTAs and CDPs(2) (3)(4)	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Advertising and marketing	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) *Issue expenses include applicable taxes, where applicable. Issue expenses will be finalised on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:*

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

No additional uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them.

(3) *Processing fees payable to the SCSBs on the portion for RIBs, and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid application (plus applicable taxes)*

** The processing fees for applications made by RIBs using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.*

(4) *Selling commission on the portion for RIBs, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for RIBs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]%of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid application (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

Interim use of Net Proceeds

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in any equity or equity linked securities of any listed company or for any investment in the equity market.

Bridge Loans

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

Variation in Objects of the Issue

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects unless our Company is authorized to do so by way of a special resolution of its Shareholders and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. The notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. The Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Appraising Agency

None of the Objects of the Issue for which the Net Proceeds will be utilised have been appraised by any bank or financial institution or other independent agency.

Other Confirmations

Except to the extent of the proceeds of the Issue, with respect to Investment in NFPL and Investment in NGIL, each as disclosed above, by our Company, none of our Promoter, Directors, Key Managerial Personnel or members of the Promoter Group will receive any portion of the Net Proceeds. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoter, the Directors, the Key Managerial Personnel in relation to the utilisation of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

Further, pursuant to the Issue, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoter, Promoter Group and associates of our Company, as applicable, shall receive any part of the Net Proceeds, directly or indirectly.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹100 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see "*Our Business*", "*Risk Factors*" and "*Restated Financial Statements*" on pages 191, 32 and 274, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

- Mobile first approach driving better customer engagement and experience
- End-to-end ownership of product
- In-house full-stack technology capabilities
- Risk management, data science and machine learning leveraged operating model
- Network effect, cross-sell and up-sell
- Promoter's track record and experienced management team
- Strong tech team and value-based workplace ethos

For details, see "*Our Business – Our Strengths*" on page 191

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements for the Financial Years ended March 31, 2019, March 31, 2020 and March 31, 2021 and for the nine month period ended December 31, 2021 prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see "*Restated Financial Statements*" on page 274.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

A. Adjusted Basic and Diluted Earnings Per Share ("EPS"):

Financial Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2019	7.31	7.31	1.00
March 31, 2020	(2.09)	(2.09)	2.00
March 31, 2021	2.47	2.45	3.00
Weighted Average	**1.76**	**1.75**	
For the nine month period ended December 31, 2021*	(7.16)	(7.16)	

*(Not annualized)

Note:

(1) Basic EPS is calculated by dividing the net (loss)/profit for the period/year divided by the weighted average number of equity shares.
(2) Diluted EPS is calculated by dividing the net (loss)/profit for the period/year divided by the weighted average number of equity shares adjusted for effect of dilution.
(3) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

B. Price/Earning ("P/E") ratio in relation to the in relation to Price Band of ₹ [●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for year ended March 31, 2021	**[●]**	**[●]**
Based on diluted EPS for year ended March 31, 2021	**[●]**	**[●]**

Industry Peer Group P/E ratio

	P/E Ratio
Highest	83.68
Lowest	21.75
Industry Composite	47.29

Notes:

The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section

C. Return on Net Worth ("RoNW")

As per Restated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2019	3.90%	1
March 31, 2020	(0.20)%	2
March 31, 2021	1.81%	3
Weighted Average	**1.49%**	
For the nine month period ended December 31, 2021*	(5.53)%	

*(Not annualized)

Note:

(1) Calculated as restated (loss)/profit for the period/ year divided by net worth (aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation).
(2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

D. Net Asset Value ("NAV") per Equity Share

Financial Year ended/ Period ended	Amount (₹)
As on March 31, 2021	136.51
As on December 31, 2021	129.49
After the Issue	[●]
Issue Price	[●]

Note:

Calculated as net worth ((aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation) divided by number of Equity Shares outstanding as at the year/ Period end.

E. Comparison with Listed Industry Peers

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	RoNW (%)	NAV (₹)
Navi Technologies Limited*	7,800	100	[●]	2.47	1.81%	136.51
Bajaj Finance Limited	2,66,831	2.0	83.68	73.58	12.0%	612.67
SBI Cards and Payment Services Limited	97,136	10.0	74.54	10.48	15.6%	67.01
CreditAccess Grameen Limited	24,661	10.0	73.49	8.96	3.6%	237.27
ICICI Lombard General Insurance Company Limited	1,21,614	10.0	37.58	32.41	19.8%	163.56

Star Health and Allied Insurance Company Limited	52,834	10.0	NA	-16.54	-19.5%	77.07
HDFC Asset Management Company Limited	22,017	5.0	33.75	62.28	27.8%	224.28
Nippon Life India Asset Management Limited	14,193	10.0	26.66	11.04	21.9%	50.29
Aditya Birla Sun Life AMC Limited	12,058	5.0	26.87	18.27	30.9%	59.19
UTI Asset Management Company Limited	11,986	10.0	21.75	38.97	15.3%	254.42

* *Financial information for our Company is derived from the Restated Financial Statements at and for the Financial Year ended March 31, 2021.*

Notes:

1. *All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual report as available of the company for the year ended March 31, 2021 submitted to stock exchanges.*
2. *P/E ratio is calculated as closing share price on March 8, 2022 / Basic EPS for year ended March 31, 2021*
3. *Basic EPS as reported in the annual report of the company for the year ended March 31, 2021*
4. *Return on net worth (%) = Net profit/(loss) after tax / Net worth at the end of the year*
5. *"Net worth" means the aggregate value of the paid-up share capital and reserves and surplus excluding non-controlling interests*
6. *Net asset value per share (in ₹) = Net worth at the end of the year / Total number of equity shares outstanding at the end of the year*

F. The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of ₹[●] has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Statements*" on pages 32, 191, 418 and 274, respectively, to have a more informed view.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
7th Floor, Wing-B Prestige RMZ Star Tech,
Hosur Rd, Koramangala Industrial Layout,
Bangalore - 560034

Statement of Special Tax Benefits available to the Company and its shareholders and material subsidiaries under the applicable direct tax laws in India

Proposed Offering of securities ("Offer") in India by Navi Technologies Limited *(formerly known as Navi Technologies Private Limited)* **(the "Issuer"/" Company")**

1. This report is issued in accordance with the terms of our engagement letter dated February 07, 2022.

2. The accompanying Statement of Possible Special Tax Benefits in Annexures 2 to 5 available to the Company and its Shareholders and material subsidiaries as defined in Annexure 1 (hereinafter referred to as "the Statement") under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as the "Income Tax Regulations") has been prepared by the management of the Company in connection with the proposed Offer. The Statement is attached to this certificate.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on March 09, 2022, for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations') and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of March 09, 2022 to the Company, the shareholders and material subsidiaries of the Company, in accordance with the Income Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offering.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders or material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of March 09, 2022, to the Company and it's shareholders and material subsidiaries, in accordance with the Income Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 7 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders or material subsidiaries will continue to obtain the benefits per the Statement in future; or
   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

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

Huned Contractor
Partner

Membership No.: 041456
UDIN: 22041456AENAOQ6100

Date: Mumbai
Place: 09 March 2022

Annexure 1

LIST OF MATERIAL SUBSIDIARIES OF NAVI TECHNOLOGIES LIMITED

1. Navi Finserv Private Limited
2. Chaitanya India Fin Credit Private Limited
3. Navi General Insurance Limited

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

Annexure 2

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NAVI TECHNOLOGIES LIMITED (the "COMPANY") AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the 'Act')

1. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);
ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M;
viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above; and
ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they have opted to apply section 115BAA of the Act.

2. Deduction under Section 80M of the Act

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date – i.e., on or before the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

3. Deductions from Gross Total Income - Section 80 JJAA of the Act - Deduction in respect of

employment of new Employee

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

4. Special tax benefits available to the shareholders of the Company under the Act

(a) To Resident taxpayer

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above).

- Section 112A of the Act provides for concessional tax rate of 10% (plus applicable surcharge and cess) on long-term capital gains (exceeding Rs. 1,00,000) arising from the transfer of equity shares or units of an equity-oriented fund or units of a business trust if Security Transaction Tax ('STT') has been paid on both acquisition and transfer of such shares / units and subject to fulfilment of other prescribed conditions (including Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018). The benefit of foreign currency exchange difference and indexation, as provided under the first and second proviso to section 48 of the Act, shall not be applicable for computing long-term capital gains taxable under section 112A of the Act.

- Section 112 of the Act provides for taxation of long-term capital gains, resulting on transfer of *inter-alia*, listed shares of the company (other than those covered under section 112A), which shall be lower of the following:
  - 20% (plus applicable surcharge and cess) with indexation benefit; or
  - 10% (plus applicable surcharge and cess) without indexation benefit

- As per the provisions of section 111A of the Act, short-term capital gains arising from transfer of equity shares in the company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess, if any).

- Where the gains arising on transfer of shares of the company are included in the business income of a shareholder and assessable under the head "Profits and Gains of Business or Profession" and such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

(b) Non-Resident taxpayer

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

Notes:

1. The special tax benefits discussed in the Statement sets out only the special tax benefits available to the Company or its shareholders under the Act, and does not cover any benefit under any other law in force in India. This statement does not discuss any tax consequences in any country outside India.

2. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

3. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

4. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

5. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. the Company or its shareholders will continue to obtain these benefits in future;
    ii. the conditions prescribed for availing the benefits have been/ would be met with; and
    iii. the revenue authorities/courts will concur with the view expressed herein.

6. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

Annexure 3

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO NAVI FINSERV PRIVATE LIMITED (the "COMPANY") UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the 'Act')

1. Special tax benefits available to the NBFC under the Act

- The Company being a Non-Banking Finance Company ("NBFC") and as per the provisions of section 36(1)(viia) of the Act, is entitled for accelerated deduction in respect of provision made for bad and doubtful debts in its books of accounts to the extent of five per cent of its total income (computed before making any deduction under this section and Chapter VI-A).

- As per section 36(1)(vii) of the Act, where the Company has claimed deduction under section 36(1)(viia) of the Act, then the subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act shall be reduced to the extent of deduction already claimed under section 36(1)(viia) of the Act.

- Further, as per section 41(4) of the Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the Act, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under section 36(1)(vii) of the Act, the excess shall be deemed to be business income of the year in which it is recovered.

- As per provisions of section 43D of the Act, in case of a Systematically Important Non-Deposit taking NBFC, the income by way of interest in relation to such categories of bad or doubtful debts (i.e. Non-performing assets) as may be prescribed having regard to the guidelines issued by the Reserve Bank of India in relation to such debts shall be chargeable to tax in the previous year in which it is credited to its profit and loss account or, as the case may be, in the year in which it is actually received by that NBFC, whichever is earlier.

2. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);
ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M;
viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above; and

ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they have opted to apply section 115BAA of the Act.

3. Deduction under Section 80M of the Act

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date – i.e., on or before the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

4. Deductions from Gross Total Income - Section 80 JJAA of the Act - Deduction in respect of employment of new Employee

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Notes:

1. The special tax benefits discussed in the Statement sets out only the special tax benefits available to the Company under the Act and does not cover any benefit under any other law in force in India. This statement does not discuss any tax consequences in any country outside India.

2. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

3. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. the Company will continue to obtain these benefits in future;
    ii. the conditions prescribed for availing the benefits have been/ would be met with; and
    iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

Annexure 4

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED (the "COMPANY") UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the 'Act')

1. Special tax benefits available to the NBFC under the Act

- The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company ('NBFC-ND-SI') and engaged in the 'micro finance' business as an NBFC-MFI. The Company being a NBFC and as per the provisions of section 36(1)(viia) of the Act, is entitled for accelerated deduction in respect of provision made for bad and doubtful debts in its books of accounts to the extent of five per cent of its total income (computed before making any deduction under this section and Chapter VI-A).

- As per section 36(1)(vii) of the Act, where the Company has claimed deduction under section 36(1)(viia) of the Act, then the subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act shall be reduced to the extent of deduction already claimed under section 36(1)(viia) of the Act.

- Further, as per section 41(4) of the Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the Act, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under section 36(1)(vii) of the Act, the excess shall be deemed to be business income of the year in which it is recovered.

- As per provisions of section 43D of the Act, in case of a Systematically Important Non-Deposit taking NBFC, the income by way of interest in relation to such categories of bad or doubtful debts (i.e. Non-performing assets) as may be prescribed having regard to the guidelines issued by the Reserve Bank of India in relation to such debts shall be chargeable to tax in the previous year in which it is credited to its profit and loss account or, as the case may be, in the year in which it is actually received by that NBFC, whichever is earlier.

2. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);
ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M;
viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such

loss or depreciation is attributable to any of the deductions referred from clause i to vii above; and

ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they have opted to apply section 115BAA of the Act.

3. Deduction under Section 80M of the Act

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date – i.e., on or before the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

4. Deductions from Gross Total Income - Section 80 JJAA of the Act - Deduction in respect of employment of new Employee

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Notes:

1. The special tax benefits discussed in the Statement sets out only the special tax benefits available to the Company under the Act and does not cover any benefit under any other law in force in India. This statement does not discuss any tax consequences in any country outside India.

2. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

3. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

i. the Company will continue to obtain these benefits in future;
ii. the conditions prescribed for availing the benefits have been/ would be met with; and
iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

Annexure 5

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO NAVI GENERAL INSURANCE LIMITED (the "COMPANY") UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the 'Act')

1. Special tax benefits available to the Company under the Act

(a) Taxability of General insurance companies

Taxability of General insurance company is governed by the provisions of Section 44 read with Rule 5 of the Part B of First Schedule of the Act. As per Section 44 of the Act, the normal computational provisions i.e., "Interest on securities", "Income from House property", "Capital gains" or "Income from other sources", or Sections 28 to 43B of "Profits or Gains from Business and Profession" are not applicable to the Company, rather the income from business/profession is to be computed in accordance with the Rule 5 of the Part B of First Schedule of the Act.

(b) The Income Computation and Disclosure Standards (ICDS) are not applicable to General Insurance Companies.

2. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);
ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M;
viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above; and
ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

3. **Deduction under Section 80M of the Act**

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date – i.e., on or before the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

4. **Deductions from Gross Total Income - Section 80 JJAA of the Act - Deduction in respect of employment of new Employee**

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Notes:

1. The special tax benefits discussed in the Statement sets out only the special tax benefits available to the Company under the Act and does not cover any benefit under any other law in force in India. This statement does not discuss any tax consequences in any country outside India.

2. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

3. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. the Company will continue to obtain these benefits in future;
    ii. the conditions prescribed for availing the benefits have been/ would be met with; and
    iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

To,
The Board of Directors
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
7th Floor, Wing-B Prestige RMZ Star Tech,
Hosur Rd, Koramangala Industrial Layout,
Bangalore - 560034

Statement of Special Tax Benefits available to the Company and its shareholders and material subsidiaries under the applicable indirect tax laws in India

Proposed Offering of securities ("Offer") in India by Navi Technologies Limited *(formerly known as Navi Technologies Private Limited)* **(the "Issuer"/" Company").**

1. This report is issued in accordance with the terms of our engagement letter dated February 07, 2022.

2. The accompanying Statement of Possible Special Tax Benefits in annexure 2 available to the Company and its Shareholders and material subsidiaries defined in annexure 1 (hereinafter referred to as "the Statement") under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications) presently in force in India (collectively referred to as "Indian Indirect Tax Regulations"), has been prepared by the management of the Company in connection with the proposed Offer. The Statement is attached to this certificate.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on March 09, 2022 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as March 09, 2022 to the Company, the shareholders and material subsidiaries of the Company, in accordance with the Indian Indirect Tax Regulations as at the date of our report.
6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offering.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders or material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of March 09, 2022, to the Company and its shareholders and material subsidiaries, in accordance with the Indian Indirect Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 7 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders or material subsidiaries will continue to obtain the benefits per the Statement in future; or
   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

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

Huned Contractor
Partner

Membership No.: 041456
UDIN: 22041456AENAPT5783

Date: Mumbai
Place: 09 March 2022

Annexure 1

LIST OF MATERIAL SUBSIDIARIES OF NAVI TECHNOLOGIES LIMITED

1. Navi Finserv Private Limited
2. Chaitanya India Fin Credit Private Limited
3. Navi General Insurance Limited

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

Annexure 2

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NAVI TECHNOLOGIES LIMITED (the "COMPANY"), ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES UNDER THE GOODS AND SERVICES TAX ACT, 2017 (hereinafter referred to as the 'Act')

A. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the Act.

B. Special tax benefits available to the Material Subsidiaries of the Company

There are no special tax benefits available to the material subsidiaries of the Company (listed in Annexure 1) under the Act.

C. Possible special tax benefits available to the shareholders of the Company

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. [Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017].

Apart from the above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Act.

Notes:

1. The special tax benefits discussed in the statement sets out only the special tax benefits available to the Company or its shareholders or material subsidiaries under the Act, and does not cover any benefit under any other law in force in India. This statement does not discuss any tax consequences in any country outside India.

2. These special tax benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders or its material subsidiaries may or may not choose to fulfil.

3. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

4. The Statement has been prepared on the basis that the shares of the Company are to be listed on a recognized stock exchange in India and the Company will be issuing equity shares.

5. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. The Company or its material subsidiaries or its shareholders will continue to obtain these benefits in future;
    ii. The conditions prescribed for availing the benefits have been/ would be met with; and
    iii. The revenue authorities / courts will concur with the view expressed herein.

6. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

For and on behalf of **Navi Technologies Limited**
(formerly known as Navi Technologies Private Limited)

Ankit Agarwal
Chief Financial Officer

Place: Bengaluru
Date: 09 March 2022

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from the Indian Fintech Landscape focused on Digital Lending, Insurance and Asset Management Report dated March 9, 2022 (the "***RedSeer Report***") and the Industry Report on Microfinance dated March 10, 2022 (the "***CRISIL Report***") which have been commissioned and paid for by us for agreed fees for the purposes of confirming our understanding of the industry exclusively in connection with the Issue and exclusively prepared and issued by RedSeer Management Consulting Private Limited and CRISIL Limited, respectively. We officially engaged RedSeer Management Consulting Private Limited, in connection with the preparation of the RedSeer Report in relation to the financial services (excluding microfinance) industry pursuant to an engagement letter dated December 13, 2021. We officially engaged CRISIL Limited, in connection with the preparation of the CRISIL Report in relation to microfinance industry pursuant to an engagement letter dated January 18, 2022. The data included in this section includes excerpts from the RedSeer Report and CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

INDIAN FINTECH LANDSCAPE FOCUSSED ON DIGITAL LENDING, INSURANCE AND ASSET MANAGEMENT ***(Source: RedSeer Report)***

<u>Macroeconomic Attractiveness and Digitisation Trends</u>

India is the world's sixth-largest economy in terms of GDP and is estimated to grow faster than other large economies

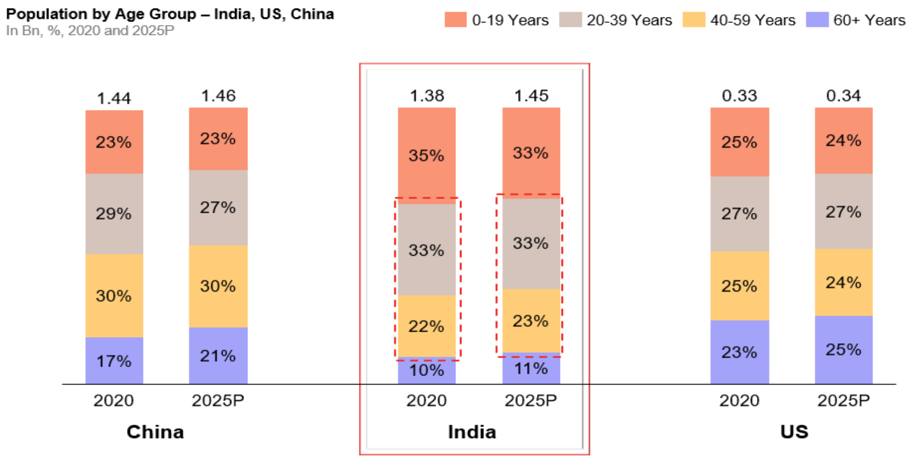
India's gross domestic product was approximately US$2.7 trillion in 2020 and is estimated to become a US$4.1 trillion economy by 2025. As per the revised estimates by RBI, the Indian GDP is estimated to grow at 7.8% for the Financial Year 2022-23, aided by an increase in public investment and incentives to boost manufacturing. The acceleration in vaccination has also lent comfort to a more sustained recovery.

This growth is aided by rising urbanisation supported by Government led policies to improve infrastructure

As per a report published by World Bank, 35% of India's population stay in urban areas. This is very low as compared to the USA and China wherein 83% and 61% of the population stay in urban areas respectively. In the Financial Year 2021, the urban population in India was 35% and is estimated to become 38% of the total population by the Financial Year 2026.

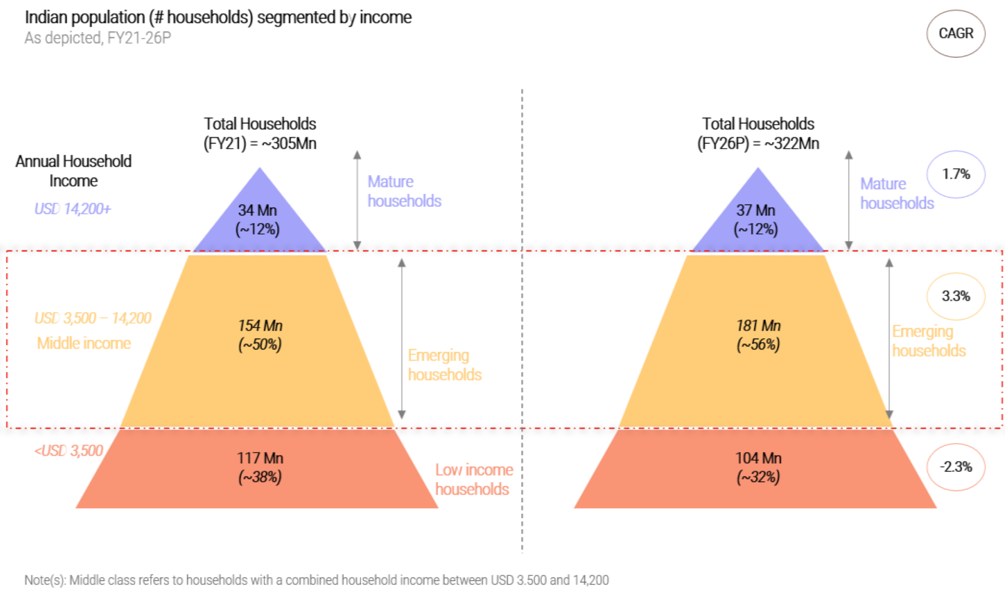
Another factor adding to the growth is the sizable young and working population in India

68% of India's population is young and 55% of its population is in the age group of 20-59 (working population) in the year 2020 and is estimated to reach 56% of the total population by 2025. As of 2020, India has 600 million people from "Generation Z" (those born after the mid-1990s) and "millennials" (i.e., those born in the 1980s and early 1990s) who are driving the digital adoption and consumption growth in India. The population in the age group of 0-19 will gradually join the young, working demographic shortly. This group will primarily be digital natives.



Source(s): United Nations, RedSeer Analysis

A key driver of India's growth in this decade is emerging households which is approximately 50% of total households in the Financial Year 2021 and is estimated to become 56% of total households by the Financial Year 2026. RedSeer expects that this growth will be driven by the rapid upward mobility of the lower-income households, which will witness growth in incomes through urbanisation, increasing democratised access to information, and employment opportunities, which will subsequently drive consumer spending.



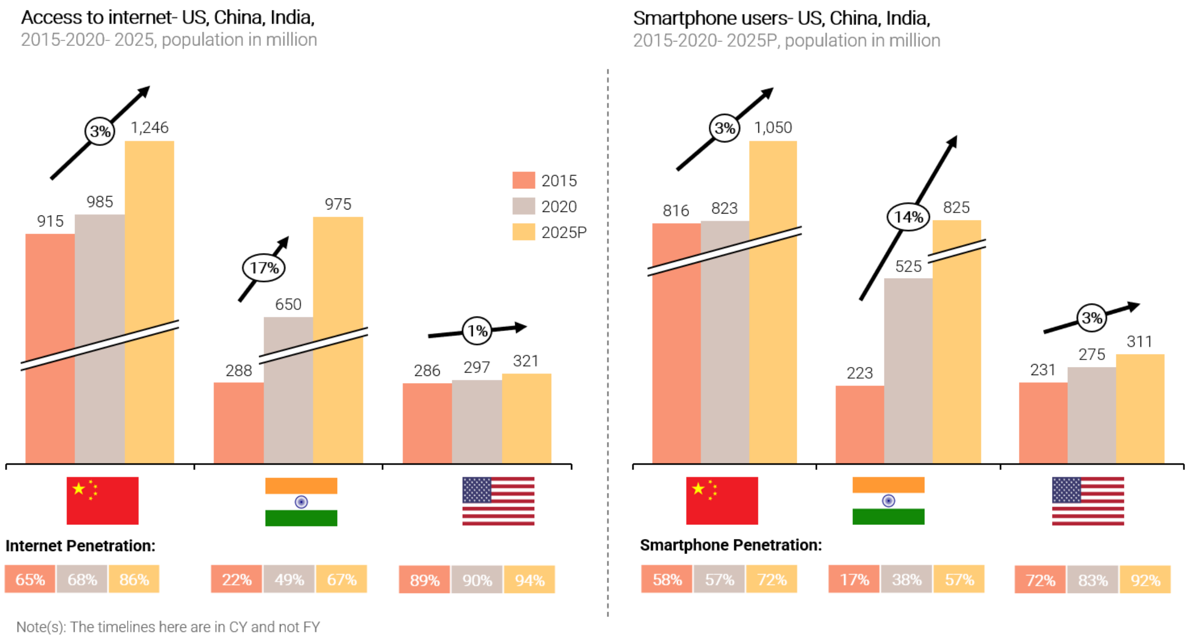
Source(s): RedSeer Analysis and Estimates

India is going to have approximately 1 billion internet users by the Financial Year 2026 at the backdrop of higher affordability of smartphones, cheaper data plans and digital India push

Over the last decade, India added more than 500 million new smartphone users. With higher affordability, declining smartphone costs and the availability of a greater variety of value smartphones, the number of smartphone users is estimated to reach 800-850 million in the Financial Year 2026, representing more than 55% of India's total population and approximately 80% of total internet users. In the Financial Year 2021, 660 to 690 million Indians had access to the internet. According to RedSeer, this number is estimated to increase to approximately 950-1,000 million by the Financial Year 2026, representing more than 70% of the total population. This growth will primarily be driven by consumers or users in non-metro cities (referred to as the "next billion users" or "Bharat shoppers"), which will grow at a faster pace compared to consumers/users in metro cities

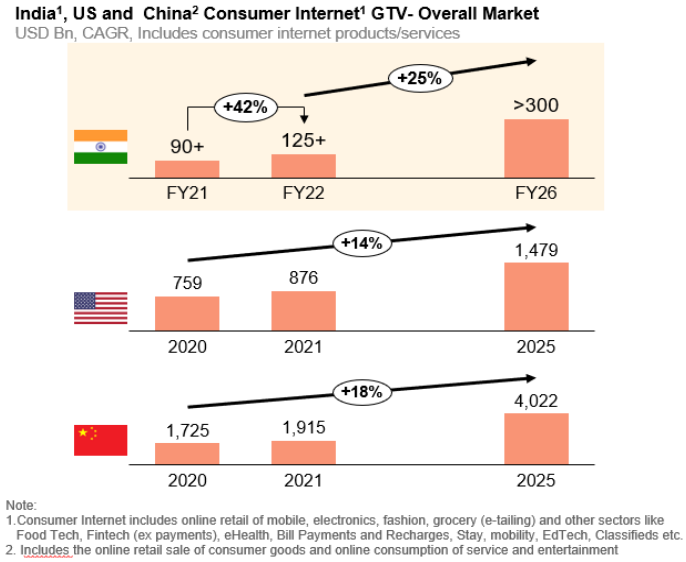
India is one of the largest and fastest-growing markets for digital consumers, with approximately 650 million internet subscribers in 2020, second only to China. And such growth is seen due to the following reasons:

- **E – KYC** - online upload of KYC documents is enabling financial services companies in faster processing, reduce frauds, improve accuracy & low transaction costs
- **Digital infrastructure** - The 2025 $1 trillion digital India vision aims to create a digital infrastructure for all citizens like digital identity, mobile banking & bank accounts for all & easy access to a common service centre
- **Aadhar and Digi locker** - Close to 95% of the Indian population is on Aadhar & over 98 million registered users are on Digi locker
- **Digital Empowerment** - The Digital India vision aiming to provide access to universally acceptable digital resources available in multiple Indian languages, will further increase the digital consumer penetration in the financial services
- **Data Centralisation**: Under the Digital India initiative, the centralisation of entire documentation, licensing, and permits to a single online portal will enable more start-ups and SMEs to do business in India easily



Source(s) RedSeer Analysis and Estimates

The Indian consumer internet market is estimated to grow to more than US$300 billion by the Financial Year 2026 from US$90 billion as of the Financial Year 2021. Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. The number of first-time online users has witnessed an increase across segments, along with an increase in online activity from tier 2 and tier 3 cities, which indicates a strong opportunity for enterprises and start-ups to cater to these cohorts digitally as the new normal.



Source(s): RedSeer Analysis and Estimates

The gross transaction values across sectors are as follows:

Growth by the major consumer internet sectors – India

Market Size, USD Bn, Consumer Internet penetration, In %, FY16-FY21-FY26P

X% Consumer Internet player* penetration in the respective sectors

		GTV FY16	GTV FY21	GTV FY26P	CAGR FY21-FY26P
	Online Retail	15 2%	42 5%	140-160 14%	28-31%
	eGrocery	<0.5 ~0%	3.7 1%	22-27 3%	43-49%
	Food Delivery	<0.5 ~0%	2.7-3 7%	13-14 14%	~36%
	E-Health	<0.1 ~0%	1.5 0.5%	12-16 2%	50-60%
Key Fintech segments (Excl. payments)	Digital Retail Lending[1]	<2 <2%	15-17 8%-10%	95-100 25%-30%	41-46%
Key Fintech segments (Excl. payments)	Insurtech[2]	0 0%	0.42 1.5%	2-3 4%-6%	37-48%
Key Fintech segments (Excl. payments)	Digital Asset Management[3]	18-26 10%-15%	112-134 25%-30%	500-550 50%-55%	30-37%

Note:
1. Includes digital loan disbursals in the year in personal , home, auto, consumer durables and credit card categories
2. Includes non-life insurance premiums generated by digital insurance (insurtech) players with IRDA license
3. Includes AUM of direct mutual funds and mutual funds invested digitally by investors

Source(s): RedSeer Analysis and Estimates

Key growth drivers of digital financial services in India

- **Favourable income and age demographics of India** – India's population between the ages of 25 to 35 is approximately 225 million as of 2021 and is a prime target segment for availing financial services like credit, insurance, and investments. According to RedSeer, this segment is rapidly growing and is slated to reach approximately 240 million by 2025.
- **Rising financial awareness and inclination towards online investments in financial markets** – The influence of mass media via investment-related content heightened commercial awareness and financial literacy of important investment-related issues leading to increased participation in investments

- **Leveraging technology for insurance underwriting** – New-age start-ups are leveraging analytics to drive insights across key streams like acquisition, claims assessment, customer service and fraud detection. Using inputs from all manners of devices, these companies are building more finely delineated groupings of risk, allowing products to price more competitively. Digital insurers are also leveraging social media and behavioural analytics to build holistic customer profiles. With competitively priced premiums and innovative products, digital insurance is set to grow.

- **Alternative credit models to accelerate lending among segments with credit under-penetration** – By leveraging AI-powered technology, lending platforms have disrupted the lending process by using financial and behavioural-based alternate credit risk models to issue loans to the under-served and under-banked segments.

- **Government Initiatives** – Initiatives like Jan Dhan Yojana, Digital India, Unified Payments interface, trade receivable discounting systems have enabled the fintech ecosystem to grow exponentially especially after the 2016 demonetisation.

- **Digital Banking** – Digital-only banks in India have no physical branches and offer many sought-after services compared to challenger and traditional banks. They leverage technology to win over customers. Digital banks provide easier, faster, and more efficient access to financial services.

Overview of Technology Enablement in BFSI

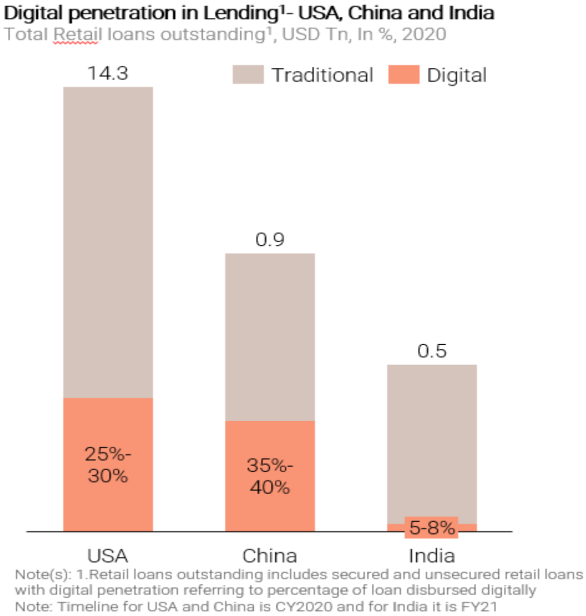
Globally, BFSI has seen increased digitisation in both the USA and China

According to RedSeer, USA and China have seen significantly higher digital penetration in the banking, financial services, and insurance (BFSI) sector when compared to India.

Digital retail lending

The retail loans outstanding (retail lending AUM) market size in the USA was approximately US$14 trillion in 2020 with approximately 25-30% of the retail loans (including both secured loans and unsecured personal loans) disbursals happening digitally. Full-stack digital lenders in the USA leverage AI/ML-enabled alternate credit models to offer loans at attractive interest rates with a large share of the collections happening fully digitally. One of the key success factors for digital personal lenders in the USA has been venturing into multiple financial service offerings like wealth tech and home loans which allowed them to cross-sell. China's retail lending AUM with a size of approximately US$900 billion saw 35-40% of the retail loans disbursed digitally. Both USA and China have digital lenders leveraging technology to study multiple behavioural and financial variables (typically analysing 1000+ variables) in their AI-based credit risk and fraud check algorithms.

Compared to USA and China, India has a smaller credit penetration, and its retail lending AUM stands at approximately US$500 billion with less than 10% of the retail loans being disbursed digitally. Looking at USA and China, the Indian retail lending space has significant room to grow both digitally and traditionally. The use of ML based underwriting, rising adoption of small-ticket personal loans and cross-selling loans within the consumer internet ecosystem will help digital lending grow in India. There is also a large, secured lending space (home loan, LAP, etc) that is underpenetrated by digital players. Indian digital lenders can solve the customer pain points in unsecured lending through better user experience, faster loan processing and disbursing loans using alternate risk underwriting models.

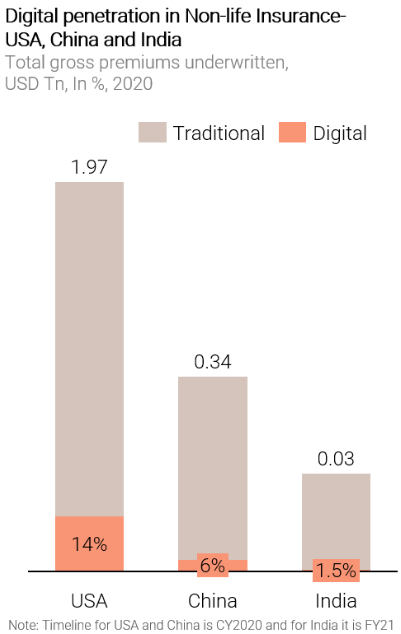


Source: RedSeer Analysis and Estimates

Digital non-life insurance

When it comes to non-life insurance, the USA is estimated to have a market size in terms of the total gross premium underwritten as US$1.97 trillion by 2021 whereas the share of digital insurance is estimated to be 14%. The USA has witnessed several insurtech players focussed on a marketplace model and bite-sized insurance products. Most US-based digital insurance players have an app-based direct to customer insurance approach which makes the customer experience better due to short turnaround time and lower cost to consumer due to disintermediation. China's non-life insurance market is estimated to have a size of US$336 billion with the share of digital insurance estimated to be 6% in 2021.

Indian non-life insurance currently has low penetration and the market in terms of gross premiums underwritten stands at approximately US$28 billion with close to 1.5% digital penetration in terms of percentage of premium sourced digitally from insurtech as of the Financial Year 2021. Digital insurance players in India can apply the global insurtech lessons and increase digital insurance penetration using technology in underwriting to create innovative products that will improve the convenience and adoption of insurance products.

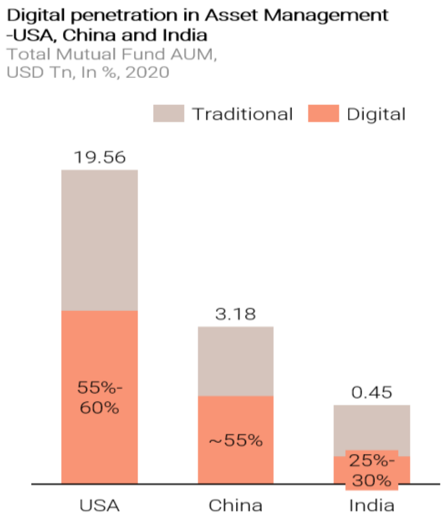


Source: RedSeer Analysis and Estimates

Digital asset management

In terms of the mutual fund asset management market, the USA is the leading country with a total mutual funds asset under management (AUM) of approximately US$19.6 trillion and more than half of these assets are being managed digitally as of 2020. Like the USA, the Chinese digital asset management players account for close to 55% of the overall asset management market that stands at approximately US$3.2 trillion as of 2020. The large fintech players provide investors with a full suite of fintech services starting from digital wealth management, digital insurance to digital lending. As a result, mutual funds are often sold on these ecosystem-based platforms through cross-selling with a personal loan product. In both USA and China, digital players have been able to improve customer experience by reducing brokerage dependencies, enabling fast market insights and AI-based investing nudges. Also, the USA asset management has seen successful fund houses that have large passive funds in terms of assets under management.

The Indian mutual fund asset management industry in the Financial Year 2021 has a digital penetration of 25-30% out of an industry AUM of close to US$450 billion which is estimated to grow further. Growth in investor awareness, rising adoption of direct passive mutual funds, reducing returns or interest rates from traditional fixed-income investments, and increasing internet penetration provides a large opportunity to capture value in the asset management space.



Source: RedSeer Analysis and Estimates

According to RedSeer, the financial services space in India is highly underpenetrated (across segments including lending, insurance, and mutual funds) which presents a big opportunity for a technology-first company to capture a large market share.

Following global trends, India Fintech has also witnessed a rapid rise in funding with 2021 seeing an all-time high.

The increase indicates growing investor confidence in the Indian fintech space which has been supported by several growth drivers.

- **The rapid adoption of digital payments**: The pandemic accelerated the adoption of digital payments on a large scale and led to a shift in consumer behaviour towards the use of digital financial services like Insurtech, digital lending and wealth tech.
- **Government financial inclusion initiatives**: Government initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), Direct Benefit Transfer and Atal Pension Yojana have enabled rural India to gain access to digital financial services.
- **Rise of digital consumer lending**: Close to 120 million low-income households in India have no access to formal credit because of the low or no credit history. Fintech players can use alternate credit models with

AI/ML algorithms to disburse small ticket personal unsecured loans to low-income households at low interest rates compared to traditionally available informal sources of credit.

- **Open architecture or India stack**: Access to open architecture and integration with government digital platforms like AADHAAR, UPI, GSTN, Bharat Bill Payments have enabled fintech players to develop user-friendly apps and create robust data analytical models. Through these API integrations, fintech players can offer fast loan processing, KYC, and faster customer onboarding in case of lending, insurance, or asset management platforms.

- **Presence of niche business models**: The Indian fintech space has plenty of space for start-ups to play in niche segments using differentiated business models. For example, within lending, there is marketplace versus full-stack lenders and within digital payments, there are collection platforms and evolved BNPL players. In insurance, there are full stack (end to end ownership on the product/ service offerings) Insurtech players and marketplace players. And in asset management, there are digital mutual fund distributors and there are holistic wealth management platforms that use AI-based advisory services. These diverse business models allow many fintech players to sustain and compete.

<u>**Understanding opportunity within BFSI services for retail credit/lending In India**</u>

Historically, India's bank retail lending AUM has grown at a CAGR of 15% between Financial Years 2016 and 2021 with housing loans being the largest, and personal loans and credit cards growing the fastest

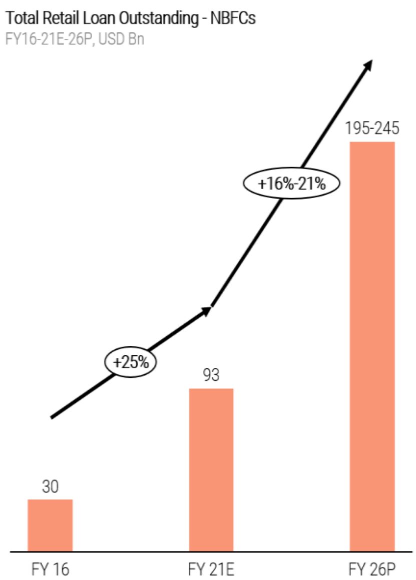
The total size of the Indian retail loan outstanding (retail lending AUM) for banks stood at US$407 billion in the Financial Year 2021, which has more than doubled since Financial Year 2016. Personal loans have shown the highest CAGR of 22% in the last five years. For the same period, the home loan portfolio observed a CAGR of 14%.

This growth was driven by a shift in India's demography, a burgeoning affluent middle class ramping up private consumption, as well as growth in rural population. Fintech firms have transformed the lending landscape to cater to the financial needs of consumers.

The NBFC retail lending AUM in India has grown at a CAGR of 25% during Financial Years 2016 to 2021 to reach approximately US$100 billion

One of the major contributors to this growth was the personal loans portfolio showing a CAGR of approximately 27%. For the same period, the home loan portfolio grew at a CAGR of 25%.

Improving macro-economic conditions, higher credit penetrations, consumption themes and disruptive digital trends have influenced NBFC credit growth.



Note(s): (1) Others include auto, gold and consumer durable loans

Total Retail loan market split
USD Bn

	Market Size (USD Bn)			
Category	FY16	FY21E	FY26P	CAGR (FY16-21E)
Housing Loans	1	3	8	25%
Personal Loans	7.5	25	60-70	27%
Others[1]	21.5	65	127-167	25%

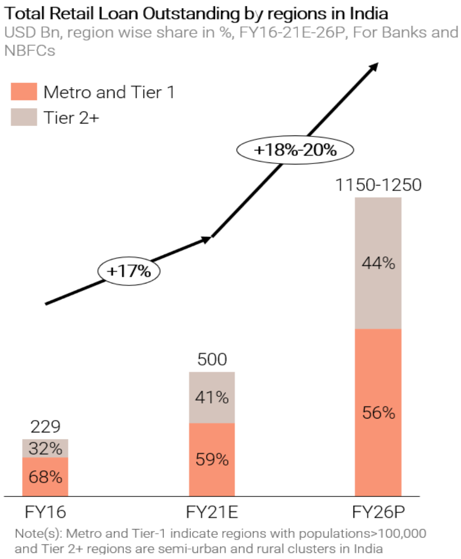
Source(s): RedSeer Estimates, RBI

The retail lending market in India is skewed towards Metro and Tier-1 cities as compared to Tier 2+ cities due to a lack of capability and reach of traditional lenders in these regions

In India, the retail lending AUM is majorly concentrated in Metro and Tier-1 cities as compared to other cities due to lack of capability and reach, which provides a significant market opportunity for digital lenders in India. In the Financial Year 2021 out of a total market of approximately US$500 billion, 59% of the business came from tier 1 and metro cities. Semi-urban and rural areas are highly under-penetrated in terms of credit, as 65% population in India is based in these regions and accounts for only about 40% of loan outstanding implying a large credit supply gap in rural areas due to lack of reach.

However, increasing penetration was observed in Tier 2+ areas because of the following reasons:

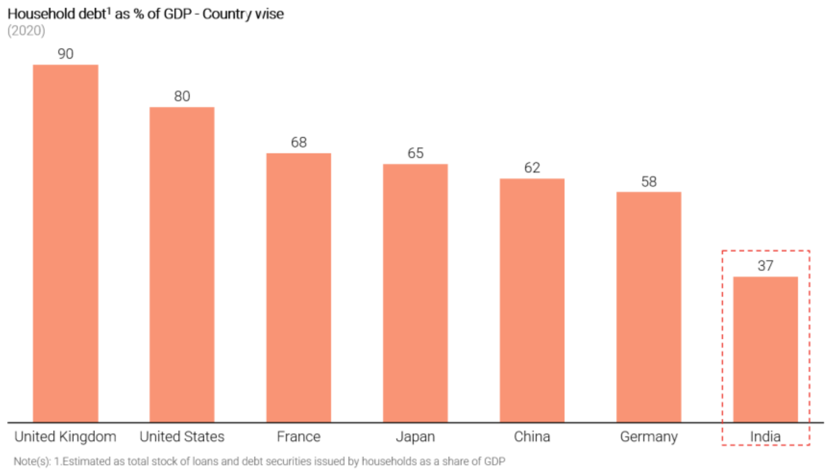
- **Financial inclusion programs -** Financial inclusion initiatives and availability of small-ticket consumer loans and alternative credit models
- **Local ecosystem partnerships to drive growth** - Retail lenders can partner with platforms such as India post, payment apps, self-help groups, small farmers; agriculture business consortiums namely farmer producer organisations (Agri-FPOs) and ration shops to increase reach.
- **Digital lenders can capture Tier 2+ market opportunity** - With asset-light models, digital distribution, API integrations, AI/ML-based alternative credit models, digital lenders can fulfil the credit needs of Tier 2+ cities.



Source: RBI, RedSeer Estimates

Despite posting strong growth, India's Formal Retail Credit Penetration remains significantly lower than global peers indicating a large headroom and potential for growth

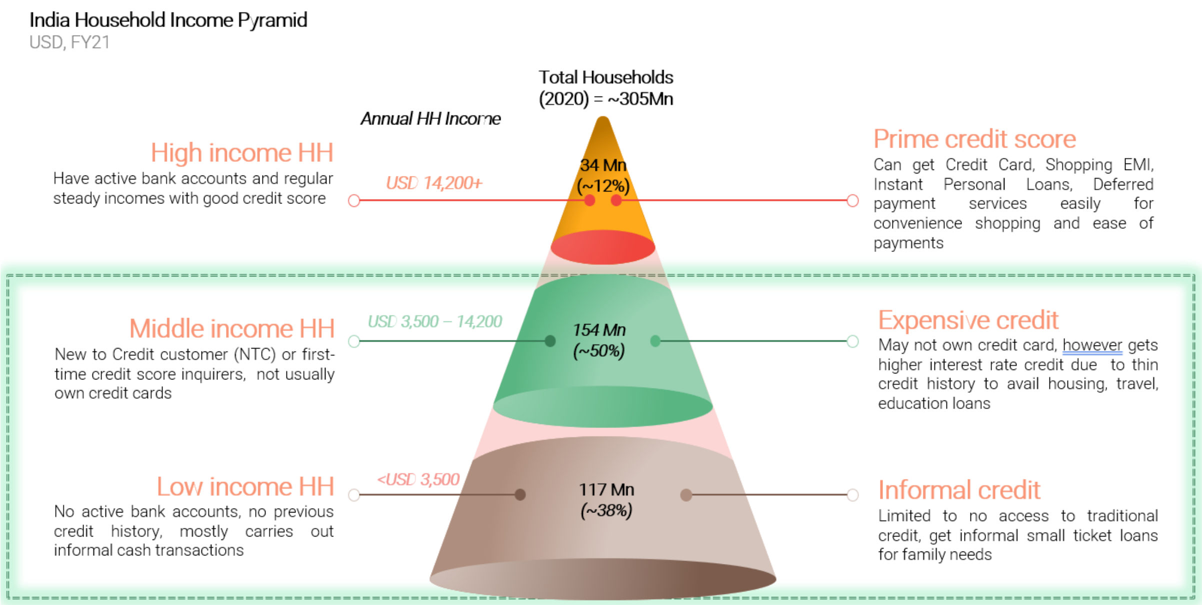
Indian market remains underpenetrated because traditional financial institutions require active bank accounts, extensive documentation, and a robust credit score to sanction credit, however, a rising millennial population demands easier access to credit with minimal documentation in lesser time, pushing the importance of end-to-end full stack digital lenders in this space.



Source(s): IMF

One of the factors causing low retail credit penetration is due to credit supply gap for low-income households which are restrained by income qualification criteria - creating an opportunity for lending services to fill the gap

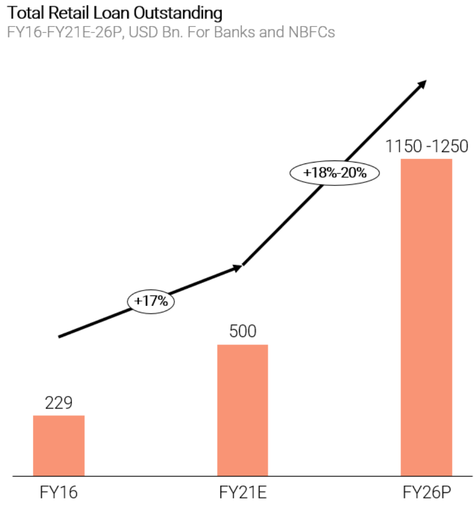
The Indian population can be classified by annual income levels in three households.



Source(s): RedSeer Analysis and Estimates

RedSeer expects that this growth will be driven by the rapid upward mobility of the lower-income households, which will witness growth in incomes through urbanisation, increasing democratised access to information, and employment opportunities, which will subsequently drive consumer spending

In this context, the retail lending AUM (from banks and NBFCs) is estimated to grow by more than twice the current size in the next five years driven by a rise in private consumption, government's policies, alternate lending models, large untapped market borrowing from informal sources and penetration in Tier 2+ cities



Source: RBI and RedSeer Analysis

Along with under-penetration in Tier 2+ cities, traditional lending is also plagued by several customer pain points which can be solved by digital lending solutions that bring customised credit models, automated processes and less paperwork

Fintech companies are changing the brick-and-mortar landscape of lending by utilising data and technology. Here are how fintech players have addressed the issues with the traditional lending model

- **Automation to address manual handling of lending process in the traditional model**

  The traditional lending saw issues of excessive paperwork, manual evaluation which was tedious and time-consuming. However, fintech lenders disrupted this segment by utilising data analytic tools to pull data from several different alternative sources. The data is collected and analysed within seconds to create a snapshot of the consumer's creditworthiness and risk. The information can include utility, rent. auto payments, among other sources. To keep up, financial institutions have begun to implement alternative credit data to get a more comprehensive picture of a consumer, instead of relying solely upon the traditional credit score.

- **Customised products to address the customer experience**

  The traditional lending had issues such as high rejection rate, dearth of tailored credit offerings and limited capability in terms of time for processing enormous loan applications volume with limited staffing which in turn affects the customer experience. Fintech lenders offer customised credit assessment models, which employ behavioural data to identify typical attributes for charging interest rates.

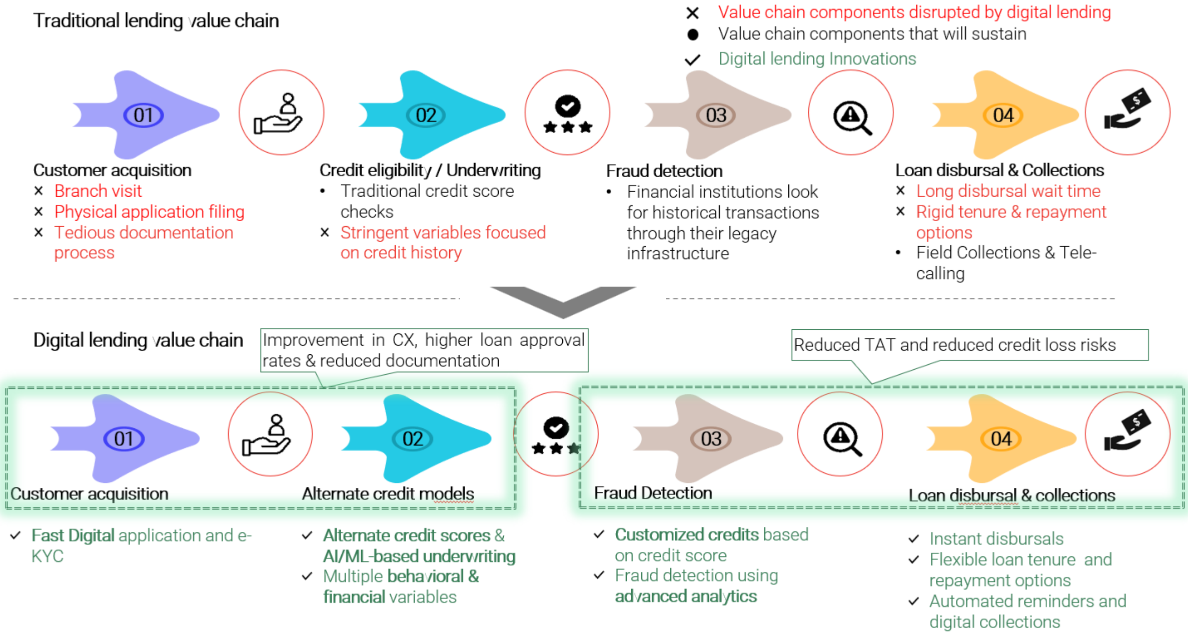
- **The high turnaround time to process a loan was addressed by fast approvals**

  Fintech lenders in contrast to traditional lenders who could take up to a few weeks to approve a loan, have the capability to approve and fund loans in less than 24 hours. Also, alternative credit decisioning (ACD) models enable model efficiency by removing dependency on physical documentation, thus crunching turn-around time.

- **Risk profiling and recovery improved due to AI/ML solutions**

  Traditional lending businesses observed delays in getting updates/red flags/warning signs and problematic client updates on time. Fintech offers advanced analytics and AI/ML solutions for comprehensive portfolio monitoring which can provide based on probabilities, early warning signals.

Full-stack digital lenders are leveraging technology to disrupt the traditional value chain to offer a better customer experience, reduced turnaround times and faster loan disbursals

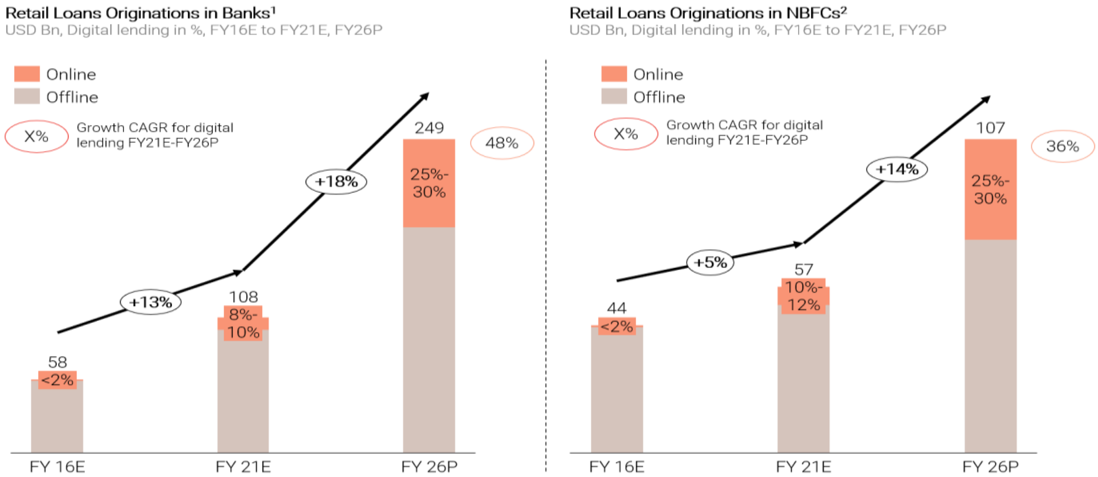


Source: RedSeer Analysis

Digital disbursal of retail loans in both banks and NBFCs have witnessed rapid growth with NBFCs seeing a higher share of loans originating digitally.

The digital platform adoption will be rapid since more fintech companies partnering with banks and NBFCs will facilitate a quick embrace of technology. This has led to the birth or evolution of the physical or hybrid model and along with it a new concept of Neo Banks, the online-only financial service.

Full stack players who have control over the complete lending value chain, have technological expertise to optimise their product offerings, reduce time taken for loan disbursal, and offer direct-digital customer experience.



Note(s): (1) Retail Loans originating by banks includes Scheduled Commercial Banks (2) NBFCs also include Full stack digital Players Which have their own RBI licence to lend

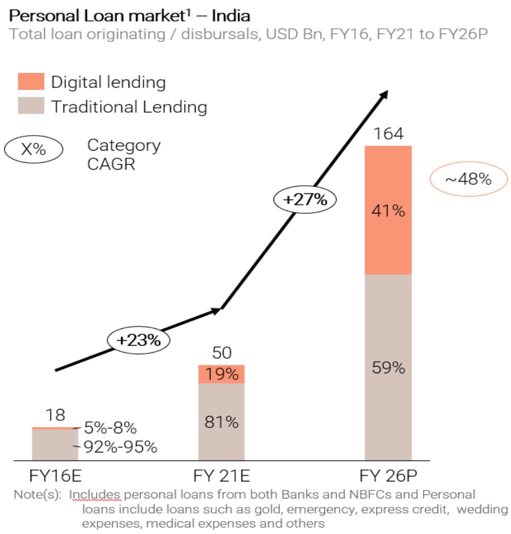
Source(s): RedSeer Analysis and Estimates

Among the retail lending categories, personal loan has grown the fastest and is estimated to grow at a CAGR of 27% over the next five years

The new loan disbursals/originations for the personal loan category are estimated to increase at CAGR of 27% from US$50 billion in the Financial Year 2021 to US$164 billion in the Financial Year 2026. In the same period, overall digital lending is estimated to increase from 19% to 41% of the total personal loan disbursals.

The high pace of growth in the digital personal loan disbursals indicated an expansion of the consumer-driven economy, and the rise in demand for personal loans during the pandemic.
The key growth drivers for the growth of the digital personal lending space are as follows:

- **Full stack digital play**: Full-stack digital lenders can increase reach to larger masses by negating the need for physical branches and issuing loans digitally
- **Asset light model**: Using automation, AI/ML-based underwriting models and operating digitally will help improve the financial performance of digital banks by reducing capex and employee costs.
- **Affordable pricing**: The use of alternate credit models, low customer acquisition cost, customised products by fintech will bridge the funding gap and allow for effective credit risk profiling and pricing of loans.
- **Wider funnel**: Fintech companies use AI/ML to gather a prolific amount of customer micro-data to target, acquire & onboard customers from Tier 2+ cities of India and lend to new to credit customers with thin credit history.
- **Flexible ticket size**: Digital lenders provide credit by optimising costs across the value chain and can provide small ticket size loans addressing the needs of an underserved market. they are also able to provide flexible payment terms by incentivising quicker payments and charging low carry-forward fees



Source(s): RedSeer Analysis and Estimates

A large opportunity for digital lenders also exists in the secured lending space - housing loans and loans against property (LAP)

The outstanding loan portfolio (AUM) of home loans and LAP was estimated to be approximately US$282 billion in the Financial Year 2021 of which 75% pertains to housing loans and the remaining 25% pertains to LAP. This portfolio is estimated to grow at a CAGR of 10% to become a US$460 billion market in the Financial Year 2026 with the housing loan share of 78% and the remaining 22% of the LAP.

The key growth drivers for the growth of the housing loan and LAP are as follows:

- **Increasing disposable incomes** - Rising per capita incomes and an increase in middle-class households can lead to greater purchases of homes by middle-class households
- **Urbanisation -** As per World Bank, in the Financial Year 2021, the urban population in India was 35% and is estimated to become 38% of the total population. Such growth is aided by population growth, migration, and the expansion of towns and cities

- **Growth in real estate** – COVID-19 saw a decline in construction and real estate activity in the country. Due to this, a large pent-up demand was created amongst the Indian households looking to buy new homes. The real estate sales volume in the top seven cities in India doubled in the third quarter of 2021 compared to the second quarter of 2021 (post second COVID-19 wave).
- **Affordable housing** – Favourable government policies such as income tax benefits on home loan interests, Maharashtra government implementing a zero-stamp duty, EMI moratorium for home loans and reduction in interest rates by the central bank has helped the middle-income households to opt for home loans at affordable pricing.
- **MSME credit boost** - A driver for the growth in LAP is the stimulus from the government for the MSME sector in the ECLGS 3.0 scheme that promises to infuse over US$40 billion. MSMEs' requirement of credit to scale themselves, survive the market and economic fluctuations require them to take credit and with govt. initiatives to support MSMEs will enable them to consume more credit.
- **Process improvements in LAP** – At present, India's formal credit lending models require extensive documentation, active bank accounts and a steady source of income, with decent credit history at the very least for the MSMEs. Due to this, only a fraction of MSMEs can meet all the criteria to avail credit from traditional financial institutions. The rise of digital lending solutions that provide quicker TAT, lower interest rates for longer tenures than retail loans and increasing digitisation of documentation have led to a rise in LAP borrowers.

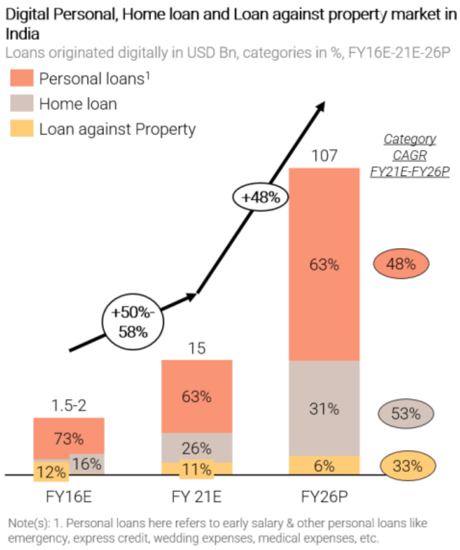
Home loan customers in India currently face various pain-points such as longer turnaround times, extensive manual application process, and lack of clarity regarding loan approvals. There is huge opportunity for end-to-end integrated full stack fintech players to solve these issues using technology.

With increasing digitisation, the disbursement of personal loans, home loans and loans against property have also increased

During the pandemic, the need for accessibility shaped various aspects of the industry. It led to a shift in customer preferences, pushing lenders to focus on digital sources of acquisition

RedSeer estimates that the digital lending market in the personal loan, home loan and LAP categories will grow at a CAGR of 48% to become a market of US$107 billion in the Financial Year 2026 with personal loans carrying the highest share of 63% in the digital lending market followed by a 31% digital disbursal share of home loans and 6% for LAP.

Personal loans are leading because of alternate credit models and increasing penetration due to rising consumption. Small ticket personal loans have the greatest potential for digital adoption. Also, due to rising internet and smartphone penetration in the Tier 2+ regions of India and increasing consumption trends in these regions, digital retail lending players are leveraging the underpenetrated market



Source: RedSeer Estimates

The digital home loan and LAP market has significant room to grow by solving existing customer pain points

- **Underwriting process and manual handling** resulted in longer TAT (usually 3-4 weeks) as it requires verification before reporting, paperwork, and manual evaluation. There also exists uncertainty and lack of transparency in the loan disbursals processes.

  While, digital home lending and LAP provide solutions that use of third-party data that processes the underwriting assessment through digital processing platform to identify typical attributes. Third-party data are also used to identify eligibility criteria. The verification is also done online since all the data are synced with the system.

- **Branch led model** has been used by many traditional lenders as it operates on fixed cost and income as a percentage of the loan amount. Hence, large chunk of middle-income markets remains untapped due to its reach. The branch led model also includes multiple touchpoints (like credit, legal, etc) for approvals leading to delays in disbursal. While Digital home lending and LAP solutions with their physical approach are utilising SEO and technology that brings middle-income customers to the bank.

- **Overvaluation of collateral in the case of LAP** across the banking and finance industry was a major issue faced by traditional lending institutions. It has been difficult to get a real-time update of LAP on an already mortgaged property. While, digitisation of processes uses advanced mechanisms and monitoring systems as well as robust collection systems to help these HFCs to maintain good asset quality.

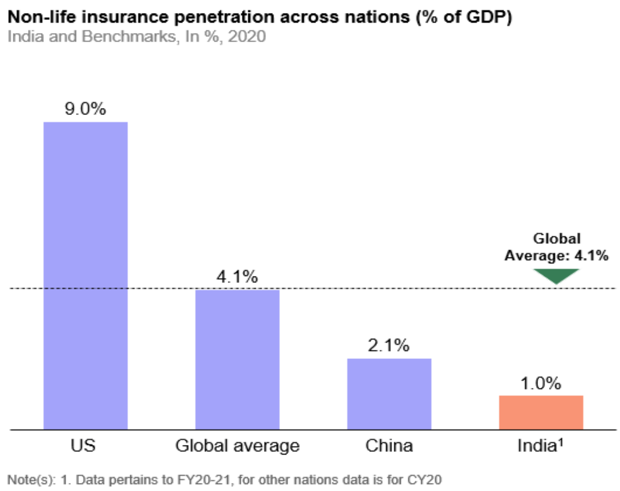
- **Delay in project approvals and construction** have some drawbacks where cash flows are largely dependent on the timely completion of projects in which customers have units. If the project is delayed, the borrower may start defaulting on loans. New-age home lenders can solve this problem by partnering with builders and developers at early stage of the project ensuring compliance and approvals are taken care of and then finance loans for customers for these pre-approved projects.

Understanding Indian Non-Life Insurance Market

Indian non-life insurance market remains under-penetrated at 1% in 2020 which is less than the global average of 4.1% indicating broad expansion opportunity

India's insurance penetration stands at approximately 1%, less than the global average of 4.1% in 2020.

Low penetration in the insurance industry stems from financial illiteracy, lack of awareness of need and sufficiency of insurance, low household disposable income, complex products, gaps in product offerings, and inefficiencies in the distribution system. Opaque cost structures, hidden fees and difficult-to-understand language have affected penetration of insurance in India. On the distribution side, reach remains low and is a push-driven model with agents, brokers and bank channels serving as a primary sales channel. Further, there is no legal requirement for people in India to purchase general insurance (except third-party motor insurance), contributing to its low penetration. As a consequence of low penetration, non-life insurance density for India is also low at US$21 as of the Financial Year 2021. However, RedSeer estimates the non-life insurance density to grow to US$35 by the Financial Year 2026.



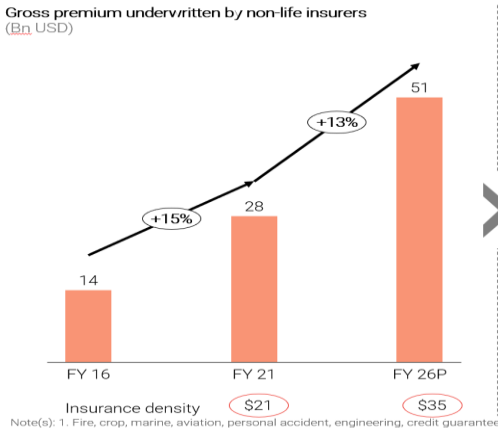
Source(s): IRDAI, RedSeer Analysis

In the past, India's non-life insurance market has witnessed a growth of 15%, to reach US$28 billion as of the Financial Year 2021 and is estimated to grow at a CAGR of 13% for the next five years

As per the IRDAI Annual report, in the Financial Year 2021, the value of gross premium collected by non-life insurers was approximately US$28 billion. This is estimated to grow at a CAGR of 13% to become a US$51 billion market in the Financial Year 2026.

The gross premium underwritten for motor insurance was US$9.7 billion in the Financial Year 2021 and is estimated to grow at a CAGR of 9% to become a 14.9 billion market in the Financial Year 2026. However, the health insurance segment is estimated to grow at a much higher CAGR of 16% to become a market of US$17.6 billion in the Financial Year 2026 from a US$8.4 billion market in the Financial Year 2021.

This is driven by the burgeoning middle-class, rising awareness about insurance protection, innovative products and a favourable regulatory landscape.



Segment wise gross premium underwritten by non-life insurers
(Bn USD)

	Market Size (USD Bn)			
Category	FY16	FY21	FY26P	CAGR (FY21-26P)
Motor	6.0	9.7	14.9	9%
Health	3.9	8.4	17.6	16%
Others[1]	3.9	10.3	18.1	12%
Total	13.8	28.4	50.6	13%

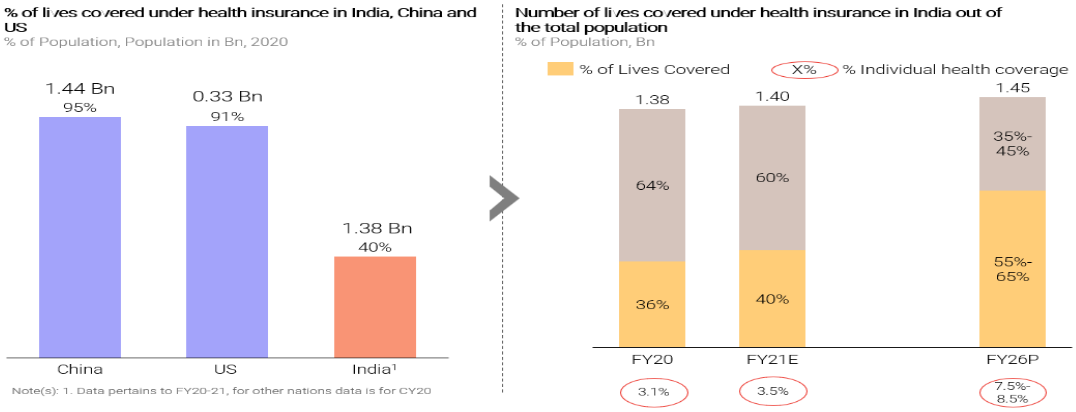
Note(s): 1. Fire, crop, marine, aviation, personal accident, engineering, credit guarantee, liability and bite-sized insurance

Source(s): IRDAI, RedSeer Analysis

Health insurance coverage in India is one of the lowest when compared to developed nations showing under penetration and larger headroom for growth

The total coverage of health insurance in India is approximately 40% in the Financial Year 2021, whereas, in 2020, China had 95% health insurance coverage and the USA, had 91% health insurance coverage, showing a highly underpenetrated health insurance market in India.

In the Financial Year 2020, only 36% of the total Indian population was covered under health insurance, which was estimated to be approximately 40% for the Financial Year 2021 and is estimated to become 55-65% by the Financial Year 2026 as per RedSeer. Out of the estimated 40% lives covered in the Financial Year 2021, 29% lives are covered under government schemes, 7.5% under corporate plans and close to 3.5% under retail (individual) health insurance, indicating significant room for retail health insurance penetration. RedSeer estimates that by the Financial Year 2026, the retail health insurance coverage will be 7.5%-8.5% of the population in India.

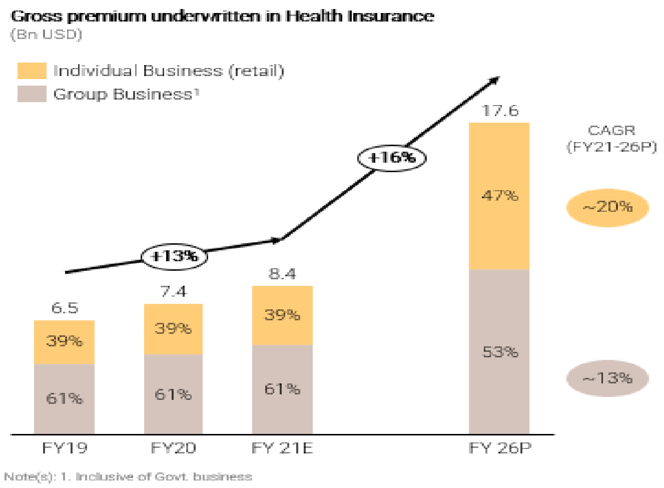


Source(s): IRDAI and RedSeer Analysis

The individual retail health insurance business is estimated to grow at a CAGR of approximately 20% to become a US$8 billion market in the Financial Year 2026

The gross premium underwritten in Individual retail health segment was 39% of the total market size of US$8.4 billion in the Financial Year 2021. However, the share of retail business is estimated to grow at the CAGR of approximately 20% to become 47% of the total market of US$17.6 billion in the Financial Year 2026.

On the other hand, the group business market share is estimated to decline from 61% in the Financial Year 2021 to 53% in the Financial Year 2026.



Source(s): IRDAI Handbook, Secondary Research, RedSeer Analysis

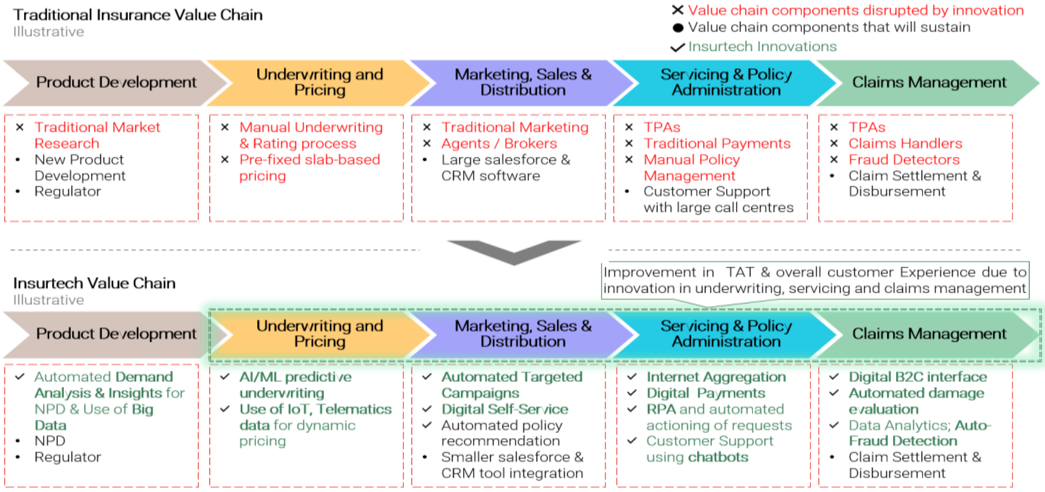
Key growth drivers for the health insurance market

The growth in Indian health insurance will be driven by government policies, changing demographics and disease profiles and awareness towards preventive healthcare.

Further, according to RedSeer, new-age health insurance providers who can provide greater flexibility in the insurance product to consumers will be better positioned to capture the porting market opportunity. Full stack players, with greater control over their product and a direct-digital-transparent customer experience can drive user acquisition through the porting opportunity.

Both product and channel innovation by insurtech is a result of value chain innovation at various stages by insurtech players

Digital insurance players (Insurtech) bring several innovations in the traditional insurance value chain via automated marketing & sales campaigns, AI/ML predictive underwriting, dynamic pricing, data analytics and automation for servicing & claims management. A typical non-life insurance value chain is as shown below.

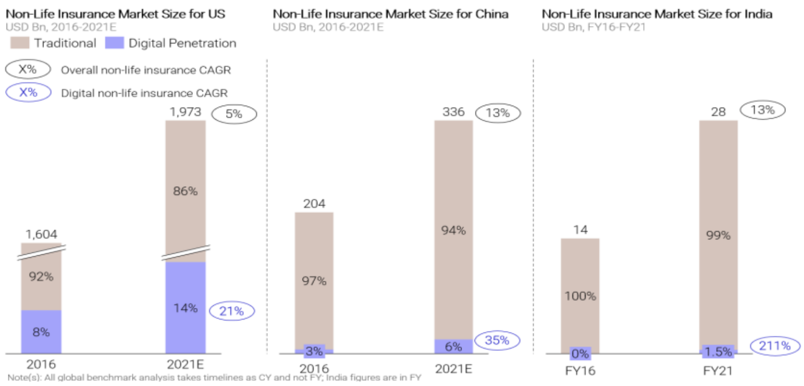


Source(s): RedSeer Analysis

Developed nations like USA and China show consistently increasing penetration of digital insurance in the non-life insurance space, whereas India is highly underpenetrated

According to RedSeer, the USA and China have witnessed Insurtech as a sector grow faster than the non-life insurance market in these countries. USA's non-life insurance market of US$1,604 billion in 2016 is estimated to grow to US$1,973 billion at a CAGR of 5% by 2021 whereas the share of digital insurance is estimated to increase from 8% to 14% at a CAGR of 21% during the same period. A similar trend can be observed in China where the non-life insurance market with a size of US$204 billion in 2016 is estimated to grow to US$336 billion at a CAGR of 13% by 2021 with the share of digital insurance estimated to increase from 3% to 6% growing at a CAGR of 35% during the same period. The growth of insurtech in these nations can be attributed to increasing awareness, convenience and adoption of insurance products and partnership cum cross-selling with other consumer internet businesses which insurtech companies use as distribution channels such as distributing travel insurance by partnering with travel tech companies.

However, in the case of India, the non-life insurance market was US$14 billion in the Financial Year 2016 and has grown at the CAGR of 13% to become the market of US$28 billion. And the share of digital insurance has increased from 0% in the Financial Year 2016 to 1.5% in the Financial Year 2021.

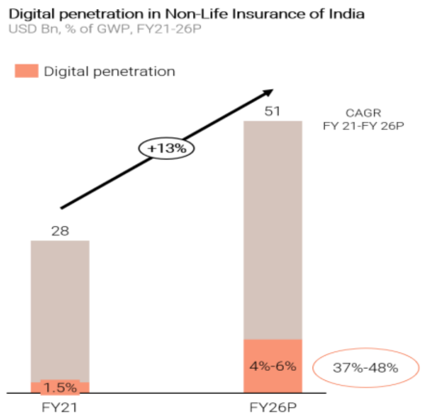


Source: RedSeer Analysis

While still at a nascent stage in India, digital full stack insurers have an exponential growth potential supported by increasing customer preference towards digital insurers.

The non-life insurance market in India is estimated to increase at the CAGR of 13% from US$28 billion in the Financial Year 2021 to US$51 billion in the Financial Year 2026. This presents a huge opportunity for digital full-stack insurers to capture the market with their current penetration being approximately 1.5% in the Financial Year 2021 to reach 4% to 6% in the Financial Year 2026. The key growth drivers for the digital full-stack insurers are as follows:

- **Increased efficiency in claim settlement:** Automated processes leading to more efficient and transparent claims handling, with technology limiting the scope for disagreement, aiding better pricing, underwriting, and offering automatic enforcement of contracts.
- **Simple, easy and transparent products:** Digital full stack insurers have introduced easy-to-understand, simple and holistic product offerings that come with transparent policies.
- **Reduced cost and fraud prevention:** Digital insurers provide technology and a modern platform with a minimal operating expense. Digital signature technology and data analytics help in fraud detection and prevention.
- **Sourcing and distribution:** Digital distribution channels like apps, marketplaces have come up leveraging the e-infrastructure which helps them in saving on agent commissions.

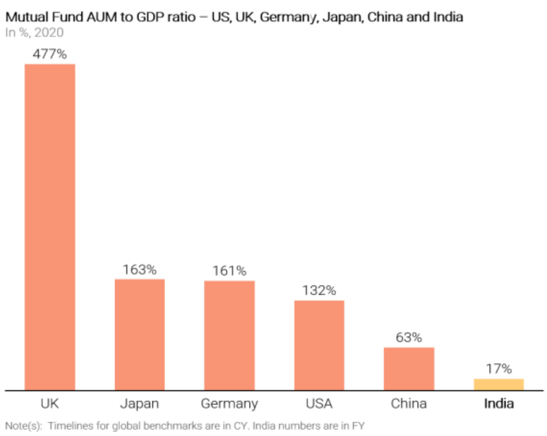


Source: IRDAI and RedSeer Analysis

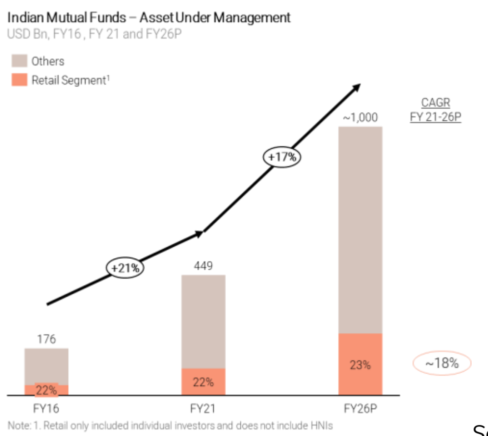
__Understanding Asset Management Industry__

India has one of the lowest assets under management to GDP ratio among global peers

India indicated a low AUM to GDP ratio of 17% implying that only a small portion of savings of households and institutions go towards mutual funds in India. With increasing financial literacy and growing maturity of the Indian economy, there is a large room for growth for the asset management industry in India and for Indians to drive more of the household savings into mutual funds.



Source: RedSeer Analysis and Estimates



Source(s): AMFI, RedSeer Estimates

The mutual funds' AUM market has been growing at a healthy rate of 21% CAGR from the Financial Year 2016 to the Financial Year 2021. This market is estimated to grow at the CAGR of 17% to become a market of US$1 trillion by the Financial Year 2026.

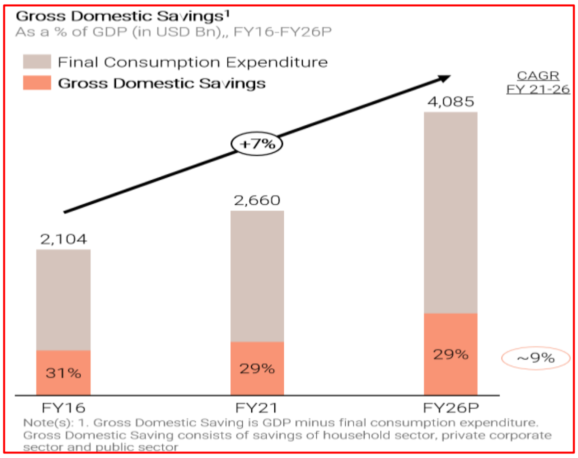
Key growth drivers for the mutual funds market in India are as follows:

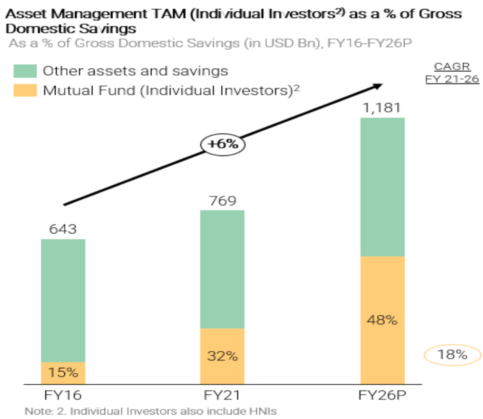
- **Demand for passive funds** – A passive fund is a type of fund that religiously tracks a market index to allow a fund to fetch maximum gains. Passive funds are easier and cheaper to invest in than active funds. Due to its increasing popularity, passive funds are estimated to grow over six times by the Financial Year 2026.

- **Rising share of financial savings in total household savings** – Household income in India is estimated to rise at a rate of 3% annually with growing disposable income in the middle class, leading to an increase in the financial savings and increase investment opportunities. With digital penetration of mutual fund asset management and increasing return on investments on equity mutual funds as compared to the low-interest rate fixed deposit schemes, households are investing larger share of individual gross savings in mutual fund asset management companies.

- **Rising awareness and growing investor base** – Various platforms are actively investing in educational platforms and community building. This has increased investor awareness and is estimated to reduce churn in investing customer base and also drive up their total investments. Better SEBI regulations are aiding this trend.

Gross domestic savings (GDS) measures the amount of savings in the economy which then translates into potential investable assets for the country. India's GDS have increased from US$643 billion (31% of GDP) in the Financial Year 2016 to US$769 billion in the Financial Year 2021 (29% of GDP) due to rising GDP, increasing incomes, and household savings. RedSeer estimates gross domestic savings to become US$1.18 trillion (29% of GDP) by the Financial Year 2026 growing at a CAGR of close to 9% during Financial Years 2021 to 2026.



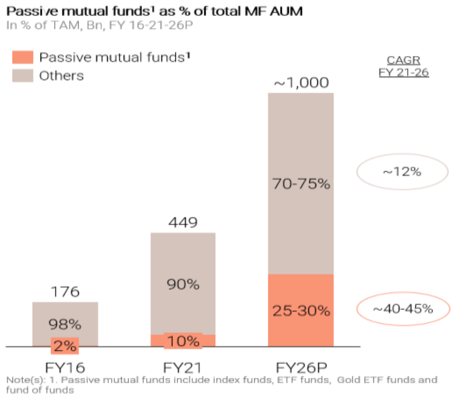


Source: IMF, RedSeer Analysis and Estimates Source: AMFI, RedSeer Analysis

Among the overall mutual funds, passive investing poses a significant growth opportunity due to lower expense ratios, the outperformance of active funds by index funds and decreasing returns from traditional fixed income instruments

In the USA, in 2010, about 30% of the AUM constituted passive investing which in 2020 stood at more than half of the AUM. Similarly, In India, passive mutual fund investing is estimated to grow at the CAGR of approximately 40%-45% to rise to the market share of approximately 25% to 30% of the Financial Year 2026 AUM, as per RedSeer.

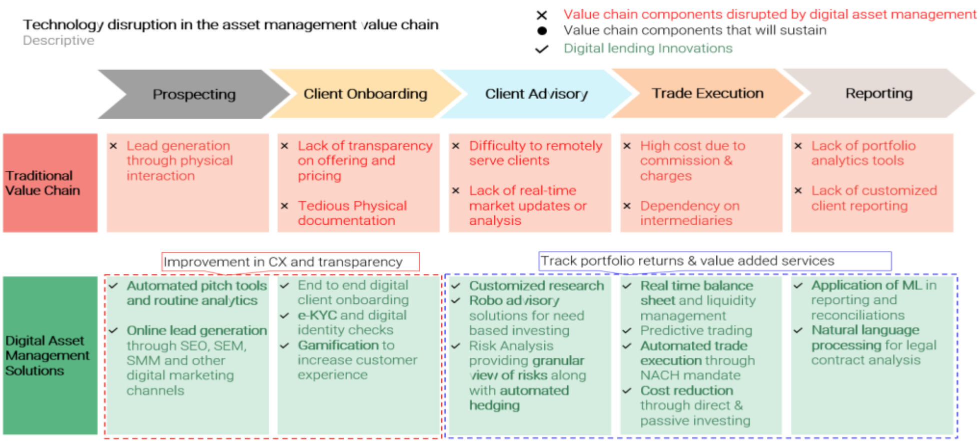
This growth is augmented due to the underperformance of actively managed funds increasing the demand for passive funds. According to RedSeer's research, more than 60% of large-cap equity funds in USA and India have not been able to outperform their respective country benchmark indices on an absolute return basis over a period of three years as of June 2021. Another factor is the lower expense ratio of the passively managed index funds. The expenses charged by actively managed funds are much higher (1.5%-2.5%) as compared to passively managed funds (0.20%-0.50%). With technological advancements and better tracking of indices, digital asset management companies can access real-time price movements of the market, reduce their fund management costs and offer superior expense-adjusted market returns to retail investors through passively managed index funds and ETFs.



Source(s): *RedSeer Analysis and Estimates, AMFI*

Digital Players in Asset Management Value Chain

To maximise the power of digitalisation as an enabler, fintech is transforming the entire value chain of asset management companies, refocusing every step on what customers need and supporting every activity with data.



Source(s): *RedSeer Analysis*

The first step of the asset management value chain is prospecting potential clients. In a traditional asset management business with low digital presence, it was tedious to generate leads without face-to-face interactions and then convert leads into clients. By leveraging technology digital asset managers use cloud-based data repositories to analyse prospective clients and mine customer data effectively for insights. They use automated marketing tools – such as drip campaigns (sending a limited number of emails to target clients automatically, at a set timing) to provide tailored products to specific clients. They use automated pitch tools to address target client needs and provide solutions as per the requirement.

The next step in the value chain, client onboarding, was manual and involved physical documentation, which was time-consuming and lacked transparency on offering and pricing. The digital players use online customer onboarding with e-KYC, digital document submission providing end-to-end digital client onboarding, thus reducing paperwork.

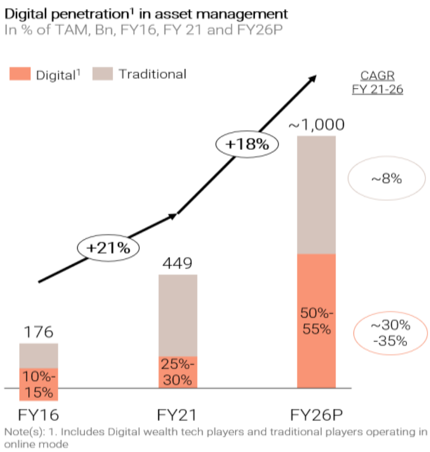
Next is advisory services provided by AMCs. Traditionally the physical process caused a delay in delivering market updates and analysis. Also, the market insights and analyses provided by traditional players (with low digital presence) were not fully customised or personalised as per the needs of various customers. Digital asset management players delivered real-time market insights using big data analytics thus lowering TAT and offering customised recommendations. For a need-based investing robot, advisory solutions are used.

In the case of trade execution, the overall cost for customers increased due to commission and other charges that were charged by intermediaries in the traditional AMCs. Digital players offer real-time balance sheets and liquidity management and predictive portfolio analyses. Automated trade execution mandated by NACH has helped in improving transparency.

Last in the Asset management value chain is reporting, where digital players are leveraging technology to provide portfolio analysis tools and customised client reports. They apply ML in reporting and reconciliations and natural language processing for legal contract analysis.

The key growth drivers for digital penetration of asset management companies and digital players who are operating online mode are:

- **Accessibility & innovation in offerings** – Innovations such as Robo-advisory, community-based investing to aid investors in making investing decisions. Increased accessibility of asset classes such as international, equity & debt funds, index funds, etc. to serve the needs of investors and offer new avenues of investing
- **The rise in millennial investors** – Penetration within tier 2+ cities is lower than Tier 1 and metros; digital-first platforms will drive accessibility and penetration in these markets. Digital native millennials to be the power users of these platforms
- **Increased tech adoption** – Fintech players are leveraging AI and big data in personalisation for fraud reduction, better risk identification, automated investing, portfolio status notifications and secure payment processes
- **Consumer satisfaction** – Digital platforms smoothen the consumer journey & reduce the hassles across the investment value chain.



Source: AMFI and RedSeer Analysis

<u>**Navi Technologies Limited: A case study**</u>

RedSeer conducted a case study on one of the leading full-stack non-payments financial services players in the Indian financial services market – Navi Technologies Limited ("Navi")

Founded in 2018, Navi started with consumer-centric and technology-driven businesses in the BFSI space. Today, Navi offers digital personal loans, digital home loans and loans against property in the lending space, digital direct to consumer health insurance, and digital asset management with a passive fund focus. Several operational factors attribute to Navi's positioning as an end-to-end financial services provider.

End to end retail lending solution

With its in-house NBFC arm, AI/ML-based underwriting and digital-only D2C approach, Navi has been able to exercise control over its lending products from sourcing, underwriting to the collection and offer a smooth experience to customers. Through the technology and full-stack approach, Navi has been able to offer personal loans of varying sizes (often not catered to by traditional financial institutions, ensure instant loan disbursals, offer digital home loans at low-interest rates, leverage technology to manage fraud and credit default risks, use data analytics to train its lending algorithms to offer attractive pricing and better loan account management and exercising both digital and field collections to its advantage.

According to RedSeer's research, most digital lenders can disburse personal loans within a few hours of loan inquiry provided the applicant's documents are in order. Incumbents with little digital lending presence on the other hand took an average of 1-3 days from application to disbursal. Navi is a full-stack end-to-end digital lending player, and is capable of having one of the lowest turnaround times amongst lenders in India, in the personal loan category.

According to RedSeer's research, Navi offers one of the lowest starting interest rates (6.46%) for home loans as compared to the top five banks and NBFCs in India (*as per publicly displayed home loan rates on company websites as of February 8, 2022).

Simplifying health insurance

Navi's digital-first approach in health insurance has enabled it to address customer pain points with quick turnaround times and reduced cost due to disintermediation. The AI/ML-based predictive underwriting and EMI-based premium payments have allowed Navi to offer attractive pricing and affordability for its health insurance policy holders. Navi's full-stack approach with an in-house IRDA registered license, digital-first retail health insurance model, zero-agent model, and fast claim processing are helping it to provide a better customer experience than agent-driven, non-digital traditional insurers. Product offerings like complete customer lifecycle management involving doctor consultations, diagnostics, and pharmacy features in addition to health insurance are allowing Navi to derive greater value from the user.

RedSeer also found that amongst other D2C IRDA registered general insurers in India, Navi the first 100% digital-first and digital-only direct to consumer company to offer retail health Insurance through a digital channel having registered with IRDA on 22nd May 2017.

Because of a zero-agent model, the buying experience is relatively better in Navi when compared to agent-led insurers. A typical customer request in an agent-led insurance model is characterised by multiple calls to the policyholder by multiple agents along with information asymmetry depending on the agents' motives. Zero-agent led model, supported by an app-based purchase journey and a dedicated customer care number, leads to giving more control to the customer in terms of selecting the right policy and self-servicing through the digital app.

With a zero-agent model, Navi has one of the lowest premiums for the most comprehensive health insurance coverage features offered in India among the top 8 private and standalone health insurers (by individual or retail health insurance gross written premiums collected as per IRDAI) for individual health plans and age groups between 18 to 40 as per RedSeer analysis.

Passive focused digital asset management

Navi's focus on passive funds with low expense ratios, reduced management costs, automated trading flow and real-time price tracking has enabled it to grow its mutual funds asset management.

According to RedSeer analysis, the Navi Nifty 50 Index Fund has one of the lowest expense ratios 0.06% across all passive index funds in India. A low expense ratio and a direct digital app-based experience compared to peers have been instrumental in developing close to US$20 million AUM of passive index funds in six months of launch in 2021.

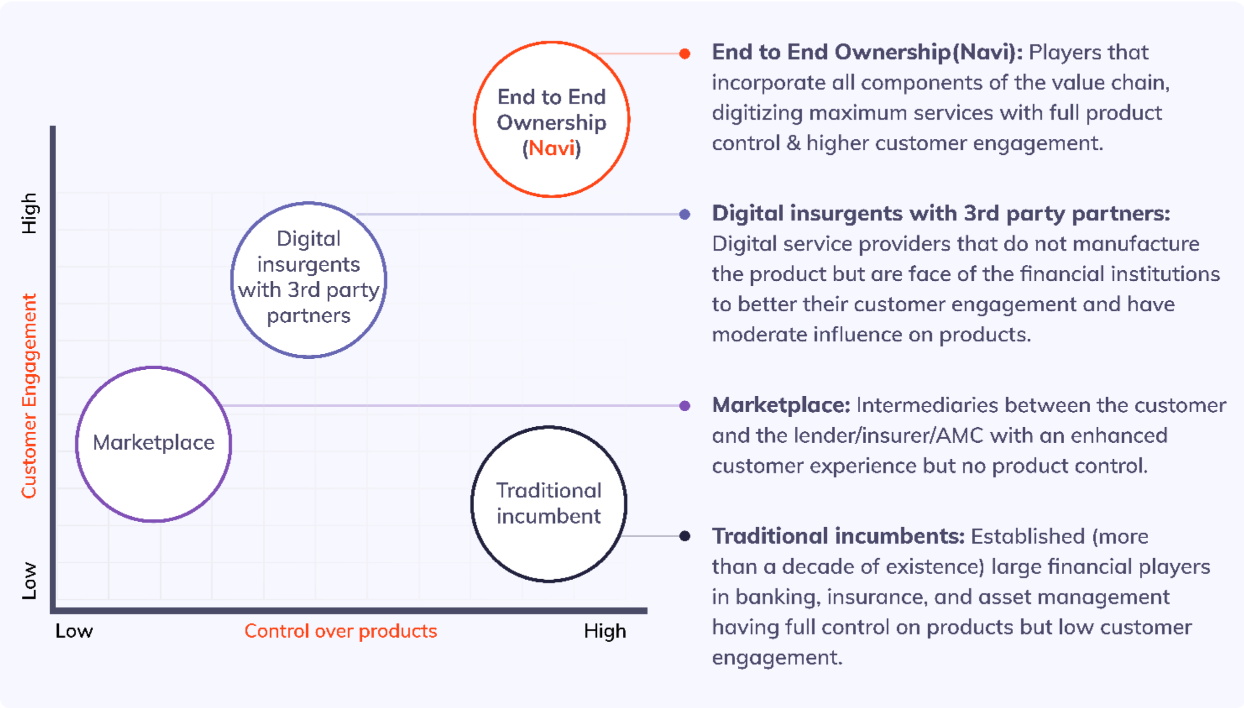
As per RedSeer estimates, among all the mutual fund AMCs in India, Navi has been one of the most passive-focussed asset management companies in the country during the period July to December 2021 based on a high ratio of passive funds AUM flow to active funds AUM flow during the same period. RedSeer attributes this success to Navi launching multiple passive mutual funds during the period July to December 2021 attracting investors with low pricing and digital direct-to-customer interface.

Continuing with technology implementation in tracking indices and a sharp passive focus, Navi is the first AMC to file for two unique passive funds. On October 20, 2021, Navi filed for the first Indian passive fund that tracks the NIFTY Total market index. The fund is called Navi Total Market Index Fund, and this is a unique fund in India as of 11 February 2022. On August 21, 2021, Navi filed for the first Indian passive fund that tracks almost 100% of the US stock market through its fund called Navi Total US Stock Market Fund of Funds. This is also a unique Indian fund that gives exposure to the total US stock market as of 11 February 2022.

100% control with full-stack financial services

The BFSI landscape in India can be broadly classified into four types of players: Traditional or Legacy incumbents, Marketplaces, Digital Insurgents with third-party partnerships and End to end digital ownership (full stack). These are further explained below.

- **Incumbents:** These include established (more than a decade of existence) large financial players in banking, insurance, and investments with little digital presence. They use legacy infrastructure to provide end-to-end services to the customers but encounter systemic delays in processing times, higher costs, and have intermediaries to cover a large customer base. Though traditional incumbents exercise full control over their products and offerings, they exhibit a lower customer engagement due to legacy infrastructure. However, these players are making significant investments in technology to lift their customer engagement.
- **Marketplaces**: These players are intermediaries that act as a bridge between the customer and the lender/insurer / AMC. They facilitate easy comparison options of various services such as loans, insurance, investment options provided by different financial institutions enhancing the customer experience but lacking in product control.
- **Digital insurgents with third-party partnerships:** These companies are seeking to help the large financial institutions digitise and modernise their technology stacks. They partner with regulator-registered financial institutions to get to the market faster and use data analytics and AI to enable a better customer experience. Due to the use of a data-backed approach, these players also help in underwriting and collections and may influence the product offering. However, they do not have any in-house manufacturing or product sourcing capabilities.
- **End to end digital ownership:** These players incorporate all the services in the value chain and digitise maximum services enabling end-to-end ownership both in terms of product offering and technology integration. They control client acquisition, service, and delivery. They are a step ahead of "digital insurgents with third-party partners" because of their flexibility to offer new products and pivot into new services, rather than being dependent on third-party financial services partners. Technology enables them to improve processing speeds and deliver a better customer experience. Navi is positioned as an end-to-end digital ecosystem player in India.



Source: RedSeer analysis

According to RedSeer, the value-chain analysis of several new-age digital financial services players in India shows that Navi is uniquely positioned in India as one of the leading end to end digital ecosystem players with complete control over all three non-payments financial service offerings- lending, insurance, and asset management. There are a few digital players who have complete control on one or two segments.

As per RedSeer analysis, many parallels can be drawn between Indian end to end ownership players like Navi and global full stack fintech players. An end-to-end ownership player has significant advantage points when compared to traditional incumbents with low digital presence and digital insurgents with 3rd party partners both in terms of customer journey and product offerings.

BFSI peers – India and Global[1]

India Peers:

Company Name	Company Snapshot*
Bajaj Finance Limited	**Business Information (as per company)1:** Bajaj Finance Limited ("**BFL**") is a deposit-taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI). It is classified as an NBFC-Investment and Credit Company (NBFC-ICC) with the RBI. It is a subsidiary of Bajaj Finserv Ltd. (which was founded in 2007) and is engaged in the business of lending, and acceptance of deposits. The company has a diversified lending portfolio across retail, SMEs and commercial customers with significant presence in urban and rural India.

Financial Year	Revenue[2] (₹ crores)	Revenue growth y-o-y	Net Profit[3] (₹ crores)	Net Profit growth y-o-y	Adj. revenue[4] (₹ crores)
2019	18,485	45%	3,995	60%	10,360
2020	26,374	43%	5,264	32%	12,972
2021	26,668	1%	4,420	(16)%	11,285

Company Name	Company Snapshot*
HDFC Limited	**Business Information (as per company)[1]:** Founded in 1977, HDFC Ltd is a leading provider of Housing Finance in India. With its customised solutions, the company has financed over 9 million

[1] Select peer set having common business segment(s) and/or tech capabilities with Navi Technologies Limited

	housing units since inception. The company also has several subsidiaries like HDFC Bank, HDFC Life, HDFC Ergo, HDFC Mutual Fund etc. It serves salaried customers, self-employed and professionals, affordable housing customers (EWS, LIG, and MIG). The company offers products like home loans, plot loans, LAP, Top-up loans, Rural housing loans, affordable housing loans, home renovation & extension loans, commercial property, plot loans, etc.

Financial Year	Revenue[2] (₹ crores)	Revenue growth y-o-y	Net Profit[3] (₹ crores)	Net Profit growth y-o-y	Adj. revenue[4] (₹ crores)
2019	95,694	20%	16,232	35%	10,465
2020	101,726	6%	21,435	32%	5,733
2021	139,034	37%	18,740	(13)%	11,207

Star Health and Allied Insurance Co Ltd	**Business Information (as per company)[1]:** Founded in 2006, Star Health and Allied Insurance Co Ltd is an Indian multinational health insurance company headquartered in Tamil Nadu, Chennai. It serves Individual, family, corporate employees and as of the Financial Year 2021 has 169 million policies covered in last 15 years. The company offers products like Health, personal accident, and overseas travel insurance, directly as well as through various channels like agents, brokers, and online. The company provides an online health insurance policy that includes most of the medical expenses.

Financial Year	Revenue[2] (₹ crores)	Revenue growth y-o-y	Net Profit[3] (₹ crores)	Net Profit growth y-o-y
2019	4,129	29%	183	8%
2020	4,684	13%	263	44%
2021	4,626	(1)%	(1,086)	(512)%

ICICI Lombard General Insurance Company Limited	**Business Information (as per company)[1]:** Founded in 2001, ICICI Lombard General Insurance Company Limited is one of the leading and established private sector general insurance companies in India. It serves individuals, families, corporate employees, State, and Central governments or government-owned enterprises, and rural customers and has 4.8 million lives covered as of the Financial Year 2021. The company offers products such as fire, marine, engineering, liability solutions, employee group insurance, cyber insurance, health, and personal accident, cattle, weather and motor insurance.

Financial Year	Revenue[2] (₹ crores)	Revenue growth y-o-y	Net Profit[3] (₹ crores)	Net Profit growth y-o-y
2019	8,375	21%	1,049	22%
2020	9,641	15%	1,194	14%
2021	10,685	11%	1,473	23%

HDFC Asset Management Company	**Business Information (as per company)[1]:** Founded in 1999, HDFC AMC has one of the industry-leading actively managed equity-oriented assets under management (AUM). Total mutual fund AUM (as of March 31, 2021) of ₹395,476 crores consists of multiple investment products, spanning asset classes and scheme categories. It serves individuals, families, corporates, and institutions to meet the various investment objectives of their large customer base. The company offers products such as mutual fund schemes ranging from equity-oriented, debt-oriented, liquid, and other schemes.

Financial Year	Revenue[2] (₹ crores)	Revenue growth y-o-y	Net Profit[3] (₹ crores)	Net Profit growth y-o-y
2019	1,915	9%	931	31%
2020	2,003	5%	1,262	36%
2021	1,853	(7)%	1,326	5%

Sources: Company websites, MCA filings, and company annual reports

*Notes: *Company snapshot is illustrative and non-exhaustive. 1 crore(s) = 10 million*

RedSeer has not independently verified the datasets and product offerings mentioned in the above profiles and it is entirely as per the company released information

1. Business Information consists of key business features, customer segments, product offerings, and a few technology applications but does not cover an exhaustive list of features or capabilities of the company.

2. Revenue refers to consolidated revenue from operating activities alone and does not include "Other Income". For Star Health and Allied Insurance company and ICICI Lombard General Insurance, revenue refers to Net Premiums earned.

3. Net Profit is the Consolidated Profits after taxes that are attributed to the owners / shareholders of the company.

4. Adj. revenue or adjusted revenue is the standalone revenue coming from lending operations only less the finance costs and credit losses (impairment on financial instruments).

Global Peers:

Company Name	Company Snapshot*
Lufax Holding Ltd.	**Business Information (as per company)[1]:** Founded in 2005, Lufax is a technology-empowered personal financial services platform in China. The company has 2 businesses: retail credit facilitation business and wealth management business. The company targets small business owners and to a lesser extent salaried workers in China who have a residential property, financial assets, or some access to commercial bank credit and yet are underserved by traditional financial institutions; For wealth management, the company targets the Chinese middle class and affluent investors who have a massive demand for wealth management services but are currently underserved by traditional financial institutions.

Financial Years	Revenue[2] (USD Mn)	Revenue growth y-o-y	Net Profit[3] (USD Mn)	Net Profit change y-o-y	Adj. revenue[4] (USD Mn)
2018	6,399	48%	2,172	125%	649
2019	7,513	17%	2,131	(2)%	84
2020	8,085	8%	1,964	(8)%	296

Company Name	Company Snapshot*
Nu Pagamentos S.A. (Nu Bank)	**Business Information (as per company)[1]**: Founded in 2015, Nu is a digital banking platform and a technology company with 48.1 million customers across Brazil, Mexico, and Colombia as of September 30, 2021, providing consumer and SME solutions across all five financial use-cases: spending, saving, investing, borrowing and protection. According to annual report of the company, its product offerings are: credit and debit cards, QR code-based and PIX instant payment arrangements, WhatsApp Pay and traditional wire transfers; Nu personal and business accounts; direct-to-consumer NuInvest digital investment platform; personal loans; and insurance solutions & marketplace partnerships to offer services like mobile phone top-ups, foreign remittances and secured loan products

Financial Years	Revenue[2] (USD Mn)	Revenue growth y-o-y	Net Profit[3] (USD Mn)	Net Profit change y-o-y	Adj. revenue[4] (USD Mn)
2018	319	NA	(29)	NA	(2)
2019	612	92%	(93)	(223)%	53
2020	737	20%	(172)	(85)%	100

Sources: Company websites and company annual reports

*Notes: *Company snapshot is illustrative and non-exhaustive (a conversion of 1RMB = 0.16 USD has been used for financials)*

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2. Revenue refers to consolidated revenue from operating activities alone and does not include "Other Income".

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4. Adj. revenue or adjusted revenue is the standalone revenue coming from lending operations only less the finance costs and credit losses.

INDUSTRY REPORT ON MICROFINANCE *(Source: CRISIL Report)*

<u>Financial Inclusion</u>

Current Scenario and Key developments

Financial exclusion is widely prevalent in countries, such as India, due to poverty and low income, financial illiteracy, high transaction costs, and lack of infrastructure (primarily information technology). Consequently, a significant proportion of the population still lacks access to formal banking facilities. According to NABARD, All India Rural Financial Inclusion Survey 2016-17, 40% loans were reported as taken from non-institutions or informal channels like relative and friends, money lenders and local landlords.

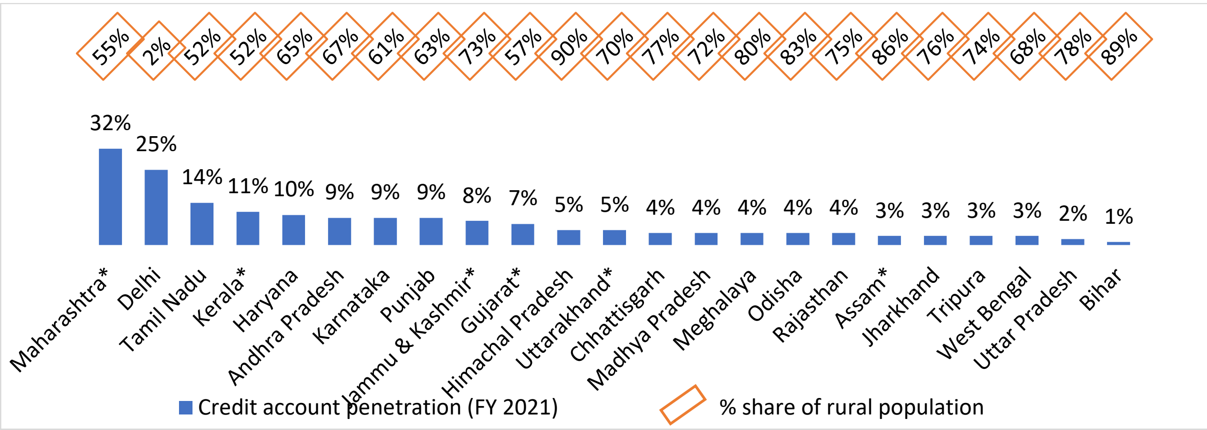
Key initiatives launched by the Government to promote financial inclusion include the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY).

Rural areas account for half of GDP, but less than 10% of banking credit

Despite its larger contribution to GDP of 47%, the rural segment's share in credit remains fairly low at 10% of the overall credit outstanding. This provides a huge market opportunity for MFI players present in the segment. On the other hand, urban accounts for nearly 53% of GDP and forms 90% of overall credit outstanding. Top states including Bihar, Assam, Orisha and Uttar Pradesh have over 75% of population in rural region and possess more market opportunities as compare to other states in India.

Large variations in availability of credit across states and districts

There is a wide variation across states and within various districts in the same state as well in terms of credit, which indicates latent opportunity for providing banking services to unserved or underserved customers. Several states like Uttar Pradesh, Bihar and West Bengal accounting for 16%, 9% and 7% respectively of overall population in India have among lowest credit account penetration at 2%, 1% and 3% respectively indicating potential for higher credit growth as compared to other states.



Notes:
1. (*) – As of FY 2019, (^) – As of FY 2020
2. Credit account penetration is calculated as total number of retail bank credit accounts/population of the state
3. Andhra Pradesh and Telangana have been considered as one state
Source: RBI, MOSPI, CRISIL Research

The Government of India and RBI have undertaken several initiatives over the past 5-7 years to bring unbanked individuals into the formal banking system including Pradhan Mantri Jan Dhan Yojana, priority sector lending targets for banks in India aimed at facilitating financial inclusion, licensing of Small Finance Banks.

<u>**Global Microfinance Industry**</u>

Gross loan portfolio (GLP) and number of borrowers of Indian MFIs highest in the world

As of the Financial Year 2017, globally, there were 120 million MFI borrowers with an overall GLP of US$112 billion. Total number of active borrowers and GLP have increased 9.8% and 14.3% respectively on year in Financial Year 2017. The aggregate GLP of India's MFIs is the highest as compared to other countries in the world in Financial Year 2017. India also had the highest number of active borrowers (at 37.89 million as of the Financial Year 2017), it was followed by Bangladesh (which had 26.92 million as of the Financial Year 2017).

The global microfinance industry reported healthy growth of 10% CAGR over 2016-2020 while India reported stronger growth of 24% during the same period. India's share in microfinance industry has increased to 15% in 2020 from 9% in 2016.

India had the best asset quality

India had healthy profitability (RoA) despite lending at much lower interest rates due to the superior asset quality and relatively lower operating cost.

	Yield on advances	Operating expenses	PAR > 90 days	RoA (%)
India	13.8%	7.7%	2.3%	1.7%
Africa	20.0%	14.5%	6.6%	1.5%
EAP	15.3%	7.0%	3.3%	1.8%
ECA	20.8%	9.4%	14.5%	0.3%
LAC	21.0%	12.3%	4.6%	2.1%
MENA	26.2%	15.6%	3.7%	4.4%
South Asia	18.3%	9.0%	2.9%	2.8%
Total	**19.2%**	**10.6%**	**4.7%**	**2.0%**

Source: Global Outreach & Financial Performance Benchmark Report – 2017-18 MIX Market (www.themix.org), CRISIL Research

<u>Indian Microfinance Industry</u>

Historical Growth of the Indian Microfinance Industry and Future Outlook

India MFI industry's GLP surged at 27% CAGR since Financial Year 2017 to Financial Year 2021. Between Financial Years 2021 and 2024, CRISIL Research expects the MFI loan portfolio to clock 14-16% CAGR. CRISIL Research expects NBFC-MFIs to grow at a much faster rate of 20-22% over the same period vis-a-vis MFI industry. Key drivers behind superior growth outlook of the MFI industry include faster growth in rural segment, expansion in average ticket size, Support systems like Credit Bureaus etc. The presence of self-regulatory organisations (SRO) like MFIN and Sa-Dhan is also expected to support sustainable growth of the industry going forward. Microfinance sector in India regulated by the Reserve Bank of India (RBI).

Key enablers behind superior growth outlook of the MFI industry

Digitalisation to bring down costs, improve collection efficiency and profitability for MFIs. CRISIL Research expects that the lower cost of servicing customers, better productivity and lower credit costs through the use of technology will help MFIs improve their profitability.

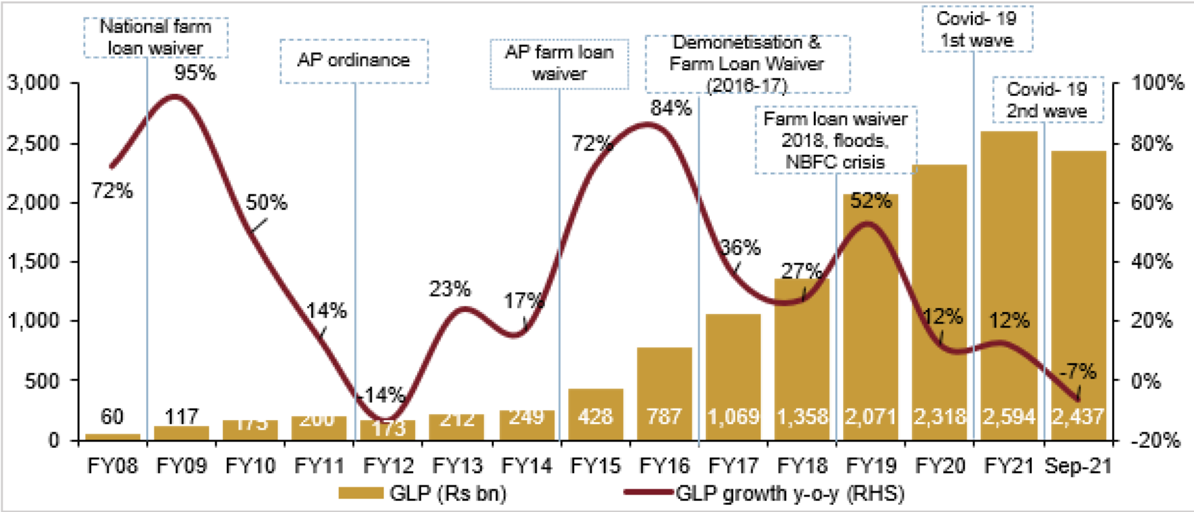
MFIs have built a large distribution network in urban and rural India. Now these MFIs are leveraging this network to distribute financial and non-financial products including insurance and product financing of other institutions to members at a cost lower than competition.

MFI industry resilient despite major setbacks and changing landscape over the past decade

The industry's growth has been strong regardless various headwinds in the past – national farm loan waivers (2008), the Andhra Pradesh crisis (2010), Andhra Pradesh farm loan waiver (2014), Demonetisation (2016), NBFC liquidity crisis (2018), Floods in Kerala and Odisha (2018-20), Assam's bill on microfinance (2021), COVID-19 pandemic (2020-21) among others. Of these events, the Andhra Pradesh crisis (2010) and COVID-19 pandemic (2020-21) had a lasting impact on the industry.

The microfinance industry's GLP grew at 25% CAGR over Financial Years 2017 to 2021, despite various setbacks. CRISIL Research expects the industry to grow at healthy pace over the next few years as well, given the low penetration of credit amongst the target population.

MFI industry has shown resilience over the past decade



Note: Data includes data for Banks lending through joint liability group (JLG), SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for Banks lending through SHG. The amounts are as at the end of Financial Year
Source: MFIN, CRISIL Research

Impact of COVID-19 pandemic on the microfinance industry

The extended nationwide lockdown to contain the spread of COVID-19 affected the income-generation ability and the savings of borrowers accessing MFIs. This had an adverse impact on MFIs as their operations are field-intensive. While disbursements came to a standstill in the first quarter of Financial Year 2021, they picked up subsequently. Disbursements reached to the pre- COVID-19 levels for NBFC-MFI in the third and fourth quarter of Financial Year 2021.

With the surge in the number of COVID-19 cases since April 2021, several states had imposed lockdowns or lockdown like strict conditions again. Post that, overall collection efficiencies improved on a q-o-q basis due to higher focus on recoveries by most of the MFIs. In Financial Year 2022, MFIs have started focusing on both growth as well as collections.

Key reforms proposed by the government for microfinance to counter COVID-19 crisis reducing debt servicing burden through moratorium, resolution framework for COVID-19 related stress, refinance support from RBI, loan interest subvention scheme, Special Long Term Repo Operations (SLTRO) programme by the RBI among others.

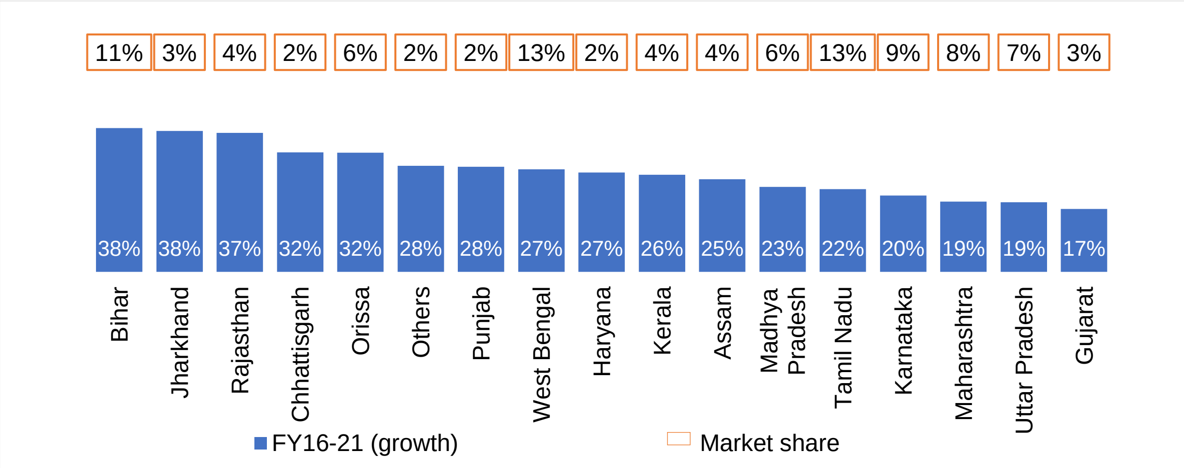
Disbursement have reached to the pre-COVID-19 level in the second quarter of Financial Year 2022. CRISIL Research expects industry growth to be moderately impacted in Financial Year 2022 due to the second and third wave (since there have been no stringent lockdowns and lenders are better prepared).

Key Trends in India Microfinance Industry

Top 10 states contribute approximately 79% of MFI loans and several states grew at 35% during FY16-21

Approximately 79% of the gross loan portfolio of MFIs is concentrated in the top 10 states with West Bengal (13%), Tamil Nadu (13%), and Bihar (11%) recording the highest shares as of September 2021.

Bihar, Jharkhand and Rajasthan have reported over 35% GLP growth during Financial Year 2016 and Financial Year 2021



Note: Data includes data for, Bank JLG, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs.
Source: CRIF Highmark, CRISIL Research

Eastern region reported the fastest growth and best asset quality

	GLP (H1FY22) (₹ in billions)	Market share (H1FY21)	CAGR (FY16-21)	Average PAR 90+ (FY16-H1FY22)	States included*
East	819	34%	32%	4.6%	Andaman and Nicobar Islands, Bihar, Jharkhand, Odisha, Orissa, Sikkim and West Bengal
South	616	26%	22%	5.4%	Andhra Pradesh, Karnataka, Kerala, Lakshadweep, Pondicherry, Tamil Nadu and Telangana
Central	392	16%	21%	7.7%	Chhattisgarh, Madhya Pradesh, Uttar Pradesh and Uttarakhand
West	261	11%	18%	12.0%	Dadra and Nagar Haveli, Daman and Diu, Goa, Gujarat Maharashtra
North	200	8%	31%	5.0%	Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan
North east	124	5%	26%	7.8%	Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura
Industry	**2,411**	**100%**	**25%**	**6.3%**	

**Based on RBI classification*
Source: CRIF Highmark, CRISIL Research

MFI players continue to attract PE investments

Over the years, MFIs have proven their resilience and attractiveness of the business model which has resulted in significant interest from Private Equity players in the sector.

Private Equity investments in MFI focused players

Name of MFI	Investors*
Bandhan bank	General Insurance Corporation of India (GIC), International Finance Corporation (IFC) and Caladium Investment Pte
ESAF SFB	PNB MetLife, Bajaj Allianz Life and PI Ventures
Fincare SFB	Amethyst Inclusion, Vistra ITCL, Wagner Limited, True North Fund, Indium IV, Omega TC Holdings
Jana SFB	TPG Capital, HarbourVest group, Amansa Capital, Morgan Stanley and Hero Ventures
CreditAccess	Olympus Capital Asia
Spandana	Kedaara Capital

Arohan Microfinance	Tano Capital, MAJ Invest, MSDF, TR Capital and AG II
Fusion Microfinance	Warburg Pincus, Creation Investments

**Includes investors from standalone, parent and group company*
Source: Company Reports, CRISIL Research

Asset quality

In Financial Year 2021, the asset quality of the industry deteriorated quite sharply, reflecting the adverse impact of COVID-19 on the industry. The PAR 30+ and PAR 90+ for the industry shot up to 14.1% and 8.8% respectively as of March 2021. In the first half of Financial Year 2022, PAR 30+ and PAR 90+ for the industry further deteriorated to 18.8% and 11.6% respectively, mainly due to fall in collection efficiencies experienced in months of May and June 2021 in the aftermath of the second COVID-19 wave. NBFC-MFI asset quality is relatively better compare to Banks, SFB and NBFC during the pandemic period. The collections started to improve from July 2021 onwards owing to relaxations in COVID-19 restrictions across the country. Nevertheless, in Financial Year 2022, CRISIL Research expects MFI asset quality to remain under some pressure, on account of strain on MFI borrowers' earning capabilities and the impact of COVID-19 third wave.

An analysis of roll rate for the industry post 2nd wave indicates a significant proportion of loans rolled forward from 1-30 days and 31-60 days overdue buckets to 31-60 days and 61-90 days, respectively, in May and June 2021; however, since then, roll forward rates have come down steadily, indicating an improvement in the asset quality scenario.

Roll rate for the industry post COVID-19 2nd wave

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Roll Forward								
Current to 1-30 dpd	15.80%	14.06%	3.81%	4.43%	3.24%	2.31%	2.58%	1.46%
1-30 to 31-60 dpd	39.85%	34.69%	22.96%	12.79%	21.65%	24.23%	17.32%	15.40%
31-60 to 61-90 dpd	42.61%	31.72%	38.89%	27.49%	20.85%	36.81%	32.57%	24.09%
61-90 to 90+ dpd	67.29%	42.91%	44.72%	50.89%	33.45%	35.86%	50.83%	41.16%
Roll Back								
90+ to 61-90 dpd	0.16%	0.16%	0.33%	0.36%	0.34%	0.73%	0.35%	0.35%
90+ to 31-60 dpd	0.11%	0.08%	0.12%	0.13%	0.51%	0.15%	0.05%	0.10%
90+ to 1-30 dpd	0.50%	0.56%	0.27%	0.37%	0.61%	3.15%	1.04%	0.12%
90+ to current	0.55%	6.77%	2.42%	2.10%	8.12%	2.21%	0.27%	0.51%
61-90 to 31-60 dpd	1.11%	1.18%	4.10%	2.60%	6.12%	4.90%	3.48%	7.09%
61-90 to 1-30 dpd	5.06%	3.18%	2.11%	7.15%	3.03%	6.32%	0.98%	1.32%
61-90 to current	2.73%	21.16%	11.50%	7.89%	27.97%	13.39%	1.18%	2.56%
31-60 to 1-30	4.48%	4.53%	5.13%	12.45%	7.74%	4.37%	7.17%	6.96%
31-60 to current	3.52%	7.87%	8.62%	9.24%	9.05%	5.62%	2.38%	6.11%
1-30 to current	6.99%	10.39%	16.96%	18.57%	14.47%	15.30%	8.79%	16.54%

Source: CRIF Highmark, CRISIL Research

Profitability outlook of MFIs in the medium term

In Financial Year 2020, profitability of MFIs shrunk by a marginal 50-60 bps, based on rising credit costs, largely due to floods in several states during the year and COVID-19 induced disruptions. Considering the potential challenges of COVID-19, few of the NBFC-MFIs, in addition to standard provisioning, made special COVID-19 provisioning in Financial Year 2020. In Financial Year 2021, profitability declined sharply to 0.7% from 3.5% in Financial Year 2020 due to lower NIMs, decreased other income and higher credit costs.

The profitability is expected to increase to 3.4% in Financial Year 2024 on the back of expected gradual recovery in economic growth and assuming no disruption in next two financial years due to COVID-19.

Profitability (RoA) of microfinance industry to improve in Financial Year 2022

RoA tree	FY18	FY19	FY20	FY21	FY22E	FY23P	FY24P
Interest income	17.7%	19.1%	18.4%	17.5%	17.3%	18.0%	18.3%
Interest expense	8.6%	8.4%	7.7%	7.7%	8.1%	8.3%	8.5%
Net interest income	9.1%	10.6%	10.7%	9.8%	9.2%	9.7%	9.8%
Opex	5.3%	5.5%	5.4%	5.1%	5.3%	5.4%	5.5%
Other income	1.2%	2.0%	2.5%	1.2%	2.5%	2.5%	2.5%
PPOP	5.0%	7.1%	7.8%	5.9%	6.4%	6.8%	6.8%
Credit cost	1.5%	1.0%	2.7%	5.0%	4.2%	3.5%	2.3%
Tax	1.2%	2.1%	1.6%	0.2%	0.7%	0.8%	1.1%
RoA	2.3%	4.1%	3.5%	0.7%	1.5%	2.5%	3.4%

Notes:
1. Figures include data of NBFC-MFIs with market share of approximately 68% in total NBFC-MFI portfolio
2. Numbers are based on Ind-AS
E: Estimated; P: Projected
Source: CRISIL Research

Competitive dynamics

Loans in the microfinance sector are provided by banks, SFBs, NBFC-MFIs, other NBFCs, and non-profit organisations. Banks disburse microfinance loans directly or through Business Correspondents (BCs) to meet their priority-sector lending targets.

CRISIL Research expects NBFC-MFIs to grow at a much faster rate vis-v-a-vis SFBs, on account of increasing focus of SFBs towards other product suite beyond the MFI loan portfolio, and improving liquidity for NBFCs in the system.

Comparison of different participants in microfinance lending business

	Small Finance Bank	MFI
Priority sector lending		
Targeted lending to sectors	75% for priority sector lending of their Adjusted Net Bank Credit (ANBC) 18% of ANBC to Agriculture 7.5% of ANBC to micro-enterprises 10% of ANBC to weaker sections At least 50 per cent of loan portfolio should constitute loans and advances of up to ₹2.5 million	85% of loans should be qualifying micro-finance assets Income generation loans > 50% of total loans Maximum 2 MFIs can lend to a single customer
Prudential norms		
Capital adequacy framework	Minimum Tier 1 capital: 7.5% Minimum capital adequacy ratio: 15%	Tier 1 capital > Tier 2 capital Minimum capital adequacy ratio: 15%
Margin cap	No Margin Cap	Maximum of 10% for MFIs with loan portfolio above ₹1 billion
CRR / SLR	Maintenance of CRR/SLR ratio mandatory	No such requirement
Leverage ratio	Minimum leverage ratio of 4%	No such requirement

	Small Finance Bank	MFI
LCR (liquidity coverage ratio)/ NSFR (net stable funding ratio)	Minimum liquidity coverage ratio of 100%	No such requirement
Products		
Products offered	Can offer savings and investment products apart from credit products / loans Can act as Corporate Agent to offer insurance products Cannot act as Business Correspondent to other banks	Can act as Business Correspondent to another bank and offer savings, deposits, credit and investment products Can act as Corporate Agent to offer insurance products

Source: RBI, CRISIL Research

In Feb 2021, the RBI has come out with a proposal to harmonise regulations for MFI lending. The move is expected to provide a level playing field for all players active in MFI lending (NBFC-MFIs, SFBs, Scheduled Commercial Banks etc) and is expected to be beneficial for NBFC-MFIs.

Peer Comparison

In this chapter, CRISIL Research has analysed operational performance and key financial indicators of top 10 NBFC-MFIs with Chaitanya India Fin Credit Private Limited (Chaitanya) (ranked 15th). Players are arranged in the descending order of GLP as of September 2021.

Chaitanya is one of the fastest growing NBFC-MFI during pandemic among the compared peers

Chaitanya has witnessed one of the fastest to bounce back after the COVID first and second wave. Chaitanya reported the 2nd fastest growth of 56% among the compared peers over Financial Year 2019 to 2021.

Comparison of top 10 NBFC-MFIs in the microfinance industry

NBFC-MFIs	GLP (₹ in billions) H1FY22	GLP CAGR (FY19-FY21)	Clients (in million) H1FY22	No. of states FY21	No. of districts FY21
CreditAccess Grameen Ltd.	111.8	25.9%	2.80	14	247
Spandana Sphoorty Financial Ltd.	75.5	36.4%	2.61	18	282
Asirvad Microfinance Ltd.	71.6	24.8%	2.60	24	326
Satin Creditcare Network Ltd.	63.2	6.8%	2.50	23	372
Fusion Microfinance Pvt. Ltd.	52.1	32.5%	2.20	18	323
Annapurna Finance Pvt. Ltd.	51.3	26.2%	2.00	18	320
Muthoot Microfin Ltd.	47.9	6.9%	1.80	16	249
IIFL Samasta Microfinance Ltd.	46.1	44.8%	1.60	17	252
Arohan Financial Service Ltd.	44.2	7.2%	0.00	16*	230*
Svatantra Microfin Pvt. Ltd.	40.0	70.1%	1.40	17	247
Chaitanya India Fin Credit Pvt. Ltd.	15.3	55.6%	0.56	8	68
Industry (NBFC-MFI)	**827.5**	**9.6%**	**827.5**		

*As of FY20

Source: MFIN, Company reports, CRISIL Research

Chaitanya's fast growth was driven by both volume and value

Chaitanya's average ticket size has increased one of the fastest 20% in Financial Year 2021 among the compared peers. Its client base increased at 19% over the same period which is the 2nd best among the compared peers. It indicates that Chaitanya is not only adding more client but it is able to increase the ticket size to support the growth. Its average ticket size based on disbursement is 3rd lowest in first half of Financial Year 2022 among the compared peers which indicates more headroom for expansion.

Operational performance of top 10 NBFC-MFIs in the microfinance industry

Productivity metrics	Clients growth (%) FY21	Average ticket size growth (%) FY21	Average ticket size based on disbursements (₹) H1FY22	GLP per branch (₹ in millions) H1FY22	Client per loan officer H1FY22	GLP per loan officer (₹in millions) H1FY22
CreditAccess Grameen Ltd.	(1.17)%	79.69%	35,352	103.46	350	14.00

Spandana Sphoorty Financial Ltd.	(4.86)%	32.09%	45,318	67.08	371	10.74
Asirvad Microfinance Ltd.	1.69%	29.34%	36,810	53.69	467	12.86
Satin Creditcare Network Ltd.	(13.64)%	5.17%	44,955	61.43	379	9.58
Fusion Microfinance Pvt. Ltd.	14.20%	7.76%	35,127	68.82	536	12.69
Annapurna Finance Pvt. Ltd.	5.71%	6.45%	39,930	54.28	421	10.80
Muthoot Microfin Ltd.	(1.06)%	2.08%	36,553	59.68	395	10.50
IIFL Samasta Microfinance Ltd.	5.19%	24.27%	36,295	62.64	300	8.64
Arohan Financial Service Ltd.	(10.82)%	38.66%	29,635	NM	NM	NM
Svatantra Microfin Pvt. Ltd.	27.72%	0.73%	37,002	57.91	433	12.36
Chaitanya India Fin Credit Pvt. Ltd.	18.60%	19.99%	36,148	46.14	336	9.23

*As of FY21; NM – Not meaningful
Source: MFIN, Company reports, CRISIL Research

Chaitanya has the 2nd lowest credit cost in the first half of Financial Year 2022 among the compared peers

Despite posting the fastest growth in the first half of Financial Year 2022, its credit cost is the 2nd lowest among the compared peers. Chaitanya's interest rate is the 2nd lowest among the compared peers in the first half of Financial Year 2022. Chaitanya's NIM is the 4th highest in first half of Financial Year 2022. Chaitanya also has the 2nd lowest net NPA ratio and 4th lowest gross NPA in first half of Financial Year 2022 among the compared peers. Chaitanya's RoA and RoE were the highest among the compared peers in first half of Financial Year 2022.

Financial performance of top 10 NBFC-MFIs in the microfinance industry

Financial parameters (H1FY22)	Interest rate*	Yields on advances	Cost of borrowing	NIM	Opex ratio	RoA	RoE	GNPA	NNPA
CreditAccess Grameen Ltd.	19.38%	20.17%	9.10%	9.64%	4.40%	1.09%	4.17%	5.98%	2.97%
Spandana Sphoorty Financial Ltd.	21.15%^	22.74%	11.14%	10.91%	3.41%	0.10%	0.29%	6.09%	3.15%
Asirvad Microfinance Ltd.	20.74%	20.95%	9.54%	8.71%	5.32%	0.59%	3.75%	1.08%	0.01%
Satin Creditcare Network Ltd.	21.69%	22.91%	11.00%	7.68%	5.48%	1.56%	8.21%	8.71%	2.03%
Fusion Microfinance Pvt. Ltd.	21.28%	21.14%	11.41%	8.17%	4.96%	0.26%	1.19%	NA	NA
Annapurna Finance Pvt. Ltd.	21.40%	22.11%	10.48%	6.50%	5.55%	0.55%	4.21%	7.22%	3.09%
Muthoot Microfin Ltd.	21.05%	20.02%	10.02%	8.33%	7.03%	0.36%	1.72%	8.84%	1.92%
IIFL Samasta Microfinance Ltd.	21.34%	22.66%	9.60%	11.58%	5.95%	0.80%	4.98%	2.34%	NA
Arohan Financial Service Ltd.	20.48%^	22.64%	10.68%	8.38%	5.52%	1.16%	6.17%	11.91%	3.14%
Svatantra Microfin Pvt. Ltd.	20.75%	34.37%	19.79%	12.72%	11.28%	0.29%	1.79%	3.3%	NA
Chaitanya India Fin Credit Pvt. Ltd.	19.85%	21.88%	10.17%	10.73%	7.48%	2.00%	8.43%	4.51%	1.08%

*Note: Numbers are annualised; *Weighted average rate of interest for qualifying portfolio (Sept 2021); ^Data for interest rates is as of March 2021*
Source: MFIN, Company reports, CRISIL Research

List of formulae

SN	Parameters	Formula
1	RoA	Profit after tax / average of total assets on book
2	RoE	Profit after tax / average net worth
3	NIM	(Interest income – interest paid) / average of total assets on book
4	Yield on advances	Interest earned on loans and advances / average of advances on book
5	Cost to income	Operating expenses / (net interest income + other income)
6	Cost of borrowing	Interest paid / (average of deposits and borrowings)
7	Non-interest income	(Total income – interest income)/ average of total assets on book
8	Opex ratio	Operating expenses (Employee benefit expenses+ Depreciation expenses + Other expenses) / Average total assets

OUR BUSINESS

*Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the report entitled "Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management" dated March 9, 2022 (the "**RedSeer Report**") and the report entitled " Industry Report on Microfinance" dated March 10, 2022 (the "**CRISIL Report**"), which have been commissioned and paid for by our Company for agreed fees for the purposes of confirming our understanding of the industry exclusively in connection with the Offer and exclusively prepared and issued by RedSeer Management Consulting Private Limited and CRISIL Limited, respectively. We officially engaged RedSeer Management Consulting Private Limited, in connection with the preparation of the RedSeer Report in relation to the financial services (excluding microfinance) industry pursuant to an engagement letter dated December 13, 2021, and CRISIL Limited, in connection with the preparation of the CRISIL Report in relation to microfinance industry pursuant to an engagement letter dated January 18, 2022. Copies of the RedSeer Report and the CRISIL Report shall be available on the website of our Company at www.navi.com/[●] from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer Report and the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. The data included in this section includes excerpts from the RedSeer Report and the CRISIL Report and may have been re-ordered by us for the purposes of presentation.*

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. However, as our Company was incorporated on December 10, 2018, information in relation to the Financial Year ended March 31, 2019 is from our date of incorporation.

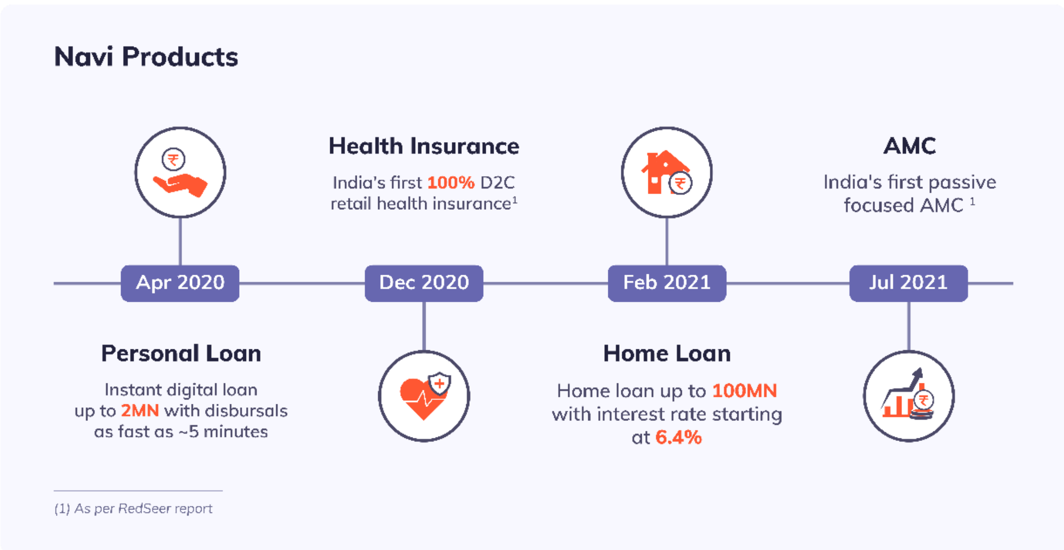
Our Mission

Our mission is to provide financial products and services that are simple, affordable and accessible by building a customer-centric and technology-first organisation. We aim to help our customers seamlessly *navigate* their financial journeys and achieve their financial goals. This is how we arrived at the name "Navi".

Overview

We are a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. We are uniquely positioned in India as one of the leading end-to-end digital ecosystem players with complete control over all three non-payments financial service offerings – lending, insurance and asset management, according to the RedSeer Report.

We have adopted a mobile-first approach, utilising our strong in-house technology and product expertise to build customer-centric products. Since our Company's incorporation, we have expanded offerings under our "Navi" brand to include personal loans, home loans, general insurance and mutual funds. We also offer microfinance loans, through a wholly-owned Subsidiary, under the "Chaitanya" brand.



According to the RedSeer Report, our end-to-end ownership across products and technology gives us a competitive advantage over traditional incumbents and third-party dependent fintech platforms.

Market Opportunity

According to the RedSeer Report, the financial services space in India is highly underpenetrated (across segments including lending, insurance, and mutual funds), which presents a big opportunity for a technology-first company to capture a large market share.

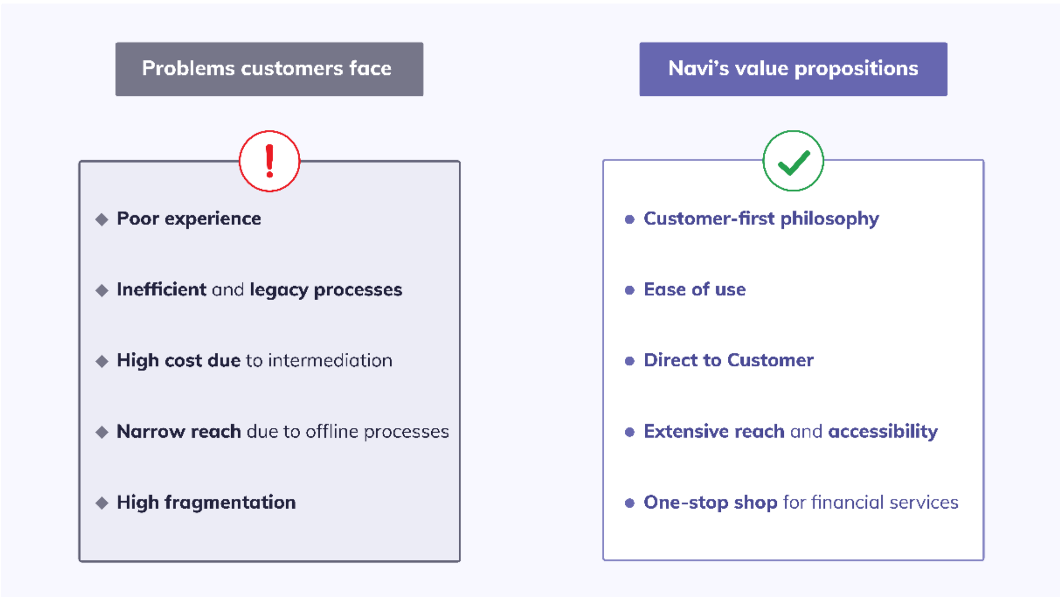
Further, our in-depth market and customer research indicates that customers across segments experience multiple pain-points when availing financial services. We use this data to target product opportunities that provide us access to large unaddressed markets and enable us to redefine the customer experience.

Our target market segments in India present significant growth potential as reflected in the projected growth of such industries over the next five years. According to the RedSeer Report, between the Financial Years 2021 and 2026:

- retail loan AUM is expected to grow at a CAGR of approximately 18-20% to reach US$1.15-1.25 trillion;
- health insurance GWP is expected to grow at a CAGR of approximately 16% to reach US$17.6 billion; and
- mutual fund AUM is expected to grow at a CAGR of approximately 17% to reach US$1.0 trillion.

Our Value Proposition

Our value proposition is singularly focused on delivering superior customer satisfaction. The foundation of our business model is derived from identifying the following key problems and inefficiencies that customers face and developing solutions to such problems:



Customer-first philosophy

While launching a new product, we start with developing a deep understanding of our customers to understand their needs, solve their pain-points, and enhance customer delight.

We conduct customer insights studies and regularly deploy randomized experiments with A/B Testing, a method of comparing multiple variations against each other, to determine customer behaviour in a live environment and get immediate actionable insights. In addition, we aim to ensure that our products are intuitively designed and simple to understand. When making decisions our emphasis is on what customers do rather than just what they say.

Ease of use

The Navi App provides an easy to use and engaging experience to our personal loan, home loan and health insurance customers while minimising manual intervention and paperwork. We aim to offer a smooth buying experience by offering simple, transparent and integrated solutions within the Navi App. Our personal loan lending and retail health insurance buying journeys are designed to be digitally seamless, with the fastest customer journeys being entirely completed in under 4.5 minutes and 2.5 minutes, respectively.

Direct to customer

Using technology, we adopt a direct to customer approach for our personal loans, home loans, health insurance and mutual fund offerings to expand our reach throughout India. This allows us to capitalize on the large pool of digitally connected customers, without incurring the high costs associated with offline channels and intermediaries. This approach also generates cross-sell and up-sell opportunities across our ecosystem with the aim of increasing the potential customer lifetime value.

Extensive reach and accessibility

Unlike traditional financial services, our digital-first distribution for our personal loans, home loans and health insurance offerings enables us to deliver products and solutions to our customers without the need of physical infrastructure. This provides us extensive reach and allows us to make financial services accessible for a wide array of customers. Within 21 months of launch, we have approved personal loans to customers across over 84% of all Indian pin codes.

One-stop shop for financial services

We offer a comprehensive suite of financial services solutions under the Navi brand including personal loans, home loans, general insurance, and mutual funds. As a one-stop shop, we can analyse customer behaviour and interests across different products and use data analytics capabilities to identify customer needs, drive conversion and cross-sell opportunities. Our digital operating model with end-to-end ecosystem and one-stop shop approach enables us to offer our products and services at low cost.

Summary Information on Our Business Lines

- ***Personal loans.*** We launched our personal loans business under the “Navi” brand in April 2020. Under this business, we extend instant personal loans up to ₹2.0 million with tenors of up to 84 months through an entirely digital Navi App-only process.

  Since our launch and up to December 31, 2021, we have disbursed 481,121 personal loans amounting to ₹22,463.12 million. As of December 31, 2021, our personal loans business had an AUM of ₹14,186.92 million. During the nine months ended December 31, 2021, we disbursed 308,383 personal loans amounting to ₹15,724.41 million, with an average ticket size of ₹50,990. For the quarter ended December 31, 2021, our personal loans collection efficiency was 93.17%, and the collection efficiency for our personal loans disbursed subsequent to April 1, 2021 was 96.63% (constituting 70.00% of disbursals). During the quarter ended December 31, 2021, the average tenor of loans disbursed in our personal loans business was 21.99 months.

  We believe our digital lending process is one of the key differentiators driving business growth. Our customers have experienced downloading the Navi App, completing the entire loan application and receiving the approval and the proceeds of the loan in their bank account in under 5 minutes. According to the RedSeer Report, most digital lenders can disburse personal loans within a few hours of loan inquiry. Incumbents with little digital lending presence on the other hand generally take on an average of 1-3 days from application to disbursal. According to the RedSeer Report, we are a full stack end-to-end digital lending player and are capable of having one of the lowest turnaround times amongst lenders in India, in the personal loans category.

  Our extensive range of ticket sizes and tenors of loans can address a large number of use cases such as: (a) planned personal expenses, e.g., home renovation, travel, high ticket purchases and weddings, (b) emergency medical expenses, and (c) short-term business needs.

To ensure our growth is sustainable and profitable, we place strong focus on both credit quality and pricing.

Our artificial intelligence based underwriting models learn from a rapidly growing training dataset that contained 2.64 million repayment events as of December 31, 2021, with an average of 0.28 million repayment events added every month during the quarter ended December 31, 2021. As of December 31, 2021, over 85% of our personal loan customers had CIBIL credit scores of above 725.

We adopt an innovative cohort-based approach that segments customers based on a variety of factors including yield, risk, ticket size, and acquisition cost to identify low risk and profitable cohorts. This approach is supplemented with regular customer research and sophisticated data analytics for us to provide tailored products to our customers. We believe profiling and pricing each borrower is a major driver in creating a profitable lending business.

According to the RedSeer Report, retail lending AUM in India is majorly concentrated in metro and tier-1 cities as compared to other cities due to lack of capability and reach, which provides a significant market opportunity for digital lenders in India. In the Financial Year 2021, 59% of the retail lending AUM with a total market of approximately US$500 billion was from metro and tier-1 cities. According to the RedSeer Report, the digital lending market in the personal loan, home loan and loans against property categories is expected to grow at a CAGR of 48% to become a market of US$107 billion in the Financial Year 2026 with personal loans carrying the highest share of 63% in the digital lending market followed by a 31% digital disbursal share of home loans and 6% for loans against property.

We launched our personal loans business to fulfil the needs of the underserved Indian population. According to the RedSeer Report, Indian market remains underpenetrated because traditional banks require active bank accounts, extensive documentation, and a robust credit score to sanction credit, however, a rising millennial population demands easier access to credit with minimal documentation in lesser time, pushing the importance of full-stack digital lenders in this space. Hence, our digital personal loan offering is well-suited to address the needs of the growing digitally connected Indians.

According to the RedSeer Report, among the retail lending categories, the personal loans category has grown the fastest and is expected to grow at a CAGR of approximately 27% between the Financial Years 2021 and 2026. Over the same period, the contribution of digital lending to total personal loan disbursals is estimated to increase from 19% to 41%.

- ***Home loans.*** We launched our home loans business under the “Navi” brand in February 2021 to extend: (a) home loans for ready to move-in, under-construction and self-constructed properties, and (b) loans against property for constructed properties. As of December 31, 2021, we had disbursed home loans across eight cities in India. We offer loans up to ₹100 million with a tenor of up to 30 years. As of December 31, 2021, we had an AUM of ₹1,777.09 million and since launch we have disbursed 604 loans with an average ticket size of ₹3.86 million.

  We have been able to digitize and simplify the process of procuring a home loan. Our home loans customers are able to obtain an eligibility offer through a completely automated process that does not require any manual checks.

  We currently source home loan customers directly through multiple channels, including our pre-approved residential projects database, our digital platform and through referral channels. In the long run, our focus is to make the customer journey more streamlined by creating a large network of pre-approved residential projects to simplify the legal and valuation checks. By leveraging our machine learning-based underwriting models, we target to reduce the disbursal TAT for pre-approved projects to one to two days.

  According to the RedSeer Report, home loans are the largest lending product and second largest digital lending product and the amount of digital home loan disbursals in India is expected to grow at a CAGR of approximately 53% between the Financial Years 2021 and 2026. Currently, home loan customers face various pain-points such as longer TAT, extensive manual application process, and lack of clarity regarding loan approvals. We are trying to overcome these hurdles for our customers through our digital first approach. We apply our learnings from our personal loans business to replicate a digital application process for our home loan offerings.

- ***General insurance.*** We launched our general insurance business through the acquisition of DHFL General Insurance Limited in February 2020, and we now offer our insurance products under the "Navi" brand. In this business, we focus on providing simple to understand and comprehensive retail health insurance offerings to the digitally connected Indian population through our direct to customer approach. According to the RedSeer Report, we are the first 100% digital-first and digital only direct to consumer player in retail health insurance. In India, the general insurance market has grown at a CAGR of 13% from US$14 billion in the Financial Year 2016 and to US$28 billion in the Financial Year 2021. The share of digital insurance has increased from 0% in the Financial Year 2016 to 1.5% in the Financial Year 2021.

  We launched our health insurance products with the aim of providing a new perspective on the manner that insurance is purchased in India. We operate with a digital first model which, according to the RedSeer Report, has enabled us to provide a better customer experience than traditional insurers. Our fastest TAT for issuing a retail health insurance policy is less than 2.5 minutes.

  As of December 31, 2021, 61.17% of our health insurance policies sold were approved without any human assistance on the Navi App. Further, we have developed our chat-based interface which ensures that our customers are served seamlessly throughout their buying journey.

  We offer health insurance premiums through EMIs, where a customer can pay a fixed amount every month towards their policy has made our products attractive and affordable.

  During the nine months ended December 31, 2021, our GWP was ₹667.60 million, of which ₹63.26 million was from the retail health insurance segment. During the nine months ended December 31, 2021, we had issued a total of 220,491 insurance policies of which 27,800 were retail health insurance policies. Share of retail health insurance policies, out of total insurance policies issued by us, grew to 15.70% during the quarter ended December 31, 2021 from 4.14% during the quarter ended June 30, 2021.

  The appeal of our insurance products is demonstrated by the significant user traction that we have witnessed on the Navi App, and 52.67% of our customers who purchased a health insurance policy from us during the nine months ended December 31, 2021 were from our Personal Loan Interested User Base.

  Our app-only customer journey enables us to collect a diverse set of data variables and consumer insights from customers' disclosures, financial profile, application usage behaviour, lifestyle and family history. This data helps us improve our understanding of customers, allowing us to assess and price risks better and which improves our conversions.

  We operate with an end-to-end integrated tech framework spanning across operations including sourcing, underwriting, and claim management. We own the customer journey end-to-end, from sourcing of customers to underwriting and management. For claims, we are partially dependent on certain third-party administrators ("**TPAs**") who review and approve claims on our behalf.

  According to the RedSeer Report, India's general insurance penetration is at approximately 1%, which is less than the global average of 4.1% in 2020 indicating a large opportunity for Indian insurers. Further, the total coverage of health insurance in India was approximately 40% in the Financial Year 2021, whereas, in 2020, China had 95% health insurance coverage and the United States of America had 91% health insurance coverage, showing a highly underpenetrated health insurance market in India.

  Digital penetration for general insurance in India is the lowest at 1.5% compared to 14% in the USA and 6% in China, indicating significant growth potential for digital first insurance companies in India, as per RedSeer. Digital full stack insurers are expected to increase their insurance penetration, which was at 1.5% in the Financial Year 2021, to 4-6% by the Financial Year 2026, driven by factors including digital distribution, such as increased efficiency in claim settlement, launch of easy, simple and transparent products, reduced cost and fraud prevention, and sourcing and distribution.

- ***Asset management.*** We commenced our asset management business through the acquisition of Essel Asset Management Company Limited in February 2021. According to the RedSeer Report, we were one of the most passive-focused asset management companies in the country during the period July to December 2021 on the basis of high ratio of passive funds AUM flow to active funds AUM flow during the same period. As of December 31, 2021, we managed a total AUM of ₹9,428.48 million under our mutual funds.

Our first passive fund, Navi Nifty 50 Index Fund, launched in July 2021 had AUM of ₹1,673.24 million as of December 31, 2021. We target to offer a large range of passive funds to enable customers to take exposure in different investment themes. Since our launch we have filed for 17 new funds with SEBI, all of which were passive funds. According to the RedSeer Report, we were the first asset management company to file for two unique passive funds in India. During the nine months ended December 31, 2021, we achieved net inflow of ₹2,386.63 million, of which 70.11% came from passive-funds.

According to the RedSeer Report, mutual fund AUM in India is expected to grow at a CAGR of approximately 17% to reach US$1.0 trillion between the Financial Years 2021 and 2026. Passive equity mutual fund AUM is estimated to grow at a CAGR of 40-45% during the same period. Key growth drivers of rising demand for passive investments are accessibility and innovation in offerings, rise in millennial investors, increased tech adoption and customer satisfaction. We aim to capture a significant market share of the passive funds by offering low expense ratios, minimising tracking error and creating a strong brand in passive investing.

We focus on processes and automation to help the investment research team identify research opportunities, perform risk control and minimise operational errors. We also leverage strategic agreements with several aggregator platforms to increase our customer base.

- ***Microfinance loans.*** We also provide microfinance loans through our Subsidiary, Chaitanya India Fin Credit Private Limited ("**CIFCPL**"), which was acquired in March 2020 (pursuant to our acquisition of our other Subsidiary, Navi Finserv Private Limited ("**NFPL**")). Under our microfinance loans business, we extend credit to low-income women in rural and semi-rural areas across India. Our microfinance loans business runs on a joint liability group-lending model, wherein a small number of women form a group (typically four to seven) and guarantee one another's loans. As of December 31, 2021, our microfinance business had a closing AUM of ₹18,088.54 million. Our microfinance loans are not offered through the Navi App and this business is operated separately from our other technology-based business lines described above.

Key Financial and Operational Metrics

Our total income for the nine months ended December 31, 2021 and the Financial Years 2021, 2020 and 2019 amounted to ₹7,193.79 million, ₹7,800.17 million, ₹2,070.16 million and ₹169.52 million, respectively. For the same periods, our restated net profit/(loss) for the period/year amounted to ₹(2,064.27) million, ₹711.88 million, ₹(80.71) million and ₹20.69 million, respectively.

The following table sets forth certain key operational metrics on a quarterly basis as of and for the quarters indicated:

Key Metrics	Quarter Ended						
	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021
Mobile app:							
Logins *(number)*(1)	499,833	1,266,344	1,256,949	1,138,395	905,733	2,714,062	4,113,900
Personal loans:							
Closing AUM *(₹ in millions)*(2)	345.12	2,649.58	4,263.91	4,903.23	4,533.46	6,410.32	14,186.92
Loans disbursed *(number)*(3)	11,410	62,769	50,952	47,606	15,641	74,170	2,18,572
Amount disbursed *(₹ in millions)*(4)	343.99	2,418.80	2,174.06	1,801.86	686.43	3,942.30	11,095.68
Annualised yield (%)(5)	20.80%	23.81%	23.58%	24.26%	23.51%	21.81%	26.24%
Gross NPA (%)(6)	0.00%	0.08%	3.79%	4.96%	12.36%	6.19%	1.12%
Net NPA (%)(7)	0.00%	0.02%	1.05%	0.22%	0.99%	0.00%	0.03%
Provisions as a percentage of AUM (%)(8)	5.39%	9.45%	11.98%	18.55%	24.68%	13.64%	7.29%
Home loans:							
Closing AUM *(₹ in millions)*(2)	NA	NA	NA	33.16	190.46	804.47	1,777.09
Loans disbursed *(number)*(3)	NA	NA	NA	17	95	244	248

Amount disbursed (₹ in millions)[(4)]	NA	NA	NA	33.07	154.16	626.77	949.49
Annualised yield (%)[(5)]	NA	NA	NA	NA	5.90%	6.93%	7.06%
General insurance:							
Gross written premium (₹ in millions)[(9)]	106.86	283.36	337.78	321.17	78.25	292.54	296.81
Retail health policies sold (number)[(10)]	NA	NA	4	38	722	8,407	18,671
Solvency ratio (%)[(11)]	684.16%	479.19%	506.50%	507.81%	530.43%	475.71%	407.07%
Asset management:							
Closing AUM (all types of funds) (₹ in millions)[(15)]	NA	NA	NA	NA	7,480.55	9,125.83	9,428.48
Closing AUM (passive funds) (₹ in millions)[(16)]	NA	NA	NA	NA	NA	1,199.01	1,673.24
Overall mutual fund investor count (number)[(12)]	NA	NA	NA	NA	64,669	88,709	1,04,989
Microfinance loans:							
Closing AUM (₹ in millions)[(2)]	8,014.87	8,385.09	9,568.61	11,986.34	11,177.48	13,953.40	18,088.54
Customers (number)[(13)]	415,110	420,823	459,100	511,437	496,993	558,749	675,315
Amount disbursed (₹ in millions)[(4)]	25.28	2,405.71	4,220.82	6,239.18	1,440.75	5,945.98	8,418.99
Annualised yield (%)[(5)]	24.73%	24.02%	22.86%	20.45%	21.73%	21.26%	20.38%
Gross NPA (%)[(6)]	0.71%	0.89%	4.06%	4.10%	5.45%	4.51%	3.83%
Net NPA (%)[(7)]	0.31%	0.44%	0.71%	0.89%	1.38%	1.04%	0.98%
Collection efficiency[(14)] (%)	32.82%	84.63%	92.79%	94.93%	88.93%	94.49%	96.68%

Notes:

(1) Count of people who have installed the Navi App and have done mobile number verification via OTP; Count of people who had installed the personal loan Navi App and done mobile number verification via OTP prior to launch of unified Navi App.

(2) Represents the aggregate of principal outstanding for all assets under management for the relevant business as of the last day of the relevant period (after considering the impact of Ind AS, excluding direct assignments).

(3) Represents the total number of loans disbursed to our customers for the relevant business in the relevant period.

(4) Represents the aggregate of all loan amounts disbursed to our customers for the relevant business in the relevant period.

(5) Represents the interest income including loan processing fee for the relevant business in a relevant period as a percentage of the average Gross AUM for the relevant business in such period.

(6) Represents the closing balance of our Gross NPA to our gross AUM for the relevant business as of the last day of the relevant period.

(7) Represents the closing balance of our Net NPA to our gross AUM for the relevant business as of the last day of the relevant period.

(8) Provisions as a percentage of AUM represents provisions made on all the loan assets in the relevant period as a percentage of our gross AUM for the relevant business as of the last day of the relevant period.

(9) Gross written premium is the sum of (a) Premium from direct business written (Net of GST) and (b) Premium on reinsurance accepted for the relevant period.

(10) Retail health policies sold represents the number of retail health insurance policies sold to our general insurance business customers for the relevant period.

(11) Solvency ratio represents the ratio of available solvency margin (including FBSM) to the required solvency margin as of the last day of the relevant period.

(12) Overall mutual fund investor count represents the total number of investors across all our mutual funds as of the last day of the relevant period.

(13) Number of customers who had outstanding microfinance loans as of the last day of the relevant period.

(14) Collection efficiency represents the current collections (excluding past arrears) during the relevant period divided by current dues during such period.

(15) Represents the total market value of all our mutual fund assets under management as of the last day of the relevant period.

(16) Represents the total market value of all our passive mutual fund assets under management as of the last day of the relevant period.

Our Competitive Strengths

Mobile first approach driving better customer engagement and experience

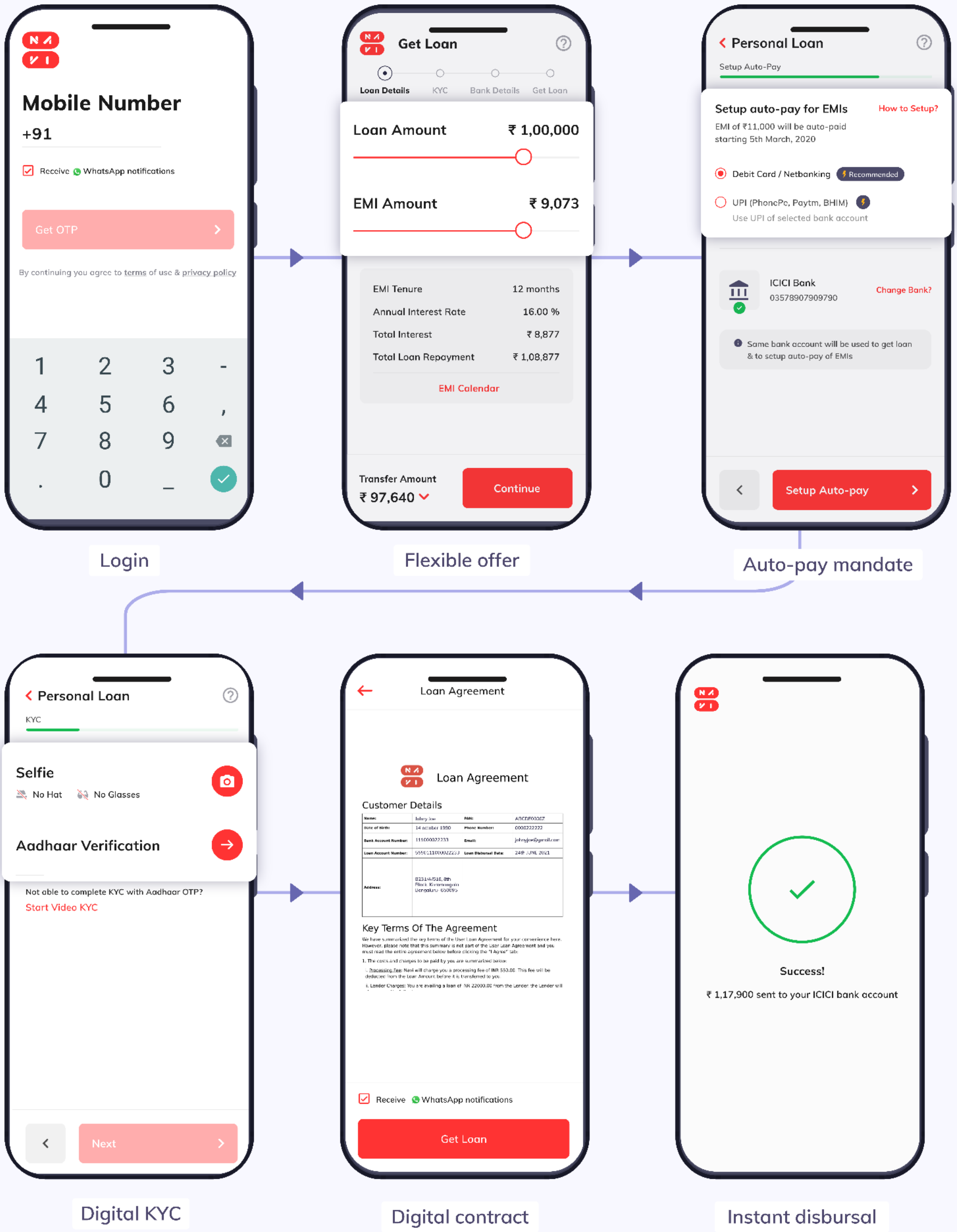
We operate a mobile-first, app-only model for our personal loans, home loans and health insurance products. This model enables us to (a) cater to digitally connected Indians, (b) avoid intermediation and reach customers directly in tier-1 cities and beyond, and (c) offer an unassisted buying journey with one of the lowest turnaround times amongst lenders in India, in the personal loans category, according to the RedSeer Report.

Our mobile-first approach enables us to serve customers in a much quicker time frame. The TAT for our fastest disbursals of personal loans was less than 4.5 minutes, and the fastest TAT for the issuance of our retail health insurance policies was under 2.5 minutes.

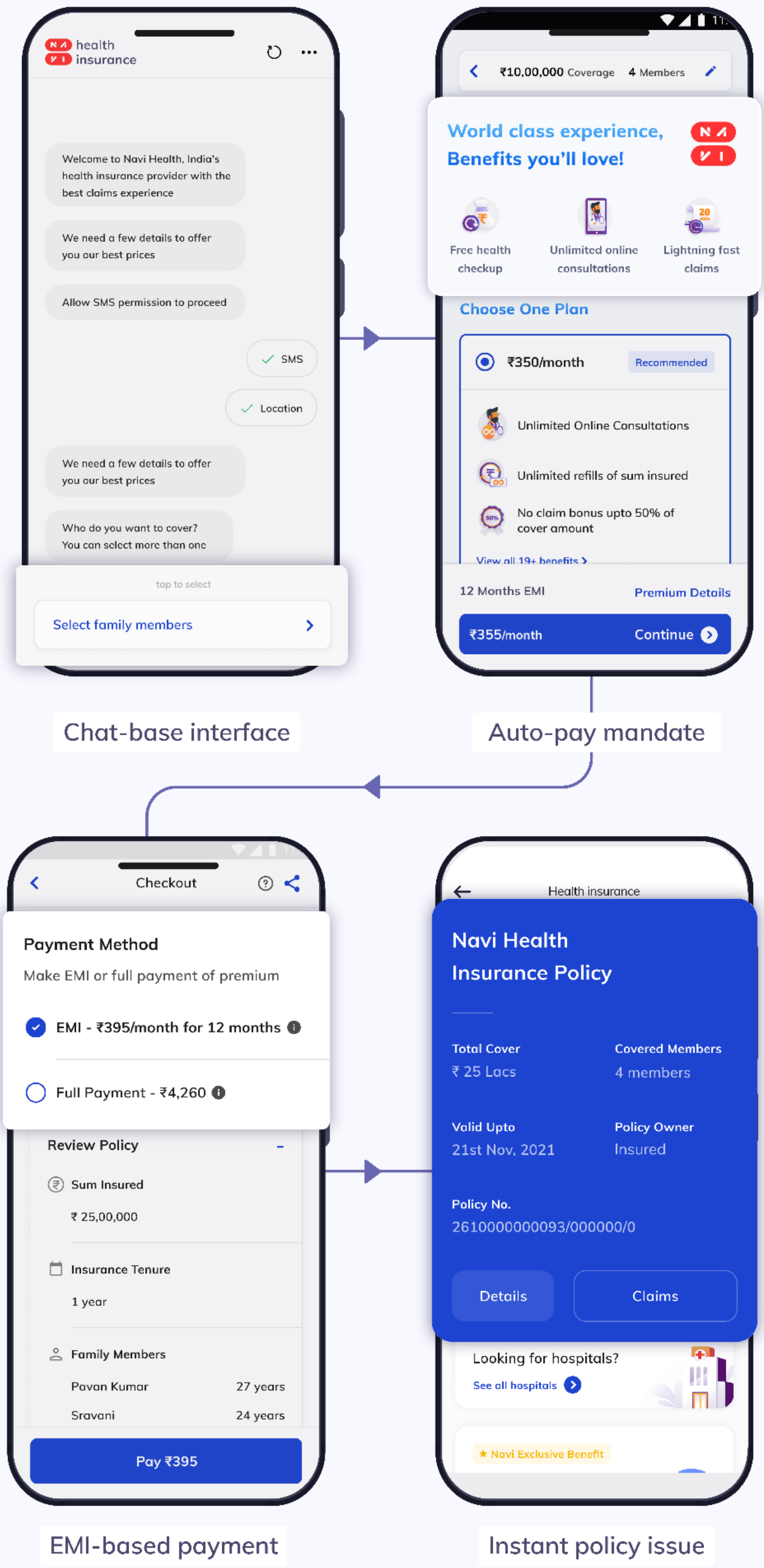
We have designed the Navi App with the aim of making the customer journey seamless, with simple and easy-to-understand products. For our personal loans, the entire process from the loan application and disbursal to repayment is paperless and conducted digitally. For our health insurance products, the policy purchase process is designed to be digitally seamless, and 61.17% of all our health insurance policies issued since launch up to December 31, 2021 were issued without any human assistance. During the quarter ended December 31, 2021, we had 2.94 million average monthly active users ("**MAU**") and 4.11 million total logins, on the Navi App.

The following screenshots depict the typical buying journey for our personal loans and health insurance products on our mobile app:

Customer journey for Navi Personal Loan

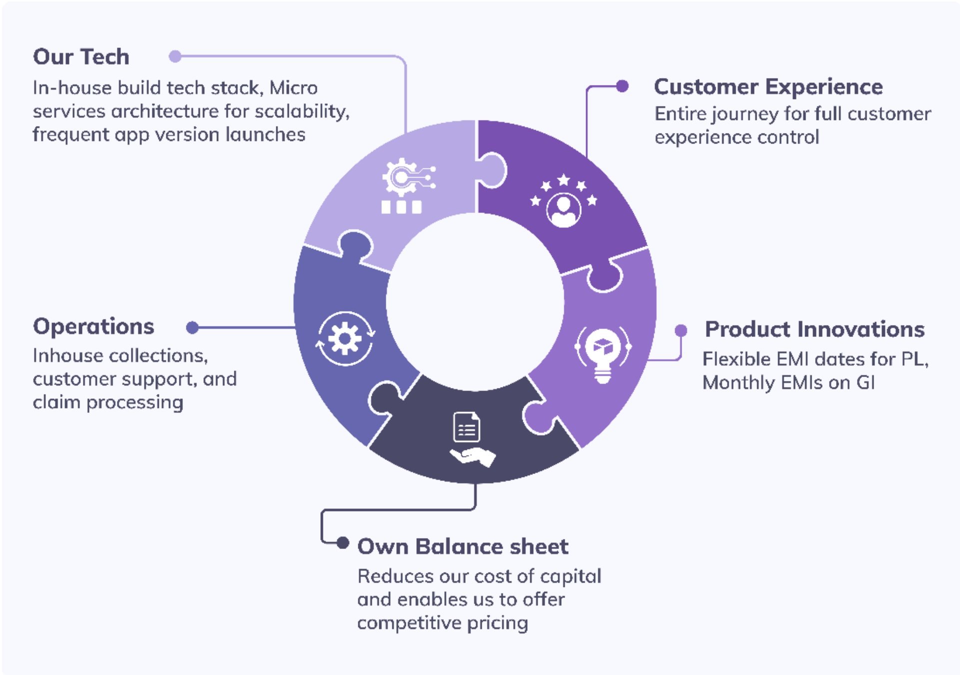


Customer journey for Navi Health Insurance



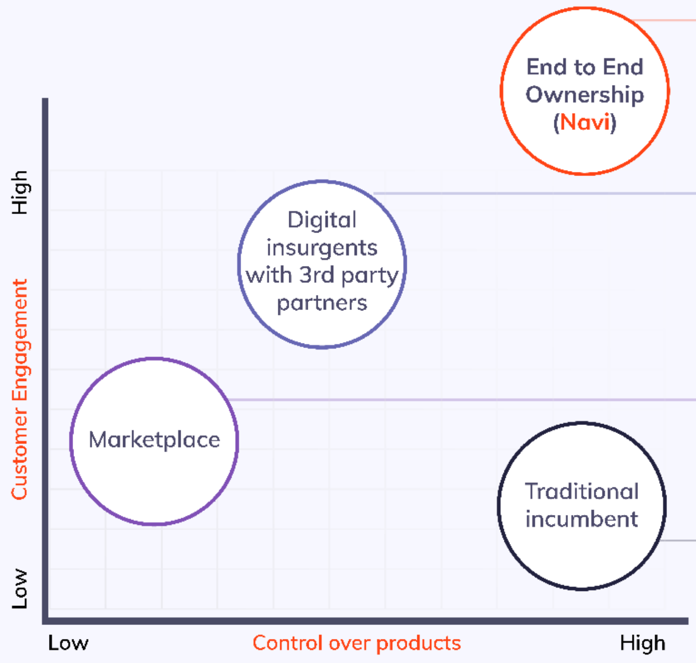
End-to-end ownership of product

Our ability to develop simple and intuitive products from the ground up ensures end-to-end ownership of our products. We have limited dependency on third parties as we own the entire value chain right from in-house technology to product designing.



Our end-to-end ownership allows us to innovate across our product designing process. This helps us regularly iterate and improve our product features and deploy them to the market quickly. For example, we have introduced EMI based payment structures for our retail health insurance policies and offer flexible EMI dates to our personal loan customers.

According to the RedSeer Report, we are positioned as an end-to-end digital ecosystem player in India. Being an end-to-end digital ecosystem player, we are a step ahead of "digital insurgents with third-party partners" because of our flexibility to offer new products and pivot into new services, rather than being dependent on financial services partners. Technology enables us to improve processing speeds and deliver better customer experience.



End to End Ownership(Navi): Players that incorporate all components of the value chain, digitizing maximum services with full product control & higher customer engagement.

Digital insurgents with 3rd party partners: Digital service providers that do not manufacture the product but are face of the financial institutions to better their customer engagement and have moderate influence on products.

Marketplace: Intermediaries between the customer and the lender/insurer/AMC with an enhanced customer experience but no product control.

Traditional incumbents: Established (more than a decade of existence) large financial players in banking, insurance, and asset management having full control on products but low customer engagement.

In-house full-stack technology capabilities

Our business is technology-driven and underpinned by our in-house technology expertise, culture of application-led innovation, data analytics capabilities and our integrated, scalable and sophisticated technology platform that is capable of delivering and managing our range of products. Since our inception, we have made significant investments in our technology infrastructure leading to a full-stack approach.

Our in-house technology development comprises customer facing portals, loan management and accounting capabilities that enable high transaction volumes, in-house underwriting engines running on artificial intelligence and machine learning models, a self-developed policy engine which fuels our insurance products, fraud risk management capabilities for fraud prevention and detection, and multiple process automation workflows to enable efficient back-end operations.

All these technology platforms and capabilities are deployed on robust and resilient cloud infrastructure which is secure and scalable. We leverage our technology initiatives for frequent periodic updates of the Navi App to ensure a high uptime. During the nine months ended December 31, 2021, we released a total of 30 updates to the Navi App on the Google Play Store, representing an average app update of every nine days. From a business operations perspective, our back-end systems and processes are also technology based and integrated with our customer facing technology. As we develop our own technology, we have minimal reliance on third parties, offering us cost efficiencies, speed and flexibility. Our experienced technology team has expanded to 262 full-time employees (excluding CIFCPL) as of December 31, 2021.

Risk management, data science and machine learning leveraged operating model

Our underwriting, pricing, risk management and collections are driven by proprietary data science and machine learning capabilities. This provides us a significant advantage over traditional lenders who, according to the RedSeer Report, are largely dependent on excessive paperwork and manual evaluation which can be tedious and time-consuming.

According to the RedSeer Report, a large portion of the Indian population have no access to the formal credit system because of low or no credit history. We utilise artificial intelligence and machine learning to go beyond using only credit scores as a method of underwriting. Our models incorporate more than 400 variables and learn from a rapidly growing training dataset comprising 2.64 million repayment events as of December 2021, with an average of 0.28 million repayment events added every month during the quarter ended December 31, 2021. The information used for underwriting includes data provided by the user (such as name, date of birth, KYC documents, pin code, employment details), data we directly collect with the consent of the user (geolocation, device details, contacts and transaction history), and data sourced from other sources (such as credit bureaus, analytics providers and business partners.). This is vital in making credit accessible to a larger audience. This creates a big data and machine learning flywheel which enables higher approval, and risk-priced interest rates.

Our systems are able to identify unique users, track their journeys, record their behaviour and report on the Navi App's performance. This data has been vital in our marketing, sales and product management functions, allowing us to make more informed decisions when determining pricing, customizing products and improving customer experience.

To proactively address fraud detection, we do continuous sampling and analysis of our loan portfolio to identify emerging patterns and modus operandi. Our models are also able to leverage data to enhance our ability to prevent fraud by identifying outlier signals in data and behaviours as triggers. This is evidenced by a significant drop in the percentage of frauds in our NFPL's overall AUM from 0.25% as of June 30, 2021 to 0.18% as of December 31, 2021.

We have developed a robust cohort-based collections model to efficiently follow-up and recover dues that are outstanding. Our collections capability comprises digital reminders and follow-ups for payments, tele-calling and on-ground collection management. Allocation of delinquent loans to these channels is driven by back-end analytics and payment behaviour scorecards to maximize on overall debt management efficiencies.

For the quarter ended December 31, 2021, our personal loans collection efficiency was 93.17%, and the collection efficiency for our personal loans disbursed subsequent to April 1, 2021 was 96.63% (constituting 70.00% of disbursals). In the same quarter, our efficiency for EMIs collected for personal loans within 30 days of being due was 98.69%.

Our processes are supported by a granular tracking of loan portfolio metrics and performance that assist us in customer level risk management. Performance of each metric is benchmarked against an operating threshold that acts as guardrails for risk management and benchmark ECL. We study portfolio trendlines and KPIs, and deviations are analysed and acted upon.

As a result, we have improved or maintained our collection efficiency and asset quality across economic cycles, including the COVID-19 pandemic, over the periods presented. As of December 31, 2021, our ECL provision as a percentage of AUM was 7.29% for our personal loans business.

Network effect, cross-sell and up-sell

The Navi App is a one-stop shop for our personal loan, home loan, and health insurance products. Further, mutual fund customers are also able to track their portfolio on the Navi App. We combine our one-stop shop approach with sophisticated data analytics capabilities to anticipate customer behaviour and profiles to generate insights for cross-selling and up-selling these products within our network. For example, 46.66% of all personal loans customers that had fully repaid their loans as of December 31, 2021 have taken another personal loan from us before December 31, 2021. We also witness significant cross-sell traction on the Navi App from customers visiting the Navi App for buying other products. For example, during the nine month ended December 31, 2021, 71.69% of all home loans customers and 52.67% of all retail health insurance customers, were from our Personal Loan Interested User Base.

Promoter's track record and experienced management team

Our co-founder, Promoter and CEO, Sachin Bansal, is the former chairman and co-founder of Flipkart. Sachin graduated from IIT Delhi with a degree in Computer Science in 2005. He was named World 40 under 40 by Fortune Magazine in 2012, Entrepreneur of the Year by Economic Times in 2013 and Time Magazine's 100 most influential people in the world in 2016. Sachin co-founded our company with Ankit Agarwal, a former banker who has held senior positions across Deutsche Bank and Bank of America. Ankit graduated from IIT Delhi with a degree in Computer Science in 2004. He also holds an MBA from IIM Ahmedabad, from where he graduated in 2008. Sachin and Ankit have assembled a strong leadership team with a deep level of expertise, particularly in the financial services and technology industries. Sachin is the Managing Director and CEO of our Company as well as the CEO of NFPL and CIFCPL, and Ankit is the CFO of our Company and Managing Director of NFPL. Apurv Anand is the COO and Head of Engineering of our Company. He is an alumnus of IIT-Delhi and he has worked at Veveo (India) Private Limited as senior technical Lead, American Express India Private Limited as lead technical architect, and SigTuple Technologies Private Limited as co-founder and chief operations officer. The following sets forth details on our other senior management members:

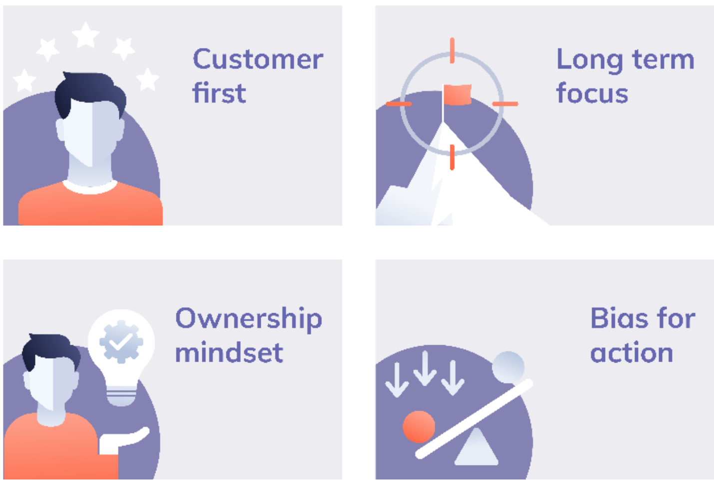
- Shobhit Agarwal, Head – Lending (NFPL)
- Bhaskar, Head – Credit (NFPL)
- Anand Rao, Joint MD (CIFCPL)
- Vinod Raghavan, Chief Compliance Officer (NFPL)

We also benefit from having as advisors to our Company and our subsidiaries, Paresh Sukthankar (through Sanaksh Advisors LLP), Naresh Agarwal, and Neeraj Aggarwal, each of whom provide strategic guidance and domain expertise to our Company and our subsidiaries. Naresh Agarwal provides advisory services on matters relating to technology, and Neeraj Aggarwal provides advisory services to our Sales and Business Operations team. We believe that having a diverse group of advisors with such breadth and depth of experience allows us to leverage the competitive strengths of our businesses as well as allow management to identify and act quickly in connection with new opportunities for our businesses.

Strong tech team and value-based workplace ethos

We have also successfully recruited and retained talented employees from a variety of backgrounds. We generally recruit from leading universities or established technology and financial services companies, and have been focused on attracting and building a talented tech powerhouse. Our workplace ethos emphasizes the below key principles which we believe are key drivers for employee motivation, performance and loyalty.

Our workplace values



We focus on rewards and recognition, and offer fast-track promotions, learning opportunities, and ESOP grants to employees above the associate level. We have built a strong team of 982 employees (on a consolidated basis excluding the employees of CIFCPL) as of December 31, 2021, including 262 technology personnel comprising developers, product managers, designers, data scientists, analysts and information security experts.

Our Strategies

Grow existing lines of business by further enhancing our capabilities

We are committed to growing our existing product lines by attracting new users and driving engagement from existing customers through a continuously improving user experience on the Navi App and by providing tailored services that integrate with our existing offerings.

We plan to do this through the following initiatives:

- Further enhance our product proposition: We will continue to monitor customer sentiment, usage behaviour and customer actions to further enhance our view on customer needs and pain-points. This better understanding will enable us to enhance the attractiveness of our products for customers.

- Making customer journeys more seamless/straight through: We will focus on reducing TAT and making the process more streamlined by improving our operating model. In our home loans business, we are building a large network of pre-approved residential projects and using machine learning-based underwriting to reduce TAT to one to two days.

Eliminating external operational dependencies: We have identified external customer experience-related dependencies and we are building capabilities to eliminate such dependencies. This will enable us to offer an end-to-end integrated customer journey which will help us improve customer experience and reduce costs. For example, in our general insurance business, we are building in-house claim settlement capabilities to reduce reliance on TPAs.

Continued investment in technology and data science capabilities

We have made significant investments in our technology infrastructure, machine learning models and data analytics capabilities to strengthen our offerings and customer experience. Going forward, we plan to continue to develop and invest in sophisticated technology to further strengthen our technology infrastructure. Further, we will continue to focus on hiring and retaining strong technology talent.

We will continue to strengthen our microservices technology architecture, an organisational software development approach that utilises a collection of small autonomous services, to make the Navi App more agile and scalable. For example, we have been able to roll-out innovative features such as flexible EMI dates for personal loans and monthly EMIs for health insurance products because of our product development skills. Our long-term approach towards building in-house technology is expected to enable us to grow while keeping costs non-linear.

We expect the accuracy of our machine learning models to improve as we scale-up and capture more customer data. This will enable us to improve our understanding of customers and maintain asset quality by accurately identifying credit-worthy customers.

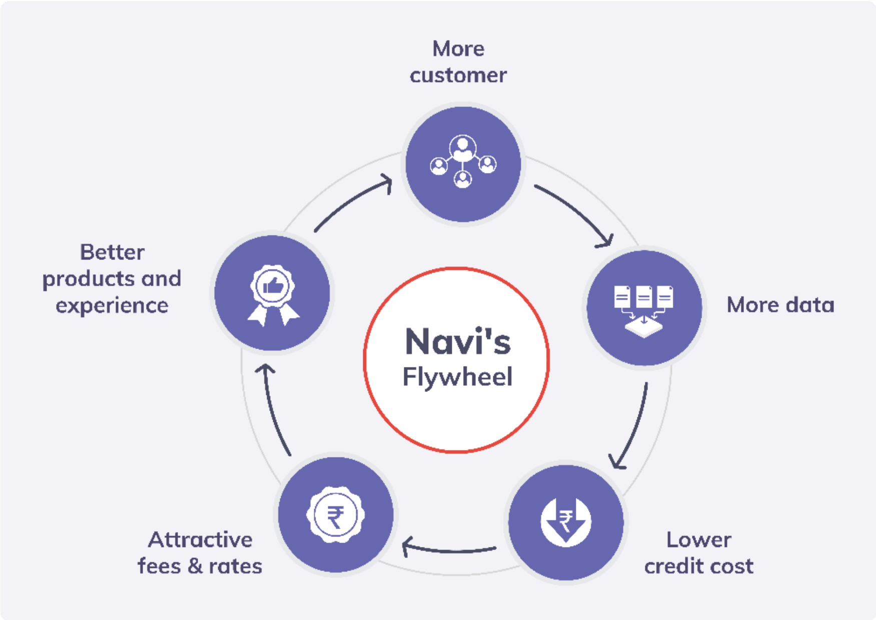
Foray into new product lines

We will continue to utilise our in-house research capabilities to identify large market opportunities. We will leverage and replicate our learnings from existing businesses and customers' needs while launching new product offerings. Further, we will continue to leverage customer insights to identify and anticipate their needs and deliver differentiated products and services. We will also explore strategic acquisition opportunities from time to time to strengthen the value proposition of the current portfolio and launch new offerings.

In the long run our aim is to expand our product portfolio by launching adjacent lending and insurance products to capture a larger portion of the wallet share of our customers. We have also applied for a universal banking license with the RBI, which will enable us to offer a wider range of financial products and services.

Leveraging our integrated ecosystem for synergies and cross-sell opportunities

The Navi App offers an integrated ecosystem of financial services products where once customers enter our ecosystem through acquisition of any of our products, they can access our full range of adjacent product and service offerings. As we acquire more customers on the Navi App, and as more customers purchase more products, our analytics systems will be able to capture and analyse an increasing amount of customer data.



This integrated ecosystem approach has enabled, and will continue to enable us, to capitalize on significant cross-sell and up-sell opportunities. We believe this will enhance customer retention and increase the potential lifetime value of customers. For example, 46.66% of all personal loans customers that had fully repaid their loans as of December 31, 2021 have taken another personal loan from us before December 31, 2021. We also witness significant cross-sell traction on the Navi App from customers visiting the Navi App for buying other products. For example, during the nine month ended December 31, 2021, 71.69% of all home loans customers and 52.67% of all retail health insurance customers, were from our Personal Loan Interested User Base. As a result, we are on track to achieve positive unit economics by improving customer lifetime value and reduced customer acquisition costs.

Optimize borrowing costs and continue to expand and diversify funding sources

Since our launch, we have developed a well-diversified funding profile by expanding our funding sources and lender base. For example, at NFPL we had 14 term loan lenders as of December 31, 2021 as compared to two term loan lender as of December 31, 2020. NFPL has maintained a strong credit rating of "A (Stable)" by India Ratings as of December 31, 2021. The combination of a diversified lender base and high credit rating has enabled strong liquidity and reduced our cost of funding.

As we continue to grow the scale of our operations, we continue to diversify our lending profile and continue to improve our credit ratings to reduce our cost of funds. A lower cost of borrowings will help us improve our net interest margins, competitively price our loans and other products, and deliver better return ratios.

Description of Our Business

Since our incorporation, we have expanded the product and service offerings under our "Navi" brand to include our personal loans, home loans and general insurance (where we focus on health insurance) and asset management services. We also offer microfinance loans under the "Chaitanya" brand. The following table sets forth our total income from each of our business lines for the periods indicated:

Particulars	Nine months ended December 31, 2021	For the Financial Year Ended March 31, 2021	2020	2019
	(₹ in millions)			
Personal, housing and other loans [(1)]	3,162.88	3,335.78	379.67	–
General insurance[(2)]...	975.85	1,362.29	182.11	–
Asset management[(3)].......................................	57.77	57.41	–	–
Microfinance loans[(4)]	2,339.11	2,315.24	863.91	–

Notes:

(1) We launched our personal loans business in April 2020 and our home loans business in February 2021. Figures include investment-related income.

(2) We first entered into the general insurance business line through the acquisition of a DHFL General Insurance in February 2020. Figures include investment-related income.

(3) We first entered into the asset management business line through the acquisition of Essel Asset Management Company Limited an asset management business in February 2021. Figures include investment-related income.

(4) We first entered into the microfinance loans business line through the acquisition of CIFCPL in March 2020. Figures include investment-related income.

Navi App

We follow an "app-only" model for our personal loans, home loans and health insurance products. We leverage our technology to make the customer journey seamless, with simple and easy-to-understand products on the Navi App. We plan to continue developing the Navi App into an integrated "multi-product" platform where we can provide a holistic experience to our customers across all our core businesses. We believe this approach will provide us with greater synergies and cross-sell opportunities, allowing us to recommend suitable products to our customers. During the quarter ended December 31, 2021, we had 4.11 million logins and 2.94 million average MAUs on the Navi App.

Personal Loans Business

We launched our personal loans business in April 2020 through our subsidiary, NFPL.

Product offerings and target customers

Personal loans are one of our key financial product offerings. We offer instant personal loans up to ₹2.0 million with tenors of up to 84 months. The annual interest rates we charge on the loans disbursed during the nine months ended December 31, 2021 were between 9.9% and 36.0%.

Since our launch up to December 31, 2021, we disbursed 481,121 loans amounting to ₹22,463.12 million. As of December 31, 2021, our personal loans business had an AUM of ₹14,186.92 million, and during the nine months ended December 31, 2021, we disbursed 308,383 loans amounting to ₹15,724.41 million, with an average ticket size of ₹50,990.

Our target segment is the young, digitally connected, middle-class population in India. With our extensive range of ticket sizes and tenors, we are able to address a large number of use cases such as: (a) planned personal expenses, e.g., home renovation, travel, high ticket purchases and weddings, (b) emergency medical expenses, and (c) short-term business needs.

Operational performance

The following table sets forth certain key performance indicators for our personal loans business, as of and for the quarters indicated:

Personal Loans	As of and for the Quarter Ended Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021

Closing AUM (₹ *in millions*)[(1)]..........................	345.12	2,649.58	4,263.91	4,903.23	4,533.46	6,410.32	14,186.92
Loans disbursed (*number*)[(2)]........................	11,410	62,769	50,952	47,606	15,641	74,170	218,572
Amount disbursed (₹ *in millions*)[(3)]...........................	343.99	2,418.80	2,174.06	1,801.86	686.43	3,942.30	11,095.68
Gross NPA (%)[(4)].................	0.00%	0.08%	3.79%	4.96%	12.36%	6.19%	1.12%
Net NPA (%)[(5)].....................	0.00%	0.02%	1.05%	0.22%	0.99%	0.00%	0.03%

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Notes:

(1) Closing AUM represents the aggregate of principal outstanding after considering impact of Ind AS as at the end of each period excluding Direct Assignments for the relevant business and for the relevant period ("Gross AUM"/ "Closing AUM").

(2) Represents the total number of loans disbursed to our customers for the relevant business in the relevant period.

(3) Represents the aggregate of all loan amounts disbursed to our customers for the relevant business in the relevant period

(4) Represents the closing balance of the Gross NPA to our gross AUM for the relevant business as of the last day of the relevant period

(5) Represents the closing balance of the Net NPA to our gross AUM for the relevant business as of the last day of the relevant period

Since the launch of our personal loans business up to February 28, 2022, we have disbursed a total of 668,666 personal loans. The following table sets forth the monthly logins on the Navi App for our personal loans customers and the number of personal loans disbursed during the months indicated:

Personal Loans	**April 2021**	**May 2021**	**June 2021**	**July 2021**	**Aug 2021**	**Sep 2021**	**Oct 2021**	**Nov 2021**	**Dec 2021**	**Jan 2022**	**Feb 2022**
Logins (millions)[(1)]......	0.31	0.24	0.36	0.61	0.89	1.21	1.41	1.36	1.34	1.45	1.22
Loans disbursed (*number in thousands*)[(2)]...........	6.46	4.36	4.82	10.57	20.31	43.29	59.02	75.37	84.18	91.08	96.47

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Notes:

(1) Count of people who have installed the Navi App and have done mobile number verification via OTP; Count of people who had installed the personal loan Navi App and done mobile number verification via OTP prior to launch of unified Navi App.

(2) Represents the total number of loans disbursed to our customers for the relevant business in the relevant period.

Customer acquisition

We acquire our customers through a combination of direct digital marketing and tele-marketing channels such as SMS and emails. As of December 31, 2021, 28.93% of our customers were first time personal loan borrowers. In addition, 4.55% of our personal loan customers acquired during the calendar year 2021 were new to credit. Additionally, 46.66% of our personal loans customers that had fully repaid their loans as of December 31, 2021 have taken another personal loan from us before December 31, 2021.

Customer journey

We extend unsecured personal loans to individuals through a completely digital process on the Navi App, see "*– Navi App*" on page 206

The entire customer journey for our personal loans business, including the application, disbursal and collections process is paperless. To avail a loan on the Navi App, the customer will electronically input their particulars including identification, work/income and other details as requested, following which they are provided approval for a maximum loan amount and tenor. After selecting the loan and EMI amount, the customer will provide their bank account details for disbursal of the loan along with other details required for KYC verification (such as proof of address, a selfie photo and contact details), and then set up auto-payment for the EMIs.

Underwriting capabilities

We have developed various technological capabilities including data models for underwriting. Our artificial intelligence-based underwriting models incorporate more than 400 variables and learn from a rapidly growing training dataset that contained 2.64 million repayment events as of December 31, 2021, with an average of 0.28 million repayment events added every month during the quarter ended December 31, 2021, allowing our systems to identify unique users, track their journeys, record their behaviours and report on the Navi App's performance.

One of the key eligibility criteria for approving a customer's loan is the customer's repayment capacity, which is determined by factors such as the customer's age, stability and continuity of income, place of residence, geolocation, existing financial obligations, estimated living expenses. During the loan application process, our systems use a combination of automated techniques to process signals based on information provided by the customer and concurrently processes their bureau information.

We adopt an innovative cohort-based approach that segments customers based on a variety of factors including yield, risk and ticket size to identify low risk and profitable cohorts. This approach is supplemented with regular customer research and sophisticated data analytics for us to provide tailored products to our customers.

For personal loan disbursals up to December 31, 2021, over 50% of our personal loan customers had CIBIL scores greater than 750 and over 85% had CIBIL credit scores greater than 725, which we believe demonstrates a low-risk, high-quality customer profile.

Collection capabilities

We use intelligent digital collections, which allows us to classify customers into different buckets based on ease of collections and calibrate our collection efforts accordingly. Our robust collections infrastructure enables us to follow-up and recover dues that are outstanding. This collections capability comprises digital reminders and follow-ups for payments, collection tele-calling and outsourced field recovery capabilities. Allocation of delinquent loans to these channels is driven by back-end analytics and payment behaviour scorecards to maximize on overall debt management efficiencies. Our digital collections processes are further supplemented by 127 in-house tele-callers as well as a specialized field collection team for non-contactable cases and/or later delinquency buckets.

The following table summarizes our collection processes based on the delinquency status of a personal loan:

Delinquency bucket	Our collection action plan
Bucket 1: 0-29 days past due (DPD)	• Digital collections; nudges / reminders • 100+ in-house tele-callers • Field support on non-contactable cases • Customer-wise default probability prediction algorithms
Bucket 2: PAR 30 to 89	• Predominantly 'field' driven • On-roll managers work with 70+ field agencies to visit borrowers • CIBIL trigger alerts and legal actions are initiated (wherever relevant)
Bucket 3: PAR >90	• Field visits • Defined settlement policy • Skip tracing for non-contactable customers

Fraud prevention and detection

We manage fraud risk through prevention and detection. We address fraud prevention through fraud detection models that look for outlier signals in data and behaviours as triggers for fraud prevention. We continuously analyse our loan portfolio to identify emerging patterns and modus operandi which are fed back as prevention rules to improve our model. We have built an in-house fraud detection rule engine for early detection of fraud claims.

Utilising multiple data sources and anti-fraud technologies such as face recognition and geotagging, our risk management machine learning systems can discover previously unidentified factors that indicate delinquency and potential fraud cases. Early detection of fraud claims improves the customer experience through quicker turnaround times for genuine customers. We are constantly improving the robustness of this fraud detection model by updating the model with internal and external data sources.

Home Loans Business

We launched our home loans business in February 2021 through our subsidiary, NFPL.

Product offerings and target customers

Under our home loans business, we primarily provide (a) home loans for ready to move-in, under-construction and self-constructed properties, and (b) loans against property for constructed properties.

We offer home loans up to ₹100 million with a tenor of up to 30 years. As of December 31, 2021, we had an AUM of ₹1,777.09 million and, since launch up to December 31, 2021, we disbursed 604 loans with an average ticket size of ₹3.86 million. The annual interest rate we charge for our home loans starts at 6.40%.

Operational performance

The following table sets forth certain key performance indicators for our home loans business, as of and for the quarters indicated:

	As of and for the Quarter Ended			
Home Loans	**Mar 31, 2021**	**Jun 30, 2021**	**Sep 30, 2021**	**Dec 31, 2021**
Closing AUM (₹ *in millions*)[(1)]	33.16	190.46	804.47	1,777.09
Loans disbursed (*number*)[(2)]	17	95	244	248
Amount disbursed (₹ *in millions*)[(3)]	33.07	154.16	626.77	949.49

Notes:

(1) Represents the aggregate of principal outstanding for all assets under management for our home loans business as of the last day of the relevant period (after considering the impact of Ind AS, excluding direct assignments).

(2) Represents the number of loans disbursed to our home loans and loans against property customers for the relevant period.

(3) Represents the aggregate of all loan amounts disbursed to our home loans and loans against property customers for the relevant period.

Customer acquisition

We source customers for our home loans business line through multiple channels, including via incentive-based sourcing channels such as pre-approved residential projects and referrals from existing customers and employees. We also source customers through organic methods including by cross-selling our home loans and loans against property to our existing personal loans customers and marketing our home loans through direct digital channels such as via SMS and email.

Our in-depth data analytics capabilities, which help us anticipate customer behaviour and profiles, have enabled us to generate insights for cross-selling our home loans to our personal loans customers within our network. As of December 31, 2021, 71.69% of our home loan customers were from our Personal Loan Interested User Base.

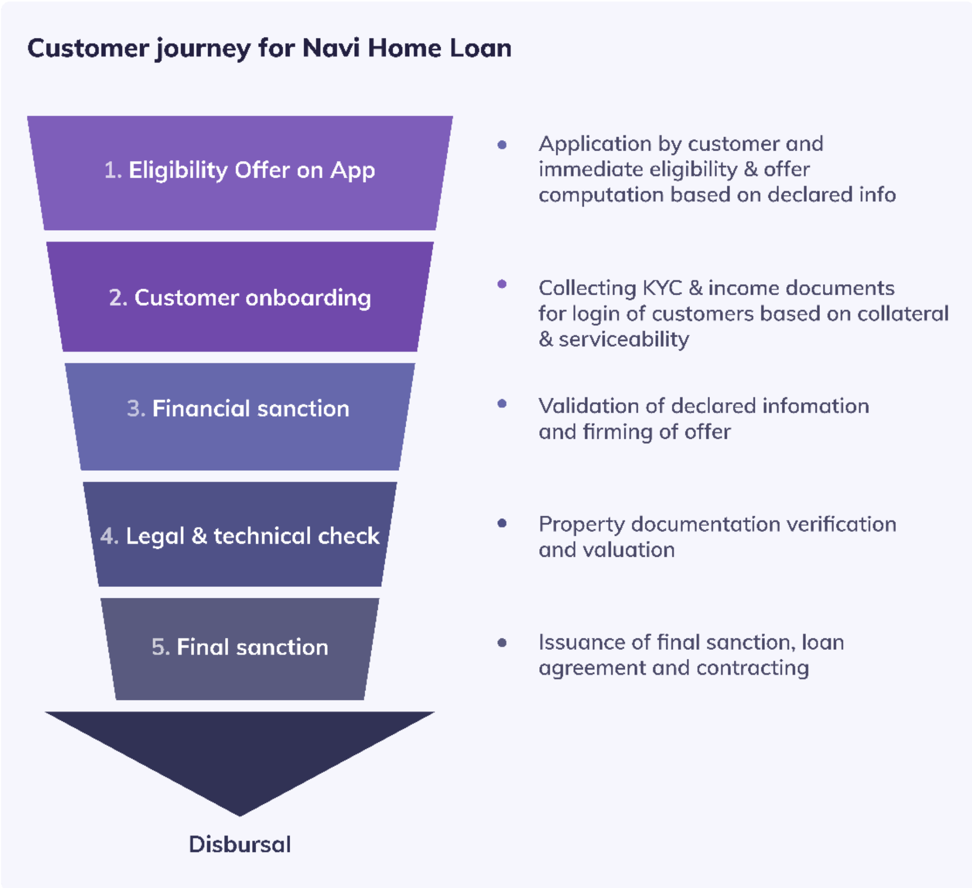
We are in the process of creating a straight-through processing flow by growing our pre-approved residential projects and simplifying the legal and valuation checks. By leveraging the combination of our machine learning-based underwriting models and pre-approved projects database, we aim to reduce our disbursal TAT to one to two days.

Customer journey

We offer all our home loan products on the Navi App, see "– *Navi App*" on page 206

Aside from the collateral verification and the documentation processes, the remainder of the customer journey for our home loans business is largely conducted digitally on the Navi App. After a customer is granted an eligibility offer, the collateral valuation process is conducted manually, see "– *Underwriting capabilities and collateral valuation*" on page 208, and the mortgage is then created.

The following diagram illustrates the customer journey for our home loans business:



Underwriting capabilities and collateral valuation

We have a robust risk management framework in place driven by a proprietary rule-based engine that can automatically process different variable buckets during underwriting.

We conduct an assessment of the proposed collateral through third-party lawyers and valuation experts who help us to trace the title of the property documents for a reasonable period of time. The title deeds are cross-verified with government records. We are establishing an in-house collateral team to streamline the credit approval process by using standardized processes, and to work with the third-party lawyers and valuation experts to ensure that external property valuers provide us with fair TAT and realistic valuations. As of December 31, 2021, the average origination LTV of our home loans portfolio was 57.89%.

Collections capabilities

We have developed a robust collections infrastructure comprising digital reminders, collection tele-calling and outsourced field recovery capabilities to follow-up and recover outstanding dues. Allocation of delinquent loans to these channels is driven by back-end analytics and payment behaviour scorecards to maximize on overall debt management efficiencies. As of December 31, 2021, we had no outstanding home loans that were more than 30 days past due.

General Insurance Business

We operate our general insurance business through our subsidiary, Navi General Insurance Limited. We entered this business through the acquisition of the erstwhile DHFL General Insurance Limited in February 2020.

Product offerings and target customers

Under our general insurance business, we provide a range of insurance products including health, motor, fire, personal accident and others. Our current focus is on providing retail health insurance through a digital direct to customer approach. According to the RedSeer Report, we are the first 100% digital-first and digital-only direct-to-consumer company to offer retail health insurance policies through a digital channel. Further, according to the RedSeer Report, we offered one of the lowest premiums for the most comprehensive health insurance coverage features offered in India among the top eight private and standalone health insurers (by individual or retail health insurance gross written premiums collected as per IRDAI) for individual health plans and age groups between 18 to 40.

During the nine months ended December 31, 2021, our GWP was ₹667.60 million, of which ₹63.26 million was from retail health insurance policies sold. During the nine months ended December 31, 2021, we had issued a total of 220,491 policies of which 27,800 were retail health insurance policies. Share of retail health insurance policies, out of total insurance policies issued by us, grew to 15.70% during the quarter ended December 31, 2021 from 4.14% during the quarter ended June 30, 2021.

Our health insurance portfolio primarily consists of policies purchased by retail customers and is broadly divided into two categories: benefit-based and indemnity-based policies. Benefit-based policies provide the policyholder with a fixed sum upon the occurrence of a specific event, such as a diagnosis of a critical illness. Indemnity-based policies compensate the policyholder for actual health expenses incurred, such as hospitalization costs and prescription drug costs. We also provide personal accident insurance to individuals, which provides benefit-based coverage for accidents suffered by them. Our health insurance policies generally cover comprehensive care including diagnostics, clinic visits, pharmaceutical items, online consultations and hospitalization. We had a network of over 8,600 hospitals and clinics as of December 31, 2021 to attract customers. We provide our policyholders with the option of paying their health insurance premiums through EMIs, where they are able to pay a fixed amount every month towards their policy.

We offer third-party motor insurance liability insurance for private cars, two wheelers and commercial vehicles with various coverage options for policyholders. We distribute our third-party motor insurance policies digitally through brokers and web aggregators. For the nine months ended December 31, 2021 and the Financial Year 2021, our gross written premium from third-party motor insurance amounted to ₹260.67 million and ₹263.48 million, respectively.

Operational performance

The following table sets forth certain key performance indicators for our general insurance business as of and for the quarters indicated:

	As of and for the Quarter Ended						
General Insurance	**Jun 30, 2020**	**Sep 30, 2020**	**Dec 31, 2020**	**Mar 31, 2021**	**Jun 30, 2021**	**Sep 30, 2021**	**Dec 31, 2021**
Gross written premium (₹ *in millions)*[(1)].............	106.86	283.36	337.78	321.17	78.25	292.54	296.81
Policies sold *(number)*[(2)]...........	24,520	67,570	95,036	97,672	17,448	84,130	118,913
Retail health insurance policies sold *(number)*[(3)] ..	–	–	4	38	722	8,407	18,671
Solvency ratio (%)[(4)]	684.16%	479.19%	506.50%	507.81%	530.43%	475.71%	407.07%

Notes:

(1) Represents the sum of (a) Premium from direct business written (Net of GST) and (b) Premium on reinsurance accepted for the relevant period.

(2) Represents the number of policies issued to our general insurance business customers for the relevant period.

(3) Represents the number of retail health insurance policies sold to our general insurance business customers for the relevant period.

(4) Represents the ratio of available solvency margin (including FBSM) to the required solvency margin as of the last day of the relevant period.

Customer acquisition

Our health insurance customers comprise (i) customers new to the Navi network including first-time retail health insurance purchasers and existing insurance users which we acquire both organically and through marketing campaigns, (ii) our existing personal loans/home loans business customers, and (iii) customers who are looking to port their existing health insurance policy from another insurer to us, for which we launched a seamless porting experience on the Navi App in December 2021.

Customer journey

We offer customized insurance products suited for different profiles of customers. We have built a digital insurance purchase infrastructure wherein customers could purchase a policy in less than 2.5 minutes without any human assistance. Human assistance if needed for customers with pre-existing conditions, is usually limited to telephone calls. As of December 31, 2021, 61.17% of our health insurance policies were issued without any human intervention on the Navi App.

We have developed our chat-based interface which ensures that our customers are served seamlessly throughout their buying journey. In addition, we also have an in-house customer relations team comprising 273 employees that are available to serve our customers by phone should they require additional assistance during any stage of the customer journey.

Underwriting capabilities

Our underwriting process is automated and conducted in-house. Our platforms allow us to analyse our own historical loss experience data to assess different categories of risk and price policies accordingly. As a part of our policy underwriting mechanics, we gather significant data driven insights from our customers through an app-based questionnaire covering the customers' financial profile, lifestyle, family history and pre-existing diseases. This data-based insight helps us improve our understanding of customers' needs and attract more customers by allowing us to assess risk and price our policies better.

We have straight-through-processes for our underwriting policies, which do not require any in-person verification for customers without any pre-existing conditions. For customers with pre-existing conditions, we have developed a data rule engine, which makes automatic decisions based on the information provided by the customer. For customers with pre-existing conditions that are not fully captured by our data rule engine, we arrange a tele-verification call between our customer and doctors to evaluate the customer's medical condition before the policy is issued. As we gradually refine our data rule engine, we aim to eventually eliminate in-person verification and digitize the entire process. Once an eligibility offer is granted, the application is further reviewed by our team of in-house doctor consultants before the final approval is provided.

Claims processes

For claims, we are partially dependent on TPAs who review and approve claims on our behalf. For cashless claims (i.e., where the customer need only provide proof of insurance and the medical bills are sent directly to us for payment), we utilise TPAs to review and approve the insurance claims. Some of our customers have had claims approved within 20 minutes. We are in the process of upgrading our systems to make the entire claims process in-house in order to reduce dependence on TPAs and give us complete control on the customer experience.

Asset Management Business

We operate our asset management business through our subsidiary, Navi AMC Limited. We entered this business through the acquisition of the erstwhile Essel Asset Management Company Limited in February 2021.

Product offerings and target investors

We focus on offering passive mutual funds to retail investors because, we believe that there is greater growth potential in the market for passive funds as compared to active funds. According to the RedSeer Report, mutual fund AUM in India is expected to grow at a CAGR of approximately 17% to reach US$1.0 trillion between the Financial Years 2021 and 2026. Passive equity mutual fund AUM is estimated to grow at a CAGR of 40-45%

during the same period. We aim to capture a significant market share of passive funds by offering low expense ratios, managing tracking error and creating a strong brand in passive investing. As of December 31, 2021, our closing AUM was ₹9,428.48 million and we had an active base of 104,989 investors.

Our passive funds comprise low-cost domestic and international index funds that are easy to understand for retail investors. Index funds invest in the same pattern (i.e., in the same securities and in the same proportion) as stock market indices such as Nifty 50 Index and S&P BSE Sensex, thereby allowing investors to gain passive exposure to the markets. The value of an index fund varies in proportion to the benchmark index.

We launched our first passive fund, Navi Nifty 50 Index Fund, in July 2021, which had a closing AUM of ₹1,673.24 million and an investor count of 40,884, as of December 31, 2021. According to the RedSeer Report, our Navi Nifty 50 Index Fund has one of the lowest expense ratios of 0.06% across all passive index funds in India.

Since launching our asset management business, we have filed for 17 new funds with SEBI, all of which were passive funds. According to the RedSeer Report, we were the first asset management company to file for two unique passive funds in India. In addition, since December 31, 2021, we have launched three new passive funds, Navi Nifty Next 50 Index Fund, Navi Nifty Bank Index Fund and Navi U.S. Total Stock Market Fund of Fund.

In addition to passive funds, we also offer active equity, debt and hybrid funds. Equity funds are high-risk funds and the returns are linked to the performance of the capital markets. As of December 31, 2021, we had four active equity funds and our closing AUM from this category was ₹5,247.86 million. Debt funds invest in fixed income instruments such as corporate and government bonds, corporate debt securities, and money market instruments. Debt funds cater to investors who are relatively risk averse. As of December 31, 2021, we had two debt funds and our closing AUM from this category was ₹1,018.24 million. Hybrid funds invest in a mix of equity and debt instruments. As of December 31, 2021, we had three hybrid funds and our closing AUM from this category was ₹1,489.14 million.

Operational performance

The following table sets forth certain key performance indicators for our asset management business as of the quarters indicated:

Asset Management	As of the Quarter Ended		
	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021
Closing AUM (₹ *in millions*)(1)	7,480.55	9,125.83	9,428.48
Passive funds closing AUM (₹ *in millions*)(2)	NA	1,199.01	1,673.24
Overall mutual fund investor count (*number*)(3)	64,669	88,709	104,989

Notes:

(1) Represents the total market value of all our mutual fund assets under management as of the last day of the relevant period.

(2) Represents the total market value of all our passive mutual fund assets under management as of the last day of the relevant period.

(3) Represents the total number of investors across all our mutual funds as of the last day of the relevant period.

Customer acquisition

We leverage our digital platforms to increase customer acquisition. We have a strategic partnership with a top aggregator platform and we also partner with broker channels to increase customer acquisition through digital channels.

Investment processes and team

Our operational processes are well documented and designed to reduce tracking error and expense ratios for our passive funds. We have extensive trading systems and technology platforms to support our investment team, and assist our in-house research team to identify investment opportunities. We also have a risk team in place to oversee the investment processes, perform risk control and minimise operational errors.

The investment performance of our mutual funds is supported by our experienced and professional investment team and our comprehensive investment processes. We utilise a disciplined and structured investment process to take risk weighted decisions consistent with the relevant scheme's investment objectives. For our non-index funds, we follow a long-term, fundamental research-based approach to equity investments. Our bottom-up stock selection identifies companies which have good growth prospects and strong fundamentals at a reasonable price.

Our investment policies outline procedures and criteria to monitor, evaluate, compare and report the performance results of our funds on a regular basis. For our index funds, we follow a methodical approach with tight controls to consistently minimise tracking error.

Fees and expenses

We generate income principally from fees that are based on specified percentages of the net asset of the funds we manage. We refer to these fees as management fees. The SEBI (Mutual Funds) Regulations, 1996 impose certain limits on the total expenses that can be charged to a mutual fund.

Microfinance Loans Business

We operate our microfinance loans business through our wholly-owned, step-down subsidiary, CIFCPL, which is a registered NBFC-MFI that we acquired in March 2020 (pursuant to the acquisition of our other Subsidiary, NFPL). Under our microfinance loans business, we extend credit to low-income women in rural and semi-urban areas across India who have limited access to formal banking channels.

Business model and product characteristics

Our microfinance loans business is based on a joint liability group ("**JLG**") format of lending, under which a small group of women form a group (typically four to seven), and generally assume a joint liability to repay the instalments of other borrowers in the group, in the event of a default by any member in the group. We believe that this model ensures credit discipline through peer support within the group, making our customers prudent in conducting their financial affairs and prompt in repaying their loans. We believe that access to basic financial services can significantly increase economic opportunities for families in the lower-income segment.

We grant microfinance loans that are principally utilised for livelihood and productivity enhancing purposes. We grant microfinance loans for amounts up to ₹100,000 with tenors of up to 36 months, with principal and interest payments due on a fortnightly or monthly basis. The average annual interest rate of the microfinance loans disbursed during the quarter ended December 31, 2021 was 20.65%.

Lending process

- Area selection. One of the most important steps in our lending process is selecting the right area when entering into a new state or, in the case of states where we already have operations, establishing a new branch or expanding into a new village. When selecting a new area, we use our data analytics capabilities to review various key parameters such as demand for credit in the area, income levels and literacy rates of the local population, competition and market potential, economic status of the region including road access and connectivity to important locations such as banks, schools and hospitals, as well as political, socio-economic, regulatory and other risks.

- Customer due diligence. After the formation of the group, the relationship officer collects the know-your-customer (KYC) documents and basic information on the customer. The decision to give a loan is assessed on multiple parameters such as borrower profile and repayment capacity, borrower's other financial commitments, past repayment track record, occupation and stability of income, geographic location of the borrower and end-use of the loan.

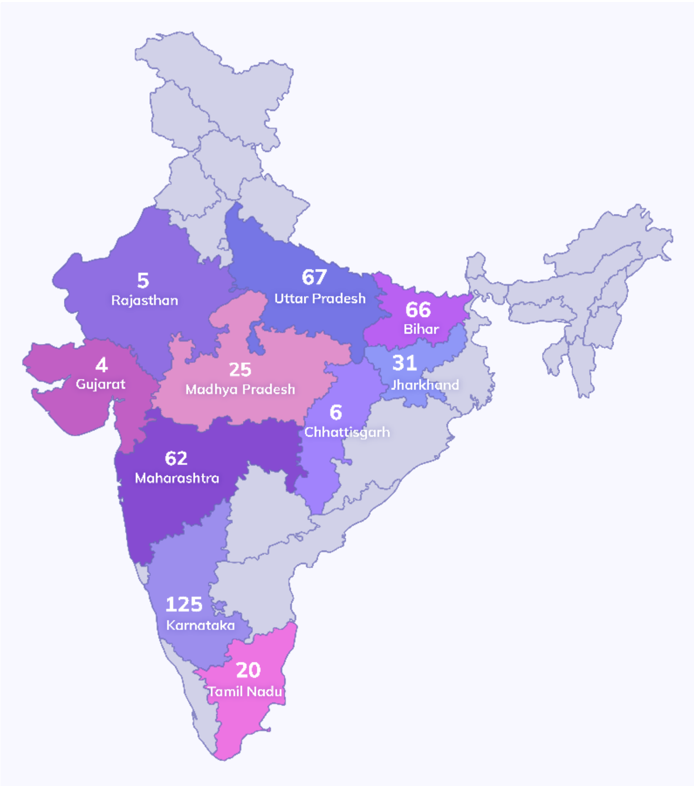
- Loan approval. Following the submission of the loan application and receipt of the required KYC documents and acceptable credit history, the relationship officer will proceed to submit the loan sanctioning proposal for approval. Our loan approval process involves checking the adequacy and accuracy of all aforementioned data acquired from the customer at the branch level in line with our established policies and customer selection criteria. We will also validate the bank details provided by the customer for the transfer of the loan funds electronically to the customer. Once the branch manager confirms the entries, a quality check team does the basic check on document and system entry and bank validations for each application. For disbursals, the funds are electronically transferred to each customer's respective bank account.

- Collections. Our relationship officers use regular centre meetings for the collection of repayments from our customers. Centre meetings are a critical part of managing our customers and loan life cycles. Consistent contact through these meetings allows us to manage our loan portfolio efficiently by regularly collecting repayments on outstanding loans or disbursing new loans, reinforcing group stability, addressing community issues and eliminating the travel and time constraints that members may otherwise face. We also rely on third-party service providers for our microfinance collections processes.

- The meetings are compulsory for all group members, with attendance closely monitored and recorded. In some cases, irregular attendance may serve as a critical early warning sign of a customer's failure to make timely repayment. In the event of overdue payments, the relationship officer will increase his level of engagement with the customer by conducting more frequent field visits in order to discuss the situation with the customer and the group/centre and come up with resolutions that work in the best interest of both the customer and our Company. We may also deploy additional manpower for collection when required, and undertake to strengthen our collections infrastructure based on regular reviews and feedback.

Distribution network

As of December 31, 2021, we had 411 branches and 3,698 employees (of which, 2,362 are relationship officers) spread across 118 districts in 10 states in India for our microfinance loans business. The following map illustrates the spread of our branches across India for our microfinance loans business, as of December 31, 2021:



Operational performance

The following table sets forth certain key performance indicators for our microfinance loans business as of and for the quarters indicated:

Microfinance	As of and for the Quarter Ended						
	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 30, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021
Closing AUM (₹ *in millions*)[(1)].............	8,014.87	8,385.09	9,568.61	11,986.34	11,177.48	13,953.40	18,088.54
Customers (*number*)	415,110	420,823	459,100	511,437	496,993	558,749	675,315
Branches (*number*)	235	241	267	286	282	332	411
Amount disbursed (₹ *in millions*)[(2)]....	25.28	2,405.71	4,220.82	6,239.18	1,440.75	5,945.98	8,418.99
Gross NPA (%)[(3)].....	0.71%	0.89%	4.06%	4.10%	5.45%	4.51%	3.83%
Net NPA (%)[(4)].........	0.31%	0.44%	0.71%	0.89%	1.38%	1.04%	0.98%
Collection efficiency[(5)] (%) ...	32.82%	84.63%	92.79%	94.93%	88.93%	94.49%	96.68%

Note:

(1) Represents the aggregate of principal outstanding for all assets under management for our microfinance loans business as of the last day of the relevant period (after considering the impact of Ind AS, excluding direct assignments).

(2) Represents the aggregate of all loan amounts disbursed to our customers for the relevant business in the relevant period

(3) Represents the closing balance of the Gross NPA to our gross AUM for the relevant business as of the last day of the relevant period.

(4) Represents the closing balance of the net NPA of our gross AUM for our microfinance loans business as of the last day of the relevant period.

(5) Represents the current collections (excluding past arrears) during the relevant period divided by the current dues during such period.

Treasury Operations

Our treasury department is responsible for managing our funding requirements and deployment of short-term surpluses. Each of the treasury departments of NFPL and CIFCPL undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI's requirements for asset and liability management. Our objective is to ensure the smooth functioning of our business and at the same time avoid holding excessive cash.

Each of the treasury departments of NFPL and CIFCPL secures funds from multiple sources, including banks, financial institutions, HNIs, other NBFCs and capital markets and is responsible for diversifying our capital sources, managing interest rate risk and maintaining strong relationships with our lenders and rating agencies. We continuously seek to diversify our sources of funding to facilitate flexibility in meeting our funding requirements. We maintain adequate liquidity buffers to take care of our working capital requirements and unforeseen market liquidity conditions. As of December 31, 2021, we had cash and cash equivalents of ₹3,347.75 million, other bank balances of ₹1,649.37 million, current borrowings of ₹14,770.70 million and non-current borrowings of ₹11,754.09 million. Our credit rating by India Ratings for NFPL was 'A(Stable)' in 2021.

We believe that through our treasury operations, we maintain our ability to repay borrowings as they mature and obtain new borrowings at competitive rates. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*" on page 458.

Risk Management Framework

We have established a risk management framework underpinned by a comprehensive suite of policies, operational processes, procedures and governance structures to identify and analyse the risks we face, to set appropriate risk limits and controls and to monitor risks and adherence to limits. We seek to make sensible and balanced business decisions through our risk appetite and corporate governance frameworks.

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through committees including our Audit Committee, Asset Liability Management Committee (for NFPL and CIFCPL) and Business Continuity Planning Committee.

- *Audit Committee*. Our Audit Committee is responsible for dealing with all material questions concerning the auditing and accounting policies of our Company and our subsidiaries and their financial controls and systems or any other function as may be determined by the Board, review and ensure correctness, sufficiency and credibility of our financial statements, recommend appointment, re-appointment or removal of our statutory and internal auditors, overseeing our whistle blower policy/vigil mechanism, monitor transactions with related parties, reviewing monitoring and evaluating the internal control system including internal financial controls and risk management system. Our audit committee has approved a policy for making provisions against loans in default that is consistent with provisions prescribed by the RBI, as applicable to our Company.

- *Asset Liability Management Committee*. Each of the Asset Liability Management Committees of NFPL and CIFCPL is responsible for monitoring the asset liability composition of our business, determining actions to mitigate risks associated with our asset liability discrepancies, approve proposals and detailed terms and conditions of borrowings from banks, reviewing our borrowing agenda, reviewing product pricing and desired maturity profile of our assets and liabilities and also the mix of our incremental assets and liabilities.

- *Business Continuity Planning Committee*. Our Business Continuity Planning Committee is responsible for ensuring the continuity of our critical business and IT operations during disaster/near-disaster events and for minimising the disruption of critical operations, by putting in place a robust business continuity strategy while satisfying regulatory and compliance requirements.

In addition to the above, our Subsidiaries which are regulated by the RBI or IRDAI have such other committees as are required under the respective regulatory frameworks applicable to such entities.

Capital Adequacy Ratio

Two of our Subsidiaries are registered as NBFCs with the RBI. Under the Master Directions, NBFCs are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00% of our aggregate risk weighted assts on-balance sheet and the risk-adjusted value of off-balance sheet items, as applicable. For further details, see "*Key Regulations and Policies*" on page 223.

The following table sets forth certain details of the capital to risk-weighted assets ratio ("**CRAR**") for NFPL as of the dates indicated:

	As of December 31,	**As of March 31,**	
	2021	**2021**	**2020**
Particulars	***(₹ in millions, except percentages)***		
Total assets..	37,959.66	33,210.75	36,852.35
Tier I capital	9,227.36	9,021.21	7,039.64
Tier II capital	410.26	365.40	80.00
Total capital..	**9,637.62**	**9,386.60**	**7,119.64**
Risk weighted assets................................	**29,990.97**	**24,676.15**	**34,225.46**
CRAR..	**32.14%**	**38.04%**	**20.80%**
CRAR – Tier I capital..................................	30.77%	36.56%	20.57%
CRAR – Tier II capital	1.37%	1.48%	0.23%

The following table sets forth certain details of the CRAR for CIFCPL as of the dates indicated:

	As of December 31,	**As of March 31,**	
	2021	**2021**	**2020**
Particulars	***(₹ in millions, except percentages)***		
Total assets..	19,035.13	14,329.24	9,144.02
Tier I capital	3,354.34	3,263.93	2,031.30
Tier II capital	287.14	256.78	1,344.87
Total capital..	**3,641.48**	**3,520.71**	**3,376.17**
Risk weighted assets................................	**18,170.83**	**13,342.55**	**8,836.61**
CRAR..	**20.04%**	**26.39%**	**38.21%**
CRAR – Tier I capital..................................	18.46%	24.46%	22.99%
CRAR – Tier II capital	1.58%	1.92%	15.22%

Credit Ratings

The following table sets forth details on the credit ratings of NFPL, our subsidiary through which we operate our personal loans and home loans business lines, as of the dates indicated:

Rating Agency	Instrument	Credit Ratings	
		As of December 31,	As of March 31,
		2021	2021
CRISIL	Long-term debt	A- (Stable)	A- (Stable)
India Ratings	Long-term debt	A (Stable)	A (Stable)
India Ratings	Commercial papers	A1	–

The following table sets forth details on the credit ratings of CIFCPL, our subsidiary through which we operate our microfinance loans business line, as of the dates indicated:

Rating Agency	Instrument	Credit Ratings		
		As of December 31,	As of March 31,	
		2021	2021	2020
ICRA Limited	Bank facilities	A (-) Stable	A (-) Stable	BBB Positive
ICRA Limited	Non-convertible debentures	A (-) Stable	A (-) Stable	BBB Positive
ICRA Limited	Subordinated debt	A (-) Stable	A (-) Stable	BBB Positive
ICRA Limited	Commercial papers	A1	A1	A2+
CRISIL	Bank facilities	A (-) Stable	A (-) Stable	A (-) Stable
CRISIL	Non-convertible debentures	A (-) Stable	A (-) Stable	–
India Ratings	Non-convertible debentures	A Stable	–	–
India Ratings	Principal protected market linked debentures	IND PP-MLD Aemr/Stable	–	–
India Ratings	Commercial papers	A1	–	–
BWR	Bank facilities	–	–	BBB(+) Stable
Acuite	Bank facilities	–	–	BBB Stable

Competition

We face competition in India from various players across all our business lines.

For our personal loans and home loans businesses, we generally compete on the basis of the range of product offerings, ability to customize products, turnaround time and efficient loan process, ticket sizes, price, reputation and customer relationships. We face our most significant organised competition from banks and other NBFCs and HFCs in India, as well as from certain fintech companies.

For our general insurance business, we face competition in the Indian insurance market from both public and private-sector competitors. Competition in the Indian insurance sector is based on a number of factors, including brand recognition and the reputation of the provider of products and services, customer satisfaction, underwriting and pricing of risks, distribution network and access to services and service personnel, pricing and quality of services, product design and diversification, financial strength and information technology capabilities. Some of our competitors also have competitive strengths based on operating experience, capital base and product diversification. Our primary competitors for our general insurance business include all the standalone health insurance companies and private-sector general insurers.

For our asset management business, we compete with a large number of investment management firms, investment advisors, commercial banks, brokerage firms, broker-dealers and other financial institutions. Industry wide management fees differ based on types of funds and products. Typically, equity funds have a relatively stable fee structure, while the fee structure for debt funds depends on market conditions, the duration of the fund and competitive environment.

For our microfinance loans business, we compete with other MFIs, banks and state-sponsored social programs in India. In addition, many of our potential customers in economically weaker segments do not have access to any form of organised institutional lending, and rely on loans from informal sources, especially moneylenders, landlords, local shopkeepers and traders, at much higher rates. Further, some banks participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs, and some commercial banks are beginning to directly compete with for-profit MFIs for lower income segment customers in certain geographies.

For further details on the competition we face across our businesses, see "*Industry Overview*" beginning on page.

Information Technology and Data Security

Our business is technology-driven and underpinned by our in-house tech expertise, culture of application-led innovation, data analytics capabilities and our integrated, scalable and sophisticated technology platform that is capable of delivering and managing a wide range of products. We are continuously innovating to enhance our value proposition as we believe that IT is pivotal to providing a seamless experience for our customers. Since our inception, we have made significant investments in our technology infrastructure leading to a full-stack approach.

The Navi App is our core front-end platform through which we have digitized a large portion of the customer journey for our business loans, home loans and general insurance businesses, see "*– Navi App*" and "*– General Insurance Business – Underwriting and claims processes*" on pages 260 and 211, respectively. Currently, all our personal loans, home loans and health insurance products are offered through the Navi App, and we plan to continue developing the Navi App into an integrated "multi-product app" platform where we can provide a holistic experience to our customers across all our core business lines. We believe that an integrated "multi-product" app will provide us with greater synergies and cross-sell opportunities, allowing us to recommend relevant products to our customers based on data gathered.

In addition to this, we have developed a set of other platforms and technology-driven capabilities to support our operations. We implement process automation across various functions in an effort to reduce manual processes, increase efficiency and reduce errors. These capabilities are powered by a robust IT architecture, which helps in the creation of new services and integration between applications internally, as well as with external systems. Our in-house technology development compromises customer facing portals, loan management and accounting capabilities that enable high transaction volumes, in-house underwriting engines running on artificial intelligence and machine learning models, a self-developed policy engine which fuels our insurance products, fraud risk management capabilities for fraud prevention and detection, and multiple process automation workflows to enable efficient backend operations. All these technology platforms and capabilities are deployed on robust and resilient cloud infrastructure which is secured and scalable. We leverage our technology initiatives for period, often fortnightly, upgrades of the Navi App as well to ensure a high uptime. From a business operations perspective, our back-end systems and processes are also technology based and integrated with our customer facing technology. As we develop our own technology, we have minimal reliance on third parties, offering us cost efficiencies, speed and flexibility.

The following sets forth our key IT systems that we have implemented, or are in the process of developing, to optimize operational efficiencies and ensure a superior customer experience across all our business lines:

- *Loan management system*. We utilise an enterprise-wide loan management system ("**LMS**"), which we have built and developed in-house for NFPL. Our 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 within our organisation under a single technology and data platform, bringing efficiencies to our 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.* We have established a collections portal that provides our collection teams several tools and features to assist them with the collections process for NFPL. Due dates for each customer are mapped out and easily accessible on the portal and our officials are able to reach out to the customer directly via the portal through calls, digital messaging services and SMS communications.

- *Claims portal.* We are in the process of building a portal to aid the claims process for our general insurance business. We have already implemented the first phase of the portal, which allows our claims teams to process reimbursement claims in-house. In the next phase of the portal, our claims team will also be able to process cashless claims in-house.

We utilise cloud-based infrastructure to host our customer facing applications and enterprise infrastructure for all end user computer requirements. All our customer facing critical infrastructure is hosted on the cloud and supported by on-demand, auto-scaling infrastructure. Our systems can ensure that all traffic is inspected for any malicious payloads and then forwarded to the applications servers if clean. The auto-scaling methodology responds to the demands of the traffic and automatically commissions new servers in case there is an increase in the load. This manages sudden surges in traffic, and our team routinely monitors the availability and performance of the critical servers. In addition, we have implemented several other security controls such as the use of cloud accounts for testing environments, multi-factor authentication for privileged access and VPN for controlled access.

We seek to implement best practices for data protection through a holistic combination of people, processes and technology. We have established a dedicated information security team with specializations in product security, cloud Security and IT Security, which is responsible for data security and privacy.

We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. We have certain vendors who provide, among others, SMS scraping services, PAN verification with the NSDL, and Aadhaar XML download from the UIDAI.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include policies for directors and officers liability insurance, group medical cover, group term life insurance group personal accident insurance, cyber risk protector policy and office asset insurance. Each of our Material Subsidiaries have also availed insurance policies that we believe are customary for their respective businesses.

Intellectual Property

We are a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. We regard our proprietary domain names, trademarks, patents, trade secrets and other intellectual property as critical to our business operations. We rely on a combination of patents, trademarks, trade secret laws and restrictions on disclosure to protect our intellectual property. Our success and ability to compete depend in part upon our ability to protect our technology and to establish and adequately protect our intellectual property rights.

Our Company has 36 registered trademarks under the Trademarks Act, 1999 including registrations for the trademark 'NAVI', which is the trademark for our primary business operations, under classes 9, 36 and 42. Further, our trademark applications for the trademarks 'NAVI' under class 36 have been refused. Additionally, our Company has "Navi" registered under class 36 from European Union Intellectual Property Office, "Navi" under Rule 18(1) of the protocol relating to the Madrid Agreement concerning the International Registration of Marks from the International Bureau of the World Intellectual Property Organization, "Navi" registered under class 36 in accordance with the Trade Marks Act 1994 of Great Britain and Northern Ireland and "Navi" mark registered under Rule 18(1) of the protocol relating to the Madrid Agreement concerning the International Registration of Marks from the Intellectual Property Office of the Philippines. Additionally, one of our Material Subsidiary, NGIL, has 16 registered trademarks under the Trademarks Act, 1999 which is the trademark for insurance consultancy and services under class 36. For further details, see "*Government and Other Approvals*" on page 475.

Corporate Social Responsibility

Our Company has adopted a CSR policy in compliance with the requirements of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Our Company's CSR expenditure incurred amounted to ₹1.85 million during the Financial Year 2021. Our Company's CSR activities include supporting Hope Foundation School at Tannery Road, Bengaluru, a school that provides education to students from the community that do not have access to quality education at affordable rates.

Employees

As of December 31, 2021, we had 982 employees on a consolidated basis excluding the employees of CIFCPL, and 4,680 employees on a consolidated basis including the employees of CIFCPL. The following table sets forth a breakdown of our employees (excluding the employees of CIFCPL) by function as of December 31, 2021.

	As of December 31,
Function	**2021**
Tech (Engineering, product, design, data science, analytics, information security)	262
Operations (Customer support, collections and other operations)	470
Non-tech (Business, finance, HR, legal, admin)..	250
Total	**982**

We firmly believe that our employees are integral to the culture and continued success of our business and that our composition allows us to utilise our talent efficiently and effectively. As a technology-driven company, we have a high bar for recruitment to our technology team, and typically hire candidates from leading universities or technology companies. We train our employees on a regular basis, with a focus on leadership development, behavioural development and functional development. We have also implemented an ESOP scheme for our employees, along with a range of incentives and employee engagement programs. We strive to maintain a work environment that fosters professionalism, integrity, excellence and cooperation among our employees.

Properties

Our Registered Office is located at 3rd Floor, Salarpuria Business Centre, 93, 5th A Block, Koramangala Industrial Layout, Bangalore 560 095, Karnataka, India and our Corporate Office is located at Wing B, 7th Floor, Prestige RMZ Startech, No. 139, 2, Hosur Rd, Koramangla Industrial Layout, S.G. Palya, Bangalore 560 095, Karnataka, India, both of which are located on lease premises. As of December 31, 2021, we had 411 branches for our microfinance loans business, all of which are located on leased premises.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner so as to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law, which are subject to change, modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

I. Key Regulations applicable to our Company and Subsidiaries

The key laws applicable to our Company and Subsidiaries include:

Reserve Bank of India Act, 1934 ("RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested in Chapter IIIB of the RBI Act.

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify. A company would be categorised as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and if its income from such financial assets is more than 50% of the gross income. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non-banking financial institution.

Pursuant to Section 45-IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (the "Master Directions")

Applicability

The Master Directions are applicable to the following categories of NBFCs ("**Applicable NBFCs**"):

a. Systemically Important Non-Deposit taking Non-Banking Financial Company ("**NBFC-ND-SIs**") registered with the RBI under the provisions of the RBI Act;
b. Deposit taking NBFCs registered with the RBI under the provisions of the RBI Act;
c. Infrastructure Debt Fund – Non-Banking Financial Company (as defined in the Master Directions) registered with the RBI under the provisions of RBI Act;
d. Non-Banking Finance Company – Micro Finance Institutions registered with the RBI under the provisions of the RBI Act and having an asset size of ₹5,000 million and above;
e. NBFC-Factors (as defined in the Master Directions) and registered under Section 3 of the Factoring Regulation Act, 2011, as amended, having an asset size of ₹5,000 million and above; and
f. NBFC – Infrastructure Finance Company (as defined in the Master Directions) registered with the RBI under the provisions of the RBI Act, having an asset size of ₹5,000 million and above.

An NBFC-ND-SI has been defined under the Master Directions to mean an NBFC not accepting or holding public deposits and having total assets of ₹5,000 million and above as shown in the last audited balance sheet and a minimum net owned fund of ₹20 million.

Corporate Governance

Constitution of Committees

All applicable NBFCs are required to constitute the committees disclosed below:

a. Audit Committee: NBFCs are required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act shall be the audit committee for the purposes of the Master Directions as well, and its powers and functions shall be as provided under Section 177 of the Companies Act.
b. Nomination and Remuneration Committee: NBFCs are required to constitute a nomination and remuneration committee to ensure 'fit and proper' status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act.
c. Risk Management Committee: NBFCs are required to constitute a risk management committee to manage the integrated risk.
d. Asset Liability Management Committee: NBFCs are required to constitute an asset liability management committee. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the Master Directions.

Fit and Proper Criteria

Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the Master Directions; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the Master Directions; (c) obtain a deed of covenant signed by directors, in the format prescribed under the Master Directions; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the Applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the regional office of the Department of Non-Banking Supervision of the RBI where the Applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

Disclosures and Transparency

Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following:

a. progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned Applicable NBFC; and
b. conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

Applicable NBFCs are required to disclose the following in their annual financial statements:

a. registration/licence/authorization obtained from other financial sector regulators;
b. ratings assigned by credit rating agencies and migration of ratings during the year;
c. penalties, if any, levied by any regulator;
d. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries and

e. asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the Master Directions

Applicable NBFCs shall rotate the partners of the chartered accountant firm conducting the audit, every three years so that the same partner shall not conduct audit of such NBFC continuously for more than three years. Further, such NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

Acquisition or Transfer of Control

Applicable NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation.

Prudential Norms

All NBFCs are required to maintain capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital in respect of Applicable NBFCs, at any point of time, shall not be less than 10%.

Liquidity Risk Management Framework and Liquidity Coverage Ratio

Liquidity Risk Management Framework

Applicable non-deposit taking NBFCs are required to adhere to the liquidity risk management guidelines prescribed under the Master Directions. The guidelines, *inter alia*, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

Liquidity Coverage Ratio

Pursuant to the RBI circular dated November 4, 2019, on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies', all non-deposit taking NBFCs with asset size of ₹100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high-quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio has been made applicable to NBFCs from December 1, 2020 with the minimum high quality liquid assets to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024, in accordance with the time-line prescribed below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity	50%	60%	70%	85%	100%

Coverage Ratio					

All non-deposit taking NBFCs with asset size of ₹50 billion and above but less than ₹100 billion are required to also maintain the required level of liquidity coverage ratio in accordance with the timeline given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum Liquidity Coverage Ratio	30%	50%	60%	85%	100%

Asset Classification and Provisioning Norms

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

<u>Asset Classification</u>

a. a "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; and
b. a "sub-standard asset" means (a) an asset which has been classified as non-performing asset for a period not exceeding 12 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the Master Direction.
c. a "doubtful asset" means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 12 months.
d. a "loss asset" means (a) an asset which has been identified as loss asset by an Applicable NBFC or its internal or external auditor or by the RBI during the inspection of the Applicable NBFC, to the extent it is not written off by the Applicable NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
e. a "non-performing asset" means (*in accordance with Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated October 1, 2021*): An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. Anon performing asset (NPA) is a loan or an advance where; interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan, the account remains 'out of order', in respect of an Overdraft/Cash Credit (OD/CC), the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted, the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops, the instalment of principal or interest thereon remains overdue for one crop season for long duration crops, the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021. in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

<u>Provisioning Norms</u>

In addition to provisioning norms under applicable accounting standards, and under the Master Directions, all Applicable NBFCs are required to, after taking into account the time lag between an account becoming nonperforming, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided hereunder:

S. No.	Provisioning Requirement	
1.	**Loans, advances and other credit facilities including bills purchased and discounted**	
	(i) Loss Assets	The entire asset is to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding is to be provided for.
	(ii) Doubtful Assets	(a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the Applicable NBFC has a valid recourse is to be made. The realizable value is to be estimated on a realistic basis. (b) In addition to (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e., estimated realizable value of the outstanding) is to be made on the following basis – **Period for which the asset has been considered as doubtful** / **Per cent of provision** Up to one year: 20% One to three years: 30% More than three years: 50%
	(iii) Sub-standard Assets	A general provision of 10% of total outstanding is to be made.
2.	**Lease and hire purchase assets -**	
	(i) Hire purchase Assets	I. In respect of hire purchase assets, the total dues (overdue and future instalments taken together) as reduced by - (a) the finance charges not credited to the profit and loss account and carried forward as unmatured finance charges; and (b) the depreciated value of the underlying asset, is to be provided for. <u>Explanation:</u> (i) the depreciated value of the asset is to be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of 20% per annum on a straight line method; and (ii) in the case of second hand asset, the original cost is to be the actual cost incurred for acquisition of such second hand asset. II. Additional provision for hire purchase and leased assets: Where hire charges or lease rentals are overdue upto 12 months: Nil Where hire charges or lease rentals are overdue for more than 12 months upto 24 months: 10% of the net book value Where hire charges or lease rentals are overdue for more than 24 months but upto 36 months: 40% of the net book value Where hire charges or lease rentals are overdue for more than 36 months but upto 48 months: 70% of the net book value Where hire charges or lease rentals are overdue for more than 48 months: 100% of the net book value III. On expiry of a period of 12 months after the due date of the last instalment of hire purchase/leased asset, the entire net book value is to be fully provided for

Standard Asset Provisioning

All Applicable NBFCs are required to make provisions for standard assets at 0.40% of the outstanding, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the Applicable NBFCs.

Balance Sheet Disclosures

a. Applicable NBFCs are required to separately disclose in their balance sheets the provisions made, as prescribed under the Master Directions, without netting them from income or against the value of assets.

b. The provisions are to be distinctly indicated under separate heads of account as:

- Provisions for bad and doubtful debts; and
- Provisions for depreciation in investments.

c. Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the Applicable NBFC.

d. Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.

e. Additionally, Applicable NBFCs are required to disclose: (a) Capital to risk assets ratio; (b) exposure to real estate sector, both direct and indirect; and (iii) maturity pattern of assets and liabilities.

Regulation of Excessive Interest Charged by NBFCs:

a. The board of directors of each Applicable NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

b. The rates of interest and the approach for gradation of risks are also required to be made available on the website of the Applicable NBFCs or published in the relevant newspapers. The information published in the website or otherwise published is required to be updated whenever there is a change in the rates of interest.

c. The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

Accounting Standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the Master Directions.

Fair Practices Code

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Master Directions. The Master Directions stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The Master Directions also prescribe general conditions to be observed by Applicable NBFCs in respect of loans, and requires the board of directors of Applicable NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in vernacular language or language understood by borrowers of the Applicable NBFCs.

Further, all Applicable NBFCs are to frame internal guidelines on corporate governance, enhancing the scope of the guidelines without sacrificing the underlying spirit of the guidelines stipulated in the Master Directions. The guidelines framed are required to be published on the NBFC's website for the information of various stakeholders.

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions.

In addition to the above, *inter* alia, the following directions and circulars issued by the RBI are also relevant to the business of our NBFC subsidiaries:

a. Master Direction (Know Your Customer) Directions, 2016 dated February 25, 2016, as amended

b. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016

c. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016

d. Master Direction - Information Technology Framework for the NBFC Sector Directions, dated June 8, 2017

e. Master Direction - Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016

f. Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017

g. Circular dated June 24, 2021 on Declaration of Dividends by NBFCs

h. RBI's Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications dated November 1, 2021

i. RBI's Prompt Corrective Action Framework for NBFCs dated December 14, 2021

j. RBI's Master Circular - Bank Finance to Non-Banking Financial Companies dated January 5, 2022

The Insurance Act and the IRDA Act

The Insurance Act along with the various regulations, guidelines and circulars issued by IRDAI, govern, amongst other matters, registration of the insurers, opening of new places of business, accounts and balance sheet, audit of financial statements, actuarial report and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins to be maintained by the insurer, restriction on dividends, limits on expenses of management, commission and/or remuneration and/ or rewards payable to insurance agents and intermediaries, requirement to be Indian owned and controlled and obligation of insurers in respect of third-party motor insurance business. The IRDAI came into existence by virtue of promulgation of the IRDAI Act to regulate, promote and ensure orderly growth of the insurance sector in India and to protect the interests of policyholders.

Under the Insurance Act, insurers are required to be registered with the IRDAI for carrying out any class of insurance business, including general insurance in India. The Insurance Act stipulates, among other things, certain requirements with respect to the capital structure for insurers including minimum paid-up equity capital and equal voting rights. Insurers are required to maintain records of policies, including the details of policyholders, nominations of claims, details of discharge or rejection of claims, register of insurance agents, etc. Under the Insurance Act, an Indian insurance company is obligated to be "Indian Owned and controlled". Additionally, in terms of the Foreign Investment Rules, the term "Indian Control of an Indian Insurance Company" has been defined to mean control of such Indian insurance company by resident Indian citizens or Indian companies-, which are owned and controlled by resident Indian citizens. The term "control" has been defined in the Insurance Act to include the right to appoint a majority of the directors or to control management or policy decisions including by virtue of shareholding management rights shareholders agreements or voting agreements. The term "Indian Ownership of an

Indian Insurance Company" has been defined in the Indian Insurance Companies (Foreign Investment) Rules 2015 as more than 50% of the equity capital in a company which is beneficially owned by Indian residents or Indian entities which are owned and controlled by resident Indian citizens. Further, a general insurance company is required to have capital consisting of equity shares each having a simple face value and such other form of capital as may be specified by regulations. The voting rights of the shareholders are required to be restricted to such equity shares and to be proportionate to the paid-up equity share capital held by them. As regards to investments of assets, the Insurance Act mandates insurers to keep invested assets in a prescribed manner in Government securities and such other approved investments. Further, the Government securities and other approved securities where assets are to be invested are required to be held by the insurers free of any encumbrance, charge, hypothecation or lien. Certain restrictions on investments of assets and controlled fund have also been prescribed, including investment in shares or debentures of a private limited company. IRDAI has issued the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and the Master Circular on Investments, 2017 which replaced the Investment Regulations issued in 2000.

Further, any appointment, re-appointment or termination of appointment or amendment of the terms of remuneration, of a managing or whole-time director, executive directors, manager or chief executive officer of an insurance company requires the prior approval of the IRDAI.

IRDAI has specified norms for issuance of capital which require insurers to obtain prior approval of the IRDAI for issuance of capital by way of public issue or any subsequent issue of equity shares.

The Insurance Laws (Amendment) Act, 2015 (the "Amendment")

The Insurance Laws (Amendment) Act, 2015 (the "**Amendment**") has introduced several changes in the scheme of the Insurance Act, amongst other things, in relation to ownership and control, capital, enhancement of administrative and enforcement powers and responsibilities of IRDAI. Additionally, the Amendment also encourages electronic form of policy records and claims. The Amendment provides that every insurer shall, in respect of all business transacted by him, endeavour to issue policies above a specified threshold in terms of sum assured and premium in electronic form, in the manner and form to be specified by the regulations made under this Act.

As regards foreign investors, the cap on aggregate holding of equity shares by foreign investors, including portfolio investors, has been raised to 74% of paid-up capital and insurance companies are required to be Indian owned and controlled. Accordingly, the ownership as well as the control are required to remain in Indian hands. Further, the Amendment has permitted insurers to raise capital through instruments other than equity. In this regard, IRDAI has issued regulations, titled The IRDAI (Other Forms of Capital) Regulations, 2015 which permit insurers to raise capital by way of preference shares and subordinated debt instruments after obtaining prior approval from the IRDAI. The Amendment empowers the insurance companies to appoint agents subject to fulfilment of the criteria stipulated by IRDAI. The Amendment has further accorded powers to IRDAI to regulate the commission payable to the agents and intermediaries through appropriate regulation.

The Amendment has extended the powers of the IRDAI for regulating various day to day operations and activities of insurance companies by issuing regulations with respect to the same. In furtherance to the Amendment, the IRDAI has issued regulations and guidelines on registration and licensing of insurance companies, investments, pricing of put or call options in joint venture agreements where one of the joint venture parties is a foreign entity, assets liability and solvency margin requirements, insurance agents and intermediaries, corporate governance requirements, transfer of shares, opening, closure and relocation of branches, expenses of management, advertising, accounting procedure and reporting formats, granting of loans and advances, maintenance of records, obligation of insurer in respect of motor third-party insurance business, reinsurance and outsourcing of activities.

The Amendment has included new definitions like health insurance business and reinsurance and modified the definition of Indian insurance company to include health insurance business. Further, the Amendment has simplified the process of payment to nominee of policyholder and has also vested the policyholder with a power to assign an insurance policy, wholly or in part, provided that such assignment is bona fide, in the interest of the policyholder not contrary to public interest and not for the purpose of trading of the insurance policy. The Amendment has entrusted the Securities Appellate Tribunal in the interest of the policyholder with the power to entertain appeals against the orders relating to investigation/inspection conducted by IRDAI.

The Amendment has removed various clauses in the Insurance Act including the sections relating to acceptance of deposits by insurance companies, appointment of chief agent and principal agent, divesting excess shareholding above 26% by promoters, etc. The Amendment has enhanced the quantum of penalties for insurers with respect to contravention of the provisions of the Insurance Act. The penalties range from ₹ 0.1 million for each day during which contravention continues to ₹ 10 million to ₹ 250 million for different kinds of violations. A person who carries on the business of insurance without obtaining a certificate of registration may additionally be punishable with imprisonment extending to 10 years.

In addition to the above, the following regulations and guidelines issued by the IRDAI are relevant to our Material Subsidiary, NGIL:

a. Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000
b. Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016
c. Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017
d. Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017
e. Insurance Regulatory and Development Authority of India (Investment) Regulations, and the Master Circular on Investments, 2017
f. Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016
g. Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015
h. Insurance Regulatory and Development Authority of India (Insurance Advertisements and Disclosure) Regulations, 2000 and Master Circular on Insurance Advertisements, 2015
i. Insurance Regulatory and Development Authority of India (Reinsurance) Regulations, 2018
j. Guidelines on Product Filing Procedures for General Insurance Products, 2016
k. Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015
l. Insurance Regulatory and Development Authority of India (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations 2016, as amended
m. Insurance Regulatory and Development Authority of India (Obligation of Insurer in respect of Motor Third Party Insurance Business) Regulations, 2015
n. Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015
o. Insurance Regulatory and Development Authority of India (Maintenance of Insurance Records) Regulations, 2015
p. The Insurance Ombudsman Rules, 2017
q. IRDAI (Outsourcing of activities by Indian Insurers) Regulations, 2017
r. Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016
s. Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
t. Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015
u. Guidelines for Corporate Governance for insurers in India dated May 18, 2016
v. Master Circular on Anti Money Laundering/ Counter- Financing of Terrorism (AML/CFT) – Guidelines for Life Insurers dated September 28, 2015

Aadhar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act (the "Aadhaar Act"), 2016 and the rules and regulations made thereunder

The Aadhaar Act, aims to provide for, as good governance, efficient, transparent and targeted delivery of subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of India, to individuals residing in India, through assigning of unique identity numbers to such individuals and for matters connected herewith. The Aadhar Act establishes Unique Identification Authority of India ("**UIDAI**"), which is responsible for authentication and enrolment of individuals under the Aadhaar programme. The Aadhar Act also provides for the appointment of Enrolling Agency, which would be responsible for the enrolment of individuals. The Aadhar Act, to authenticate the Aadhar Numbers, appoints a requesting entity, that would submit the Aadhar Number along with demographic information or biometric information to the Central Identities Data Repository. Lastly, the Aadhar Act also provides for the protection and confidentiality of identity information and authentication records of individuals.

The Aadhaar (Data Security) Regulations, 2016 ("**Data Security Regulations**") provides for measures to ensure that the information of individuals is secured. Data Security Regulations also enumerates the obligation of service provides to keep the information secure and confidential.

The Aadhaar (Sharing of Information) Regulations, 2016 ("**SI Regulations**") provides for restriction on sharing of biometric information by UIDAI. SI Regulations also restricts the sharing, circulating, or publishing of the aadhar number.

The Aadhaar (Authentication and Offline Verification) Regulations, 2021 ("**Authentication and Verification Regulations**") provides an Aadhaar Authentication Framework, which has four modes of authentication along with five types of Offline Verification. The Authentication and Verification Regulations also make it mandatory for the requesting entity to obtain the consent of the Aadhar number holder. Authentication and Verification Regulations list provisions and the entire process for the appointment of Requesting Entities and Authentication Service Agencies along with their roles and responsibilities and code of conduct. The Authentication and Offline Verification Regulations further lay down the manner in which Aadhaar data can be used, and prescribes restrictions on the storage of the same.

Information Technology Act, 2000 and the rules made thereunder ("IT Act")

The IT Act has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information made available to or hosted by them and creates liability for failure to protect sensitive personal data. The IT Act has created a mechanism for authenticating electronic documentation by means of digital signatures and provides for civil and criminal liability including fines and imprisonment for various offences. By means of an amendment in 2008, the IT Act legalized the validity of contracts formed through electronic means. The IT Act prescribes various offences, including those offences relating to unauthorised access of computer systems, unauthorised disclosure of confidential information and frauds emanating from computer applications.

Data Protection Bill ("Bill")

The Bill, which proposes to supersede certain provisions of the Information Technology Act, 2000 deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India.

On December 16, 2021, the Joint Parliamentary Committee submitted its report to the Indian Parliament after two years of deliberations on the Bill. The scope of the Bill has undergone an expansion and will now cover both personal and non-personal data. The Bill has been renamed from "Personal Data Protection Bill" to "Data Protection Bill (Bill)."

II. COVID-19 Regulatory Framework

In view of the outbreak of the COVID-19 pandemic, the RBI issued various circulars and prescribed other regulatory frameworks and relaxations governing NBFCs to deal with the disruptions caused by the COVID-19 pandemic.

Circular dated March 16, 2020

Pursuant to its circular dated March 16, 2020 (Reference No. RBI/2019-20/172 DoS.CO.PPG.BC.01/1L0T005/2019-20), the RBI provided an indicative list of actions to be taken by NBFCs as part of their operations and business continuity plans. Among others, the actions included taking steps to share important instructions/strategy with the staff members at all levels and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities from time-to-time, taking stock of critical processes and revisiting business continuity plan in the emerging situations/scenarios with the aim of continuity in critical interfaces and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures.

Circulars dated March 27, 2020 and April 17, 2020

The RBI, pursuant to its circular dated March 27, 2020 (Reference No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20), announced certain regulatory measures, including, inter alia, to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and to ensure the continuity of viable businesses. In furtherance of such circular, lending institutions were permitted to grant a moratorium of three months on payment of all instalments (including all (i) principal and/or interest components; (ii) bullet repayments; (iii) equated monthly instalments; and (iv) credit card dues) falling due between March 1, 2020 and May 31, 2020 in respect of all term loans (including agricultural term loans, retail and crop loans) ("**Moratorium Period**"). Additional relaxations were granted in relation to the calculation of 'drawing power' in respect of working capital facilities sanctioned in the form of cash credit/overdraft ("**CC/OD**") to borrowers. Under the circular, such measures were not to be treated as a concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower under paragraph 2 of the Annexure to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 ("**Prudential Framework**") and availing of such measures, by itself, was not to result in asset classification downgrade. The rescheduling of payments, including interest, did not qualify as a default for the purposes of supervisory reporting and reporting to credit information companies ("**CICs**") by the lending institutions. CICs were instructed to ensure that the actions taken by lending institutions pursuant to the above announcements do not adversely impact the credit history of the beneficiaries. The circular also stated that wherever the exposure of a lending institution to a borrower is ₹50 million or above as on March 1, 2020, the lending institution was required to develop an MIS on the reliefs provided to its borrowers which was required to, inter alia, include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted. Further, pursuant to its circular dated April 17, 2020 (Reference No. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20), the RBI provided detailed instructions in relation to (i) asset classification under the prudential norms on income recognition, asset classification and (ii) provisioning requirements.

Circular dated May 23, 2020

Pursuant to its circular dated May 23, 2020 (Reference No. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20), the RBI further permitted lending institutions (including NBFCs) to extend the Moratorium Period on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans) by another three months, i.e., from June 1, 2020 to August 31, 2020. Such circular also permitted certain relaxations in respect of working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions, subject to certain conditions.

The measures in relation to working capital facilities under the RBI circular dated May 23, 2020, were contingent on the lending institutions satisfying themselves that such measures are necessitated on account of the economic fallout from COVID-19. Further, accounts provided relief under this relaxation were subject to subsequent supervisory review with regard to their justifiability on account of the economic fallout from COVID-19. Lending institutions, accordingly, could put in place a board approved policy to implement the above measures.

Special Liquidity Scheme for NBFCs/HFCs dated July 1, 2020 and the Partial Credit Guarantee Scheme

The Government of India approved the Special Liquidity Scheme for NBFCs and HFCs to improve the liquidity position of NBFCs through a special purpose vehicle to avoid potential systemic risks to the financial sector. In order to avail the scheme, NBFCs are required to, inter alia, (a) have made a net profit in one of the two preceding financial years; and (b) be rated investment grade by a SEBI registered rating agency. In accordance with the circular, the scheme is managed by a special purpose vehicle set up by a subsidiary of the State Bank of India, SBI Capital Markets Limited

The Partial Credit Guarantee Scheme ("**PCGS**") was introduced on December 11, 2019 to offer a sovereign guarantee for "first loss" to public sector banks for the purchase of pooled assets, from financially sound NBFCs, subject to certain conditions. Pursuant to a press release dated May 20, 2020, the PCGS was amended to increase the coverage offered by the scheme and the window under the PCGS was extended up to March 31, 2021.

Statement on Development and Regulatory Policies dated August 6, 2020

The RBI, through its 'Statement on Developmental and Regulatory Policies' dated August 6, 2020, stated that with the intent to facilitate revival of real sector activities and mitigate the impact on the ultimate borrowers, provided a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions.

Resolution Framework for COVID-19-related Stress dated August 6, 2020

The RBI has also issued a notification on August 6, 2020 titled 'Resolution Framework for COVID-19-related Stress' ("**COVID-19 Resolution Framework**"), Reference No. RBI/2020-21/16

DOR.No.BP. BC/3/21.04.048/2020-21). Under the COVID-19 Resolution Framework, lending institutions were required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the COVID-19 Resolution Framework and ensure that the resolution plans under this facility were extended only to borrowers bearing stress on account of the COVID-19 pandemic. The resolution plan extended to eligible borrowers could be invoked anytime till December 31, 2020 and was to be implemented within 180 days from the date of invocation (within 90 days in case of personal loans.).

Circular dated September 7, 2020 on resolution framework for COVID-19 related Stress - Financial Parameters

The RBI, pursuant to its circular dated September 7, 2020 (Reference No. RBI/2020-21/34 DOR.No.BP. BC/13/21.04.048/2020-21) on "Resolution Framework for COVID-19-related Stress - Financial Parameters", set out key ratios to be mandatorily considered while finalising the resolution plans in respect of COVID-19 Resolution Framework. Further, it also prescribed sector specific thresholds to be considered by the lending institutions, intended as floors or ceilings. The resolution plans were required to take into account the pre- COVID-19 operating and financial performance of the borrower and impact of COVID-19 on its operating and financial performance at the time of finalising the resolution plan, to assess the cash flows in subsequent years, while stipulating appropriate ratios in each case. Lending institutions were free to consider other financial parameters as well while finalising the resolution assumptions in respect of eligible borrowers apart from the above mandatory key ratios and the sector-specific thresholds that have been prescribed.

TLTRO on Tap Scheme

The targeted long-term repo operations on tap scheme of the RBI ("**TLTRO on Tap Scheme**"), announced on October 9, 2020 focuses on liquidity measures and revival of activity in specific sectors and, allows banks to avail liquidity to be deployed in corporate bonds, commercial paper and non-convertible debentures issued by entities in such specified sectors. The liquidity availed by banks could also be used to extend bank loans and advances to these sectors. The RBI through its 'Statement on Developmental and Regulatory Policies' and its press release dated February 5, 2021 stated that NBFCs are well recognised conduits for reaching out last mile credit and act as a force multiplier in expanding credit to various sectors and accordingly, permitted funds from banks under the TLTRO on Tap Scheme to be provided to NBFCs for incremental lending to these sectors until March 31, 2021. The TLTRO on Tap Scheme has further been extended by a period of nine months i.e., up to December 31, 2021 with a view to increasing the focus of liquidity measures on revival of activity in specified sectors.

Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts

On October 23, 2020, the Ministry of Finance, Government of India announced a scheme for grant of ex-gratia payment of difference between compound interest and simple interest by way of reliefs for the six months period from March 1, 2020 to August 31, 2020, to borrowers in specified loan accounts ("**October 2020 Scheme**"), benefits of which would be routed through lending institutions. The October 2020 Scheme was applicable to all lending institutions, including, inter alia, banking companies, NBFCs and housing finance companies. Borrowers who had loan accounts with sanctioned limits and outstanding amounts not exceeding ₹20 million as on February 29, 2020 were eligible under the October 2020 Scheme, subject to certain conditions. Borrowers of the following classes of loans were eligible, namely (i) MSME loans; (ii) education loans; (iii) housing loans; (iv) consumer durable loans; (v) credit card dues; (vi) automobile loans; (vii) personal loans to professionals; and (viii) consumption loans.

Circular dated April 7, 2021 on Asset Classification and Income Recognition

The RBI, pursuant to the decision of the Supreme Court of India in Small Scale Industrial Manufactures Association v. Union of India, dated March 23, 2021, has issued a circular dated April 7, 2021 (the "**April 2021 Circular**", Reference No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22). The April 2021 Circular stipulates that all lending institutions (including NBFCs) are required to implement a board-approved policy to refund/adjust the "interest on interest" charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the methodology for calculation of the amount to be refunded/adjusted for different facilities is required to be finalised by the Indian Banks Association in consultation with other industry participants/bodies, which shall be adopted by all lending institutions. The above reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed, in terms of the circulars dated March 27, 2020 and May 23, 2020.

Further, in relation to asset classification, the April 2021 Circular stipulates that, (i) in respect of accounts which were not granted any moratorium in terms of the COVID-19 regulatory relief provided, asset classification is to be undertaken in terms of the criteria laid out in the Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015 (Reference No. RBI/2015-16/101 DBR.No.BP.BC.2/21.04.048/2015-16) or other relevant instructions as applicable to the specific categories of lending institutions; and (ii) in respect of accounts in relation to which a moratorium was granted in terms of the COVID-19 regulatory relief, the asset classification for the period from March 1, 2020 to August 31, 2020 shall be governed in terms of the circular dated April 17, 2020 (Reference No. RBI/2019-20/220

DOR.No.BP.BC.63/21.04.048/2019-20), read with circular dated May 23, 2020 (Reference No. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20). For the period commencing September 1, 2020, asset classification for all such accounts shall be as per the applicable income recognition and asset classification norms.

Circular dated May 5, 2021 on Resolution Framework for Advances to Individuals and Small Businesses

Through its circular dated May 5, 2021 titled 'Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses' (Reference No. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021- 22), the RBI has permitted lending institutions to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying such credit exposures as 'standard' upon implementation of the resolution plan, subject to certain conditions specified under the circular. The lending institutions are required to frame policies, approved by the board of directors, pertaining to the implementation of viable resolution plans for eligible borrowers ensuring that the resolution under this facility is provided only to the borrowers having stress on account of COVID-19. The last date for invocation of resolutions under the window provided was September 30, 2021. The resolution plans implemented under this window may, inter alia, include rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility, revisions in working capital sanctions, and granting of moratorium, based on income streams of the borrower. The moratorium period, if granted, may be for a maximum of two years, and shall come into force immediately upon implementation of the resolution plan. The extension of the residual tenor of the loan facilities may also be granted to borrowers, with or without payment moratorium. The overall cap on extension of residual tenor, inclusive of moratorium period if any permitted, shall be two years.

III. Revised Regulatory Framework for NBFCs

The RBI released a Discussion Paper dated January 22, 2021 on 'Revised Regulatory Framework for NBFCs - A Scale Based Approach' (the "**NBFC Discussion Paper**") and had requested public comments thereon. Based on the inputs received, RBI on October 22, 2021 put in place a revised regulatory framework for NBFCs. These guidelines will be effective from October 1, 2022. The Revised Regulatory Framework for NBFCs contemplates the following layers of NBFCs:

a. **Base Layer:** The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.
b. **Middle Layer:** The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).
c. **Upper Layer:** The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.
d. **Top Layer**: The Top Layer will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer.

The Revised Regulatory Framework for NBFCs also prescribes specific regulatory changes for each of the different layers in the regulatory structure, that is, capital guidelines, prudential guidelines, governance guidelines and the transition path.

IV. Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.

V. Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

a. Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
b. Integrated Goods and Services Tax Act, 2017;
c. Income Tax Act 1961, as amended by the Finance Act in respective years; and

d. State-wise legislations in relation to professional tax.

VI. Other Regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, various regulations notified by SEBI, intellectual property laws, labour laws, shops and establishment legislations in various states, and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated on December 10, 2018 as a private limited company under the Companies Act in the name of 'BAC Acquisitions Private Limited' and was issued a certificate of incorporation dated December 13, 2018 by the Deputy Registrar of Companies, Central Registration Centre. The name of our Company was changed to '*Navi Technologies Private Limited*' pursuant to a special resolution passed by our Shareholders on September 27, 2019 and a fresh certificate of incorporation pursuant to change of name dated October 14, 2019 was issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**"). Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on February 2, 2022, and the name of our Company was changed to '*Navi Technologies Limited*'. A fresh certificate of incorporation dated February 15, 2022 consequent upon change of name on conversion to a public limited company was issued by the RoC.

Changes in the Registered Office

There has been no change in the registered office of our Company since its incorporation.

Main objects of our Company

The main objects contained in our Memorandum of Association (**"MoA"**) are as follows:

1. *"To carry on the business of building technology and providing services through Information Technology driven internet and mobile platforms in various sectors such as data sciences, healthcare, energy, media and entertainment, fast moving consumer goods, engineering, retail, logistics, food and beverages, infrastructure, construction, machinery, agriculture, automobile, HR, gaming, fiscal advisory and insurance.*

2. *To acquire, develop, and/or make available new technology platforms and disruptive technologies for innovation in any of the aforesaid sectors.*

3. *To develop platforms to optimise business automation and computerisation of processes in any of the aforesaid sectors*

4. *To acquire, maintain, develop and make available Information Technology driven products for providing services of every kind including, commercial, data processing, data entry, customer relationship management, communication, data analysis, social, gaming, design, cloud computing or other services.*

5. *To carry on the business advisory services to advise and assist persons and/ or other body corporates, inter alia, in all financial, costing, accounting, internal control, banking, fund raising, treasury, procurement and other similar matters, to advise and assist in the preparation of all revenue and capital budgets, deployment of funds, long term planning or utilisation of resources, procuring bank and/or institutional finance including cash, credit facilities, overdraft facilities, subscription of debentures and term loans, secured or unsecured loans, private equity, venture funding, venture debt, borrowings of any kind and any nature secured or otherwise, syndication of financial arrangements in domestic or international markets, mergers, acquisitions or amalgamations, corporate re-structuring, corporate planning, project planning, strategic planning, foreign currency lending or borrowing planning and feasibility, investment counselling, setting up of joint ventures, finances, management, marketing of financial and money market instruments and products, prospecting and projecting of business and valuation of undertakings, business concerns, assets, concessions, properties or rights or any other business area to employ experts for concessions, properties or rights or any other business area and to employ experts for any of these purposes to assess the needs of short and long term credit facilities and raising of resources, to advise and assist in the formulation of procedures for prevention of fraud, wastage, financial and cost accounting procedure and other connected matters to advices and assist in formulating long term financial policies and control of their execution, and as a generally to advices and assist in all financial, fiscal and revenue matters.*

6. *To carry on the business of providing any kinds of services, including providing services in the fields of administration, management, customer support, facilitation, customer acquisition, consulting, strategy*

guidance, human resource services including but not limited to talent acquisition, administration personnel, sales, marketing, market surveys and reports, finance, accountancy, business planning, diversification, supervision, commissioning, guidance, and all other works, services and securities required to enable the customers to consider the feasibility and execution of all types of works relating to or connected therewith "

The main objects as contained in our MoA enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the MoA

Set out below are the amendments to our MoA since our incorporation:

Date of Shareholders' resolution/ Effective date	Particulars
December 26, 2018	Clause V of the MoA was amended to reflect the increase in the authorised share capital from ₹10,000,000 divided into 100,000 Equity Shares of ₹100 each to ₹75,000,000,000 divided into 750,000,000 Equity Shares of ₹100 each.
January 4, 2019	Clause III of the MoA was amended to reflect the following change in the main objects: "The objects to be pursued by the Company on its incorporation": "5. *To carry on the business of advisory services including to advise and assist persons and/or other bodies, corporates, in-alia, in all financial, costing, accounting, internal control, banking, finalising, treasury, procurement and other similar matters, to advise and assist in the preparation of all revenue and capital budgets, deployment of funds, long term planning or utilisation of resources, procuring bank and/or institutional finance including cash, credit facilities, overdraft facilities, subscription of debentures and term loans, secured or unsecured loans, private equity, venture funding, venture debt, borrowings of any kind and any nature, secured or otherwise, syndication of financial arrangement in domestic or international markets, merges, acquisitions or amalgamations, corporate restructuring, corporate planning, Project planning, strategic planning, foreign currency lending or borrowing planning and feasibility, investment counselling, setting up of joint ventures, finances, management, marketing of financial and money market instruments and products, prospecting and projecting of businesses and valuation of undertakings, business concerns, assets, concessions, properties or rights or any other business area and to employ experts for any of these purposes to access the needs of short and long term credit facilities and raising of resources, advise and assist in the formulation of procedures for prevention of fraud, wastage financial and cost accounting procedure and other connected matters to advise and assist in formulating long term financial policies and control of their executions, and generally to advise and assist in al financial, fiscal and revenue matters.*" "3(b)(15). *To advance money not immediately required by the Company in bank deposits, mutual funds or other money market instruments and to also utilise such money in extending debt financing to: (1) other persons or body corporates including by giving enter-corporate loans, subscribing to debt instruments on such others having dealings with the company and to give guarantees and securities of any such persons or body corporate as may appear proper or reasonable; provided that the Company shall not carry on the business of banking, within the meaning of Banking Regulations Act, 1949.*"
September 27, 2019	Clause I of the MoA was amended to reflect a change in name of our Company from 'BAC Acquisitions Private Limited' to 'Navi Technologies Private Limited'.
September 29, 2021	Clause 3 (b) (24) was amended to reflect the following change in the main objects: "*To borrow or raise monies or loans for the purposes of the Company by promissory notes, bills of exchange hundies and other negotiable or transferable instruments or by mortgage, charge, hypothecation or pledge or by debenture or by debenture stock, perpetual or otherwise charged upon all or any of the Company's property and assets both present and future, movable and immovable including its uncalled capital upon such terms as the Directors may deem expedient and in such other manner or take monies, deposits or otherwise (merely for the purposes of financing of the business of the Company), with or without allowance of interest thereon and to lend money to customers and to guarantee the performance of contracts by any such persons and to execute all deeds and writing assurance for any aforesaid purposes. The regard shall be given to the applicable provisions of the Companies Act, 2013, and directives from the Reserve Bank of India.*"

Date of Shareholders' resolution/ Effective date	Particulars
December 08, 2021	Clause 3 (a) 6 was amended to reflect the following change in the main objects *"To carry on the business of providing any kinds of services, including providing services in the fields of administration, management, customer support, facilitation, customer acquisition, consulting, strategy guidance, human resource services including but not limited to talent acquisition, administration personnel, sales, marketing, market surveys and reports, finance, accountancy, business planning, diversification, supervision, commissioning, guidance, and all other works, services and securities required to enable the customers to consider the feasibility and execution of all types of works relating to or connected therewith*".
February 2, 2022	Clause 1 of the MoA was amended to reflect a change in the name of our Company from 'Navi Technologies Private Limited' to 'Navi Technologies Limited', pursuant to conversion from a private limited company to a public limited company.

Major events and milestones of our Company and our Subsidiaries

Calendar Year	Major Events and Milestones
2018	Incorporated as a private limited company in the name of "BAC Acquisitions Private Limited".
2019	• Change in the name of our Company from "BAC Acquisitions Private Limited" to "Navi Technologies Private Limited". • Issuance of certificate of registration to NIAPL by SEBI to act as a 'investment adviser' pursuant to SEBI (Investment Adviser) Regulations, 2013.
2020	• Receipt of approval from RBI for acquisition of NFPL (*formerly known as Chaitanya Rural Intermediation Development Services Private Limited*). • Acquisition of NFPL (*formerly known as Chaitanya Rural Intermediation Development Services Private Limited*) and its wholly owned subsidiary CIFCPL. • Issuance of certificate of registration to NSPL by SEBI to act as a 'stockbroker' pursuant to SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992. • Receipt of approval of IRDAI for acquisition of NGIL and subsequent acquisition of NGIL. • Launch of Navi Personal Loan App, a mobile application which allows customers to take personal loan digitally. • Launch of the Navi Health Insurance App, a mobile application which allows customers to avail retail health insurance policies. • Receipt of approval for no objection from SEBI for ACBPL to be the sponsor for the NAMCL (*formerly known as Essel Finance AMC Limited*).
2021	• Acquisition of NAMCL (*formerly known as Essel Finance AMC Limited*) and Navi Trustee (*formerly known as Essel MF Trustee Limited*). • Disbursal of our first home loan • Launch of our first passive mutual fund i.e., Navi Nifty 50 Index Fund • Launch of Navi App, an integrated mobile application which provide customers a one stop shop for personal loans, housing loans and health insurance.
2022	Conversion of our Company from a private limited company into a public limited company.

Time and cost over-runs

Our Company and Subsidiaries have not experienced any time or cost overruns in relation thereto.

Defaults or re-scheduling/restructuring of borrowings

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by us from any bank.

Lock-out and strikes

There have been no lock-outs or strikes at any time in our Company or Subsidiaries.

Accumulated Profits or Losses

There are no accumulated profits and losses of our Subsidiary that are not accounted for by our Company in the Restated Financial Statements.

Significant financial and strategic partners

As at the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Details of guarantees given to third parties by our Promoter who is offering his Equity Shares in the Issue

Considering that this Issue consists of a Fresh Issue only, our Promoter is not selling any Equity Shares in the Issue.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" on page 191.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Joint Venture

As at the date of this Draft Red Herring Prospectus, our Company has no joint ventures.

Associate

As at the date of this Draft Red Herring Prospectus, our Company has no Associate Companies.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Except as disclosed in "*Our Subsidiaries*" on pages 243, our Company has not acquired any material business/ undertakings, and has not undertaken any mergers, amalgamations or any revaluation of assets, in the last 10 years.

Shareholders' agreements and other agreements

Key terms of subsisting shareholders' agreements

Shareholders' Agreement dated June 9, 2020 executed between our Company, our Promoter, Samit Shankar Shetty, Anand Rao, U Raghurama Rao, Sashikala Rao and Smitha Rao, Sharad Sundaramony, Seshadri Kaushika Madhavan, Nitin Jagtap and Namitha Jagtap (Jointly), Samuel Sunil Edwards, Gopikrishnan S Mahadhanapuram, Shweta Mani, Anirban Mukherjee, Praveen Visesh, Varsha Soni, Smita Mukherjee, Subramanian Mambakkam Suryanarayanan, Rohan Gogari, Narayanan Venkitaraman/ Mahalakshmi Narayanan, Paresh Sukthankar and Sangeeta P Sukthankar, Ankit Agarwal, Rekha Shankar, Neeraj Aggarwal and Venkatchelam A Ramaswamy ("SHA") and as amended further by the suspension cum termination agreement to the SHA dated March 6, 2022 ("STA")

Our Company, Promoter and Shareholders have entered into a SHA, which sets out, *inter alia*, the inter se rights and obligations between our Shareholders and provisions for the issue, transfer and disposal of the Equity Shares of our Company. Pursuant to the terms of the SHA, our Promoter shall have the right to nominate majority of the Directors on Board at any given time. Our Promoter is entitled to nominate such number of directors as would be in proportion to the percentage of shareholding held by him in our Company. The Promoter is also entitled to the right to remove or replace the Promoter nominee directors and/or independent directors. Further, up to two independent directors can be appointed, where their appointment is approved by Promoter. The Promoter nominee directors is entitled to constitute majority of the Board at all times.

The SHA also includes, *inter alia*, provisions in relation to certain Promoter veto matters, restriction on transfer by certain Shareholders, including (i) the requirement of prior written consent of the Promoter for transfer of any securities, (ii) pre-emptive rights, (iii) confidentiality and non-disclosure provisions applicable to the Shareholders.

Pursuant to the STA, all terms of the SHA, except for the requirement of the prior written consent of the Promoter for any transfer of securities, have been suspended from the date of execution of the STA until the earlier of: (i) the date of listing and trading of the Equity Shares on the Stock Exchanges; or (ii) the long stop date agreed under the STA, being December 31, 2022 ("**Long Stop Date**"). The SHA and the STA will automatically terminate, in their entirety, upon receipt of listing and trading approval post completion of the Issue. However, in the event that the Issue is not completed on or before the Long Stop Date, or if the parties to the STA mutually decide, the STA shall terminate in its entirety and the SHA shall continue to be valid, binding and applicable in its original form, prior to the execution of the STA.

For details in relation to our Promoter's board nomination rights, as disclosed in our Articles of Association, please refer to "*Description of Equity Shares and Terms of Association – Part B*" on page 522.

Key terms of subsisting Share Purchase Agreements ("SPAs") and Share Subscription Agreements ("SSA") in relation to our Company

SPA dated October 11, 2021 executed between our Company, our Promoter and Neeraj Aggarwal

Pursuant to this SPA, our Promoter sold 71,174 Equity Shares of face value ₹100 each and the Neeraj Aggarwal has purchased such Equity Shares at a consideration of ₹10.00 million.

SPA dated October 25, 2021 executed between our Company, our Promoter and Venkatchalam A. Ramaswamy

Pursuant to this SPA, our Promoter sold 53,380 Equity Shares to Venkatchalam A. Ramaswamy at a consideration of ₹7.50 million.

SSA dated March 23, 2020 executed between our Company and Sharad Sundaramony, Seshadri Kaushika Madhavan, Nitin Jagtap and Namitha Jagtap (jointly), Sunil Edwards, Gopikrishnan M. S, Shweta Mani, Anirban Mukherjee, Praveen Visesh, Varsha Soni, Smita Mukherjee, Subramanian Mambakkam Suryanarayanan, Rohan Gogari, Narayanan Venkitaraman and Mahalakshmi Narayanan (jointly) (together, referred to as "Investors")

Pursuant to this SSA, each Investor paid a total consideration of ₹132.57 million to acquire 950,692 Equity Shares.

SSA dated March 23, 2020 executed between our Company and Paresh Sukthankar

Pursuant to this SSA, Paresh Sukthankar and Sangeeta P Sukthankar have paid ₹100.00 million to acquire 711,744 Equity Shares.

SSA dated March 30, 2020 executed between our Company and our Promoter

Pursuant to the SSA, our Promoter has subscribed to 18,008,226 Equity Shares for a total consideration of ₹2,530.15 million.

Key terms of subsisting material agreements

Except as set out below, as on the date of this Draft Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business. For details on business agreements of our Company, see "*Our Business*" on page 191.

Common Pursuits between our Subsidiaries and our Company

Except as disclosed in "*Our Business*" and "*Restated Financial Statements*" on pages 191 and 274 respectively as on the date of the Draft Red Herring Prospectus, the Subsidiaries do not have any common pursuits with our Company.

Agreements with Key Managerial Personnel, Directors, Promoter or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third-party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR SUBSIDIARIES

Our Subsidiaries

As at the date of this Draft Red Herring Prospectus, our Company has 10 Subsidiaries.

Details of our Subsidiaries are as follows:

1. Anmol Como Broking Private Limited ("ACBPL")

Corporate Information

ACBPL was originally incorporated in the name of Anmol Como Broking Limited as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 2009 by RoC. Pursuant to conversion into a private limited company the name of ACBPL was changed to its current name and a fresh a certificate of incorporation was issued by the RoC on July 8, 2011. The CIN of ACBPL is U67120KA2009PTC051844. The registered office of ACBPL is located at. 3rd floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bangalore 560 095, Karnataka, India.

Nature of Business

ACBPL is authorised to engage in the business of mutual fund distribution, carrying on business in trading, broking hedging, forward trading and derivative trading of bullions, precious metals, other metals and agriculture products and other permissible commodities to be traded on the recognized commodities exchange. It has surrendered its license for mutual fund distribution and commodity brokerage business.

Board of directors

S. No.	Name of the director	Designation
1.	Riya Bhattacharya	Non-Executive Director
2.	Ankit Agarwal	Non- Executive Director

Capital Structure

The authorised share capital of ACBPL is ₹1,260,000,000 divided into 12,600,000 equity shares of face value ₹100 each. The issued, subscribed and paid-up capital of the ACBPL is ₹1,051,319,600 divided into 10,513,196 equity shares of face value of ₹100 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹100 each	Percentage of the total shareholding (%)
Our Company*	10,513,196	100.00%
Total	**10,513,196**	**100.00%**

**Ankit Agarwal holds one equity share of ABCPL as a nominee of our Company*

2. BACQ Acquisitions Private Limited ("BAPL")

Corporate Information

BAPL was incorporated as a private limited company under the Companies Act, pursuant to the certificate of incorporation issued by the Registrar of Companies, Central Registration Centre on October 17, 2019. The CIN of BAPL is U72900KA2019PTC128852. The registered office of BAPL is located at 3rd floor, Salarpuria Business Center, 93, 5th A block, Koramangala Ind layout, Bangalore 560 095, Karnataka, India.

Nature of Business

BAPL is authorised to engage in the business of building technology and providing services through information technology-driven internet and mobile platforms in various sectors.

Board of directors

S. No.	Name of the director	Designation
1.	Gopalan Srinivasan	Non-Executive Director
2.	Ankit Agarwal	Non-Executive Director
3.	Sachin Bansal	Non-Executive Director

Capital Structure

The authorised share capital of BAPL is ₹20,000,000 divided into 200,000 equity shares of face value ₹100 each. The issued, subscribed and paid-up capital of the BAPL is ₹15,000,000 divided into 150,000 equity shares of face value of ₹100 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹100 each	Percentage of the total shareholding (%)
Our Company*	150,000	100.00%
Total	**150,000**	**100.00%**

**Ankit Agarwal holds one equity shares of BAPL as a nominee of our Company*

3. Chaitanya India Fin Credit Private Limited ("CIFCPL")

Corporate Information

CIFCPL was incorporated as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC on March 31, 2009. The CIN of CIFCPL is U67190KA2009PTC049494. The registered office of CIFCPL is located at No.145, 2nd Floor, NR Square, 1st Main Road Sirsi Circle, Chamrajpet, Bengaluru 560 018, Karnataka, India.

Nature of Business

CIFCPL is authorised to carry on in India or elsewhere the business of micro lending, lending to joint liability groups and lending to self-help groups, micro credit and micro finance, lending, instalment financing, bill discounting, providing working capital and term loan facilities to individuals, small family businesses, small and medium business enterprises including individual loans and group loans with or without all or any types of securities. CIFCPL is also an applicant for a universal banking license under the Reserve Bank of India Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector dated August 1, 2016. The application is presently pending before the RBI. For details, see "*Risk Factors – Our Material Subsidiary, CIFCPL, has applied for a universal banking license with the RBI, and we cannot assure you that such license shall be issued by the RBI. Further, the receipt of a license by CIFCPL may require us to undertake such changes to our business, group holding structure and operations as may be required under applicable laws or as specified by the RBI.*" and "*Government and Other Approvals*" on page 43 and 475, respectively.

Board of directors

S. No.	Name of the director	Designation
1.	Anand Rao	Joint Managing Director
2.	Ranganathan Sridharan	Independent Director
3.	Sachin Bansal	Managing Director and CEO
4.	Ankit Agarwal	Director and Deputy CEO
5.	Usha A Narayanan	Independent Director
6.	Samit Shankar Shetty	Nominee Director

Capital Structure

The authorised share capital of CIFCPL is ₹1,215,000,000 divided into 18,000,000 preference shares of face value ₹10 each and 103,500,000 equity shares of face value ₹10 each. The issued, subscribed and paid-up share capital of the CIFCPL is ₹1,035,000,000 divided into 103,500,000 equity shares of face value ₹10 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
NFPL*	103,500,000	100.00%
Total	**103,500,000**	**100.00%**

**Anand Rao holds one equity share of CIFCPL as a nominee of NFPL*

4. MavenHive Technologies Private Limited ("MTPL")

Corporate Information

MTPL was incorporated as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by RoC on April 26, 2012. The CIN of MTPL is U72900KA2012PTC063728. The registered office of MTPL is located at 3rd floor, Salarpuria Business Center, 93, 5th A block, Koramangala Ind layout, Bangalore 560 095, Karnataka, India.

Nature of Business

MTPL is authorised to engage in the business of providing services, including but not limited to information technology and information technology enabled services, such as computer programs, computer applications, computer software and allied services.

Board of directors

S. No.	Name of the director	Designation
1.	Ankit Agarwal	Non-Executive Director
2.	Sachin Bansal	Non-Executive Director

Capital Structure

The authorised share capital of MTPL is ₹100,000 divided into 10,000 equity shares of face value ₹10 each. The issued, subscribed and paid-up capital of the MTPL is ₹100,000 divided into 10,000 equity shares of face value of ₹10 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
Our Company*	10,000	100.00%
Total	**10,000**	**100.00%**

**Ankit Agarwal holds one equity shares of MTPL as a nominee of our Company*

5. Navi AMC Limited ("NAMCL")

Corporate Information

NAMCL was originally incorporated as Peerless Funds Management Company Limited as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 9, 2009 issued by the Registrar of Companies, West Bengal at Kolkata. The name of NAMCL was changed from Peerless Funds Management Company Limited to Essel Finance AMC Limited and a fresh certificate of incorporation dated October 24, 2017 was issued by the Registrar of Companies, West Bengal at Kolkata. The name of NAMCL was changed to its current name pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata on March 24, 2021. The CIN of NAMCL is U65990WB2009PLC134537.

The registered office of NAMCL is located at 1, Chowringhee Square, 3rd floor, Kolkata 700 069, West Bengal, India.

Nature of Business

NAMCL is authorised to provide, *inter alia*, advisory and consultancy services for new and existing businesses and act as registrar and transfer agents and asset manager of any trust or fund and to issue certificates or statements of account.

Board of directors

S. No.	Name of the director	Designation
1.	Arindam Haraprasad Ghosh	Independent Director
2.	Ankit Agarwal	Associate Director
3.	Nachiket Madhusudan Mor	Independent Director

Capital Structure

The authorised share capital of NAMCL is ₹3,500,000,000 divided into 350,000,000 equity shares of face value ₹10 each. The issued, total, subscribed and paid-up capital of NAMCL is ₹2,098,773,000 divided into 209,877,300 equity shares of ₹10 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
ACBPL*	209,877,300	100.00%
Total	**209,877,300**	**100.00%**

**Sachin Bansal, Saurabh Jain, Riya Bhattacharya, Ankit Agarwal, L N Gurumoorthy and Abhishek Dwivedi hold 100 equity shares each of NAMCL as nominees of ACBPL.*

6. Navi Finserv Private Limited ("NFPL")*

Corporate Information

NFPL was originally incorporated as Chaitanya Rural Intermediation Development Services Private Limited as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC on February 14, 2012. The name of NFPL was changed from Chaitanya Rural Intermediation Development Services Private Limited to NFPL pursuant to a certificate of incorporation issued by the RoC on April 22, 2020. The CIN of NFPL is U65923KA2012PTC062537. The registered office of NFPL is located at Ground Floor, Salarpuria Business Center No 93, 5th A block, Koramangala Industrial Layout, Bangalore 560 095, Karnataka, India.

** The above-mentioned acquisition was accounted for in accordance with Ind AS 103, Business Combinations. The control over NFPL was initially acquired by our Promoter on October 23, 2019, which was ultimately transferred to our Company in March 2020. Since such acquisition of NFPL by our Promoter was considered as transitory in nature, it was established that our Company effectively acquired the control over NFPL on October 23, 2019 itself. For details, see "Restated Financial Statements – Annexure V – 60. Business combinations – (B) Acquisitions during the year ended 31 March 2020" on page 361.*

Nature of Business

NFPL is authorised to engage in the business of, *inter alia*, lending to individual and entities across India and to provide such persons with services and to promote, manage, or carry out activities of insurance, intermediary and buy and sell loans and receivables and other instruments for the purposes of securitization. It also carries on corporate treasury activities.

Board of directors

S. No.	Name of the director	Designation
1.	Ankit Agarwal	Managing Director
2.	Usha A Narayanan	Independent Director
3.	Sachin Bansal	Executive Chairman and CEO
4.	Ranganathan Sridharan	Independent Director

Capital Structure

The authorised share capital of NFPL is ₹2,050,000,000 divided into 205,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up capital of NFPL is ₹1,785,736,860 divided into 178,573,686 equity shares of face value of ₹10 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
Our Company*	178,573,686	100.00%
Total	**178,573,686**	**100.00%**

**Ankit Agarwal, Sachin Bansal, Saurabh Subhash Jain, Abhishek Dwivedi, Shobhit Agarwal and Apurv Anand hold one equity share each of NFPL as nominee of our Company.*

7. Navi General Insurance Limited ("NGIL")

Corporate Information

NGIL was originally incorporated under the Companies Act under the name of DHFL General Insurance Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre dated July 5, 2016. The name of NGIL was changed from DHFL General Insurance Limited to its current name, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on March 11, 2020. The CIN of NGIL is U66000KA2016PLC148551. The registered office of NGIL is located at Salarpuria Business Center, 4th Floor, 93, 5th A Block, Koramangala, Industrial Layout, Bengaluru 560 095, Karnataka, India.

Nature of Business

NGIL is authorised to engage in the business of, *inter alia*, manufacture, distribution, underwriting and services of all kinds of general insurance and health insurance business and all kinds of indemnity and guarantee business.

Board of directors

S. No.	Name of the director	Designation
1.	Gopalan Srinivasan	Non-Executive Director
2.	Nachiket Madhusudan Mor	Independent Director
3.	Ankit Agarwal	Non-Executive Director
4.	Eranti Venkataramagupta Sumithasri	Independent Director
5.	Usha A Narayanan	Additional Independent Director
6.	Sachin Bansal	Chairman and Non-Executive Director

Capital Structure

The authorised share capital of NGIL is ₹5,000,000,000 divided into 500,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up capital of NGIL is ₹4,957,900,000 divided into 495,790,000 equity shares of face value ₹10 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
Our Company*	495,790,000	100.00%
Total	**495,790,000**	**100.00%**

**Sachin Bansal, Saurabh Subhash Jain, Riya Bhattacharya, Ankit Agarwal, L N Gurumoorthy and Abhishek Dwivedi hold 10 equity shares each of NGIL as nominees of our Company.*

8. Navi Investment Advisors Private Limited ("NIAPL")

Corporate Information

NIAPL was incorporated as a private limited company under the Companies Act, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre on July 31, 2019. The CIN of NIAPL is U65999KA2019PTC126689. The registered office of NIAPL is located at 3rd floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bangalore 560 095, Karnataka, India.

Nature of Business

NIAPL is authorised to engage in the business of, *inter alia*, rendering advisory services in different fields and to carry on the business portfolio management, fund management and to provide information in various investment products.

Board of directors

S. No.	Name of the director	Designation
1.	Ankit Agarwal	Non-Executive Director
2.	Sachin Bansal	Non-Executive Director

Capital Structure

The authorised share capital of NIAPL is ₹7,000,000 divided into 70,000 equity shares of face value ₹100 each. The issued, subscribed and paid-up capital of the NIAPL is ₹6,000,000 divided into 60,000 equity shares of face value of ₹100 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹100 each	Percentage of the total shareholding (%)
Our Company*	60,000	100.00%
Total	**60,000**	**100.00%**

**Ankit Agarwal holds one equity shares of NIAPL as a nominee of our Company*

9. Navi Securities Private Limited ("NSPL")

Corporate Information

NSPL was incorporated as a private limited company under the Companies Act, pursuant to a certificate of incorporation issued by the Deputy RoC, Central Registration Centre on August 9, 2019. The CIN of NSPL is U67110KA2019PTC126783. The registered office of NSPL is located at 3rd floor, Salarpuria Business Centre, 93, 5th A Block, Koramangaala Industrial Layout, Bengaluru 560 095, Karnataka, India.

Nature of Business

Navi Securities Private Limited is authorised to engage in the business of, *inter alia*, providing financial services like financial planning, investment planning, corporate advisory and management services and/or provide information and trading in commodities services related to securities market to the investors as stock brokers, sub brokers, underwriters, sub-underwriters, agents and brokers for subscribing to and for the sales and purchase of securities issued by corporates.

Board of directors

S. No.	Name of the director	Designation
1.	Ankit Agarwal	Non-Executive Director
2.	Riya Bhattacharya	Non-Executive Director
3.	Shobhit Agarwal	Executive-Director

Capital Structure

The authorised share capital of NSPL is ₹40,000,000 divided into 400,000 equity shares of face value ₹100 each. The issued, subscribed and paid-up capital of the NSPL is ₹40,000,000 divided into 400,000 equity shares of face value of ₹100 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹100 each	Percentage of the total shareholding (%)
Our Company*	400,000	100.00%
Total	**400,000**	**100.00%**

**Ankit Agarwal holds one equity shares of NSPL as a nominee of our Company*

10. Navi Trustee Limited ("Navi Trustee")

Navi Trustee was originally incorporated in the name of Peerless Trust Management Company Limited as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 9, 2009 issued by the Registrar of Companies, West Bengal at Kolkata. The name of Navi Trustee was changed from Peerless Trust Management Company Limited to Essel MF Trustee Limited and a fresh certificate of incorporation dated October 13, 2017 was issued by the Registrar of Companies, West Bengal at Kolkata. Subsequently, the name of Navi Trustee was changed to its current name pursuant to a certificate of incorporation issued by the Registrar of Companies, West Bengal at Kolkata on March 25, 2021. The CIN of Navi Trustee is U65990WB2009PLC134536. The registered office of Navi Trustee is located 1, Chowringhee Square, 3rd floor, Kolkata 700 069, West Bengal, India.

Nature of Business

Navi Trustee is authorised to engage in the business of acting as trustees for mutual funds, offshore funds, pension funds, provident funds, venture capital funds, insurance funds, collective or private investment schemes, real estate schemes, employee welfare or compensation schemes or any other schemes, bonds or debentures and as security trustees. Navi Trustee also act as trustees generally for any purpose and to acquire, hold, manage, dispose of all or any securities or money market instruments or property or assets and receivable or financial assets or any other assets or property.

Board of directors

S. No.	Name of the director	Designation
1.	Arjun Vikram Goel	Independent Director
2.	Mohmmad Yousuf Khan	Independent Director
3.	Nirakar Pradhan	Independent Director
4.	Rajiv Naresh	Associate Director

Capital Structure

The authorised share capital of Navi Trustee is ₹20,000,000 divided into 2,000,000 equity shares of face value ₹10 each. The issued, subscribed and paid-up capital of the Navi Trustee is ₹2,000,000 divided into 20,000,000 equity shares of face value of ₹10 each.

Shareholding pattern

Name of the shareholder	Number of equity shares of face value ₹10 each	Percentage of the total shareholding (%)
ACBPL*	2,000,000	100.00%
Total	**2,000,000**	**100.00%**

**Sachin Bansal, Saurabh Jain, Riya Bhattacharya, Ankit Agarwal, L N Gurumoorthy and Abhishek Dwivedi hold 100 equity shares each of NTL as nominees of the Anmol Como Broking Private Limited.*

SPAs and SSAs in relation to Subsidiaries

Anmol Como Broking Private Limited ("ACBPL")

SPA dated July 8, 2020 ("ACBPL SPA") executed between our Company, Mohit Bajaj and Sarita Dudheria and ACBPL

Pursuant to this ACBPL SPA, Mohit Bajaj and Sarita Dudheria sold equity shares of face value ₹100, aggregating to 100.00% of the total shareholding in ACBPL to our Company for a consideration of ₹12.85 million.

MavenHive Technologies Private Limited ("MTPL")

SPA dated December 13, 2019 ("MTPL SPA") executed between Bhavin Chandulal Javia, Jayaraman Anandha Krishnan, our Company and MTPL

Pursuant to this MTPL SPA, Bhavin Chandulal Javia and Jayaraman Anandha Krishnan have sold their equity shares of face value ₹10 each in MTPL amounting to 56.00% and 44.00% of the issued and paid-up share capital aggregating up to 100.00% of the total shareholding in MTPL to our Company for a consideration of ₹29.25 million.

Navi AMC Limited ("NAMCL") and Navi Trustee Limited ("Navi Trustee")

SPA dated September 3, 2020 ("NAMCL SPA") executed between Essel Finance Wealth Zone Private Limited, NAMCL ("formerly Essel Finance AMC Limited"), Navi Trustee Limited (formerly Essel Trustee Limited), NJ INDIAINVEST Private Limited, Finlogic Technologies Private Limited and ACBPL

Pursuant to this NAMCL SPA, NJ INDIAINVEST Private Limited and Finlogic Technologies Private Limited have sold equity shares of face value ₹10 each, aggregating up to 5.75% of the shareholding in NAMCL to ACBPL for a consideration of ₹4.80 million. Essel Finance Wealth Zone Private Limited held 94.25% of the total issued, subscribed and paid-up share capital of NAMCL on a fully diluted basis and 99.70% of the total issued, subscribed and paid-up share capital of Navi Trustee on a fully diluted basis. Essel Finance Wealth Zone Private Limited along with the other shareholders of NAMCL and Navi Trustee have sold the entire issued, subscribed and paid-up share capital of NAMCL and Navi Trustee to ACBPL along with other nominee shareholders of ACBPL for a consideration amounting to ₹807.56 million.

Navi Finserv Private Limited ("NFPL") and Chaitanya India Fin Credit Private Limited ("CIFCPL")*

SPA dated June 6, 2019, ("NFPL SPA") executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), our Promoter, Samit Shankar Shetty and Shekhar Anantharaman

Pursuant to this NFPL SPA, Shekhar Anantharaman has sold equity shares of face value ₹10 each, aggregating up to 6.08% of the total shareholding in NFPL to our Promoter for a consideration of ₹113.66 million.

SPA dated June 6, 2019 executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), Samit Shankar Shetty, Anand Rao, U Raghurama Rao and our Promoter

Pursuant to the SPA, Samit Shankar Shetty has sold 1,114,428 equity shares of face value ₹10 each and U Raghurama Rao has sold equity shares of NFPL aggregating up to 5.34% of the total shareholding in NFPL to our Promoter for a consideration of ₹99.83 million.

SPA dated June 6, 2019 executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), Samit Shankar Shetty, Apurva Shah and our Promoter

Pursuant to this SPA, Apurva Shah has sold equity shares of face value ₹10 each of NFPL aggregating up to 0.05% of the total shareholding in NFPL to our Promoter for a consideration of ₹12.41 million.

SPA dated June 6, 2019 executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), Shorecap II Limited and our Promoter

Pursuant to this SPA, Shorecap II Limited has sold equity shares of face value ₹10 each of NFPL constituting up 33.4% of the total shareholding in NFPL's issued and paid-up share capital to our Promoter for a consideration of ₹624.59.

SPA dated June 6, 2019 executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), our Promoter, Samit Shankar Shetty, Anand Rao and Deepak Kaul, Manish Dhawan, Amit Suri, Arun Kumar Sharma, Ashok Hegde, Gyana Ranjan Das, Neelamani Muthukumar, Praveen Singhavi, Prakash Jhanwer and Rishi Kalra ("Remaining Shareholders")

Pursuant to this SPA, the Remaining Shareholders have sold equity shares of face value ₹10 each of NFPL amounting to 4.45% of the issued and paid-up share capital to our Promoter for a consideration amounting to ₹83.15 million.

SPA dated June 6, 2019 executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), our Promoter, Samit Shankar Shetty, Anand Rao and Satinder Mohan Singh, Bhuwan Saurav, Partheeban Vibin Christin Theodore, Niraj Mohinder Ghai, Anand Subbaraman, Tejinder Singh Saraon, Ashok Som, Shankar Subramanian Athreya, Rajesh Kamath, Gurumoorthy L N, Sham Kishor Bhat, Sandeep Sohanlal Daga, Russell J deLucia, Prashant George, Vanitha Rao ("Remaining Shareholders I")

Pursuant to this SPA, Remaining Shareholders I have sold equity shares of face value ₹ 10 each of NFPL amounting 3.83% of the issued and paid-up share capital to Samit Shankar Shetty and Anand, and Samit Shankar Shetty and Anand have subsequently transferred the abovementioned equity shares to our Promoter for a consideration amounting to ₹716.95 million.

SPA dated June 6, 2019 executed individually between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), our Promoter, Samit Shankar Shetty, Vivek Verma Ramanarayanan Mahadevan, Srinivasan Venkita Padmanabhan, Sathyamurthy Mayilswamy, Priya Balasubramaniam, Prashanth Kamath, Karteek S Tirumalasetti, Ravi Pokhriyal and Pradeep Jacob Tharakan

Pursuant to this SPA, the abovementioned shareholders have individually sold an equity shares of face value ₹10 each of NFPL amounting 11.26% of the issued and paid-up share capital to our Promoter for a consideration amounting to ₹210.54 million.

SPA dated June 6, 2019 executed individually between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), our Promoter, Samit Shankar Shetty, K V Srinath, Amit Garg, Apurva Shah, Bhavin H Shah, Chetan P Shah, Ramesh Sundaresan, N Gautam, Prema G Rao, Ashish Mishra, Venkatesh B S, Nilanjan Bhattacharya, Subhendu Mandal, Vishal Bhaskaran, Shiv Kumar, Jeyaseelan L, Srinivasan C V, Narayanan Venkatraman (Mahalakshmi Narayanan joint holder), Shiv Nandan Negi, Ramesh Krishnamurthy, LakshmiNarayan, Himanshu Makhijani, Hemalatha V, Shashank Kothi, Rohan Gogari, Nikhil Banerjee, Roots India Retailing Private Limited, Kripakaran S, Vinay S, Madhu S and Kavitha Rudrasetty

Pursuant to this SPA, the abovementioned shareholders have individually sold equity shares of face value ₹10 each of NFPL amounting 9.96% of the issued and paid-up share capital to our Promoter for a consideration amounting to ₹186.31 million.

Buy-Back cum SSA dated March 23, 2020 executed between NFPL (formerly Chaitanya Rural Intermediation Development Services Private Limited), Samit Shankar Shetty, Anand Rao, U Raghurama Rao, Shashikala Rao, Smitha Rao, our Company and our Promoter

Pursuant to this buy-back cum SSA, NFPL had undertaken a buy-back of up to 4,405,281 equity shares of NFPL, and Samit Shankar Shetty, Anand Rao, U Raghurama Rao, Shashikala Rao, Smitha Rao have tendered such equity shares. The aggregate off such buy-back represented 2.82% of the share capital of NFPL. Upon completion of the buy-back, Samit Shankar Shetty, Anand Rao, U Raghurama Rao, Shashikala Rao, Smitha Rao have acquired 2,180,379 Equity Shares for a consideration of ₹3,063.43 million.

[*] *The above-mentioned acquisition was accounted for in accordance with Ind AS 103, Business Combinations. The control over NFPL was initially acquired by our Promoter on October 23, 2019, which was ultimately transferred to our Company in March 2020. Since such acquisition of NFPL by our Promoter was considered as transitory in nature, it was established that our Company effectively acquired the control over NFPL on October 23, 2019 itself. For details, see "Restated Financial Statements – Annexure V – 60. Business combinations – (B) Acquisitions during the year ended 31 March 2020" on page 361.*

Navi General Insurance Limited ("NGIL")

SPA dated January 2, 2020 executed between our Company, Wadhawan Global Capital Limited and NGIL

Pursuant to this SPA, Wadhawan Global Capital Limited has sold 190,050,000 equity shares of face value ₹10 each of NGIL representing 100% of the paid-up share capital of the Company to our Company for a consideration of ₹1,812.80 million. Pursuant to the letter dated February 4, 2020, IRDAI approved the (i) transfer of shares from Wadhawan Global Capital Limited to our Company and (ii) change of name from 'DHFL General Insurance Limited' to 'Navi General Insurance Limited'.

Amendment Agreement dated February 6, 2020 to the SPA dated January 2, 2020 executed between our Company, Wadhawan Global Capital Limited and NGIL

Pursuant to this amendment agreement, provision related to any loss suffered or incurred by our Company as a result of the invocation of Section 281 of the Income Tax Act, 1961 with respect to transfer of sale of shares were incorporated.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not more than 15 Directors. As on date of this Draft Red Herring Prospectus, our Board comprises six Directors including two Executive Directors, one Non-Executive Director and three Independent Directors, of whom one is a woman director.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

S. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Other Directorships
1.	**Sachin Bansal** **Designation:** Chairman, Managing Director, and Chief Executive Officer **Address**: Athens 1, 903 Prestige Acropolis, Next to Forum Mall Koramangala, Bangalore 560 095, Karnataka, India **Occupation:** Business **Date of birth:** August 5, 1981 **Term:** For a period of five years, with effect from March 13, 2020 (*in relation to his directorship*) **Period of Directorship:** Since December 10, 2018 **DIN:** 02356346	40	• BACQ Acquisitions Private Limited • Chaitanya India Fin Credit Private Limited; • MavenHive Technologies Private Limited; • Navi Finserv Private Limited; • Navi General Insurance Limited; and • Navi Investment Advisors Private Limited
2.	**Ankit Agarwal** **Designation:** Executive Director and CFO **Address:** Flat No. A 402, Mantri Classic Apartments, ST Bed Layout, Koramangala 4th Block, Bangalore 560 034, Karnataka, India **Occupation:** Business **Date of birth:** April 9, 1983 **Term:** With effect from December 10, 2018 (*in relation to his directorship*). Liable to retire by rotation at every AGM. **Period of Directorship:** Since December 10, 2018 **DIN:** 08299808	38	• Anmol Como Broking Private Limited; • BACQ Acquisitions Private Limited; • Chaitanya India Fin Credit Private Limited; • MavenHive Technologies Private Limited; • Navi AMC Limited • Navi Finserv Private Limited; • Navi General Insurance Limited; • Navi Investment Advisors Private Limited; and • Navi Securities Private Limited
3.	**Anand Sinha** **Designation:** Non-Executive Director **Address:** Flat No 1103, Boulevard 2, The Address, Opp. R City Mall, Ghatkopar (West), Mumbai 400 086, Maharashtra, India **Occupation:** Independent Consultant	71	• AMC Repo Clearing Limited; and • Goods and Services Tax Network

S. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Other Directorships
	Date of birth: February 3, 1951 **Term:** With effect from September 29, 2021. Liable to retire by rotation at every AGM. **Period of Directorship:** Since August 20, 2021 **DIN:** 00682433		
4.	**Usha A Narayanan** **Designation:** Independent Director **Address:** 1006, 17th Main, BTM Layout, 1st Stage, Bangalore 560 079, Karnataka, India **Occupation:** Professional **Date of birth:** July 3, 1959 **Term:** For a period of three consecutive years from March 4, 2022 **Period of directorship:** Director since March 4, 2022 **DIN:** 06939539	62	• Chaitanya India Fin Credit Private Limited; • Margo Bio Controls Private Limited; • Navi General Insurance Limited • Navi Finserv Private Limited; • PJ Margo Private Limited; and • Sub-K Impact Solutions Limited
5.	**Abhijit Sinha Bose** **Designation:** Independent Director **Address:** Villa 14A, Phase 1, Adarsh Palm Meadows, Varthur road, Ramagondanahalli, Bengaluru North, Immedihalli, Bengaluru 560 066, Karnataka, India **Occupation:** Professional **Date of birth:** September 25, 1972 **Term:** For a period of three consecutive years from March 4, 2022 **Period of directorship:** Director since March 4, 2022 **DIN:** 05129763	49	Fortune Payment Solutions India Private Limited
6.	**Shripad Shrikrishna Nadkarni** **Designation:** Independent Director **Address:** A-2401, Beau Monde, A, Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India **Occupation:** Professional **Date of birth:** May 19, 1961	60	Liberty General Insurance Limited

S. No.	Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Other Directorships
	Term: For a period of three consecutive years from March 4, 2022 **Period of directorship:** Director since March 4, 2022 **DIN:** 00075371		

Relationship between Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Sachin Bansal is the Chairman, Managing Director, and Chief Executive Officer of our Company. He holds a bachelor's degree in computer science and engineering from Indian Institute of Technology, Delhi. He is the co-founder of Flipkart.

Ankit Agarwal is the Executive Director and Chief Financial Officer of our Company. He holds a bachelor's degree in computer science and engineering from Indian Institute of Technology, Delhi and a master's degree in management from Indian Institute of Management, Ahmedabad. He was previously associated with Bank of America as a director in global banking and markets. He was also associated with Deutsche Bank AG as their vice president.

Anand Sinha is a Non-Executive Director of our Company. He holds a bachelor's degree of science from Science College affiliated to Patna University. He holds a master's degree of science in physics from Indian Institute of Technology, Delhi. He was also a member on the board of the Securities and Exchange Board of India. He was the former deputy governor of Reserve Bank of India.

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 an associate member of the Institute of Chartered Accountants of India. She has passed the professional program examination held by 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 PricewaterhouseCoopers, 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 Bank of Baroda. She has been a Director on our Board since March 4, 2022.

Abhijit Sinha Bose is an Independent Director of our Company. He holds a bachelor's degree in science from Cornell University, New York. He holds a master's degree in business administration from Harvard Business School. He is currently the head of India at WhatsApp Application Services Private Limited. Previously, he has been associated with (a) Ezetap Mobile Solutions Private Limited as the chief executive officer, (b) Intuit Technologies Services Private Limited as their group product manager, (c) JiGrahak Mobility Solutions Private Limited as the vice president NGApps, (d) Siebel Systems Inc. as their director, product marketing and (d) Oracle Corporation Singapore Pte Ltd. He has been a Director on our Board since March 4, 2022.

Shripad Shrikrishna Nadkarni is an Independent Director of our Company. He holds a B. Pharm. degree from University of Bombay and a Post Graduate Diploma degree in Management from Indian Institute of Management, Bangalore. He is a member in Drums Food International Private Limited, Hector Beverages Private Limited, Khelomore Sports Private Limited, Indulge Beverages Private Limited, White Owl Brewery Private Limited, Sqrrl Fintech Private Limited, Amazing Ambrosia Private Limited, Ekasta Tech Private Limited, XYXX Apparels Private Limited and Maverix Platforms Private Limited. In the past, he has been associated with (a) Coca-Cola India Inc. and (b) Johnson & Johnson Private Limited for a period of 16 years, where his last held position was Vice President-Marketing. He has been a Director on our Board since March 4, 2022.

Confirmations

None of our Directors, is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors, is, or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of Directors

1. Remuneration to Executive Directors:

Sachin Bansal

Sachin Bansal was first appointed as an Executive Director on our Board pursuant to a Board resolution dated December 13, 2018. He was subsequently appointed as the Managing Director of our Company for a period of five years with effect from March 13, 2020 pursuant to Board resolution dated March 13, 2020. He was not paid any remuneration in Financial Year ended March 31, 2021. He has been re-designated as the CEO along with him being the Managing Director and Executive Director on our Board pursuant to a Board resolution dated March 6, 2022.

Remuneration	Nil
Benefits	Entitled to reimbursements for any reasonable expenses, including travel and accommodation related expenses incurred or undertaken on behalf of the Company.

Ankit Agarwal

Ankit Agarwal was first appointed as an Executive Director on our Board pursuant to a Board resolution dated December 13, 2018. He was appointed as the CFO of our Company pursuant to a Board resolution dated January 20, 2022. He was paid a total remuneration of ₹63.48 million in Financial Year ended March 31, 2021. Pursuant to our Board resolution dated March 6, 2022, the following remuneration is payable to Ankit Agarwal, which shall be valid and payable (i) in the event our Company is profit making, for the remainder of his term as Executive Director and CFO; or (ii) for a period not exceeding 3 (three) years from February 15, 2022 in the event that our Company has no profits or has inadequate profits in any financial year:

Remuneration (Fixed and Variable)	Up to ₹50.00 million per annum
ESOPs	35,000 employee stock options
Others	All other benefit forming part of the appointment letter dated October 15, 2019.

2. Remuneration to Non-Executive Director:

Anand Sinha

Anand Sinha was first appointed as an Additional Director on our Board pursuant to Board resolution dated August 20, 2021. He was appointed as a Non-Executive Director of our Company pursuant to a Board resolution dated September 29, 2021. Since he joined our Company in April 2021 as a member of our advisory board, he has not received any remuneration from our Company for the Financial Year ended March 31, 2021. Pursuant to our Board resolution dated March 6, 2022, the following remuneration is payable to Anand Sinha, which shall be valid and payable (i) in the event our Company is profit making, for the remainder of his term as Non-Executive Director; or (ii) for a period not exceeding 3 (three) years from February 15, 2022 in the event that our Company has no profits or has inadequate profits in any financial year:

Fixed Remuneration	₹8.50 million per annum.
Reimbursement of Expense	At actuals for reasonable out of pocket travel, accommodation, and incidental expenses.

3. Remuneration to Independent Directors:

Pursuant to our Board resolution dated March 6, 2022, the Independent Directors are entitled to receive sitting fees within the limits prescribed under the Companies Act, and the rules made thereunder in the following manner, which shall be valid and payable (a) if our Company is profit making, for the remainder of his/her term as the independent director; or (b) for a period of 3 (three) years effective from March 4, 2022 if our Company has no profits or has inadequate profits in any financial year.:

A.	**Sitting Fees**	₹0.10 million per meeting of our Board and committees of our Board.
B.	**Other Remuneration**	Differential of the sitting fee and 'Total Remuneration' defined in 'C' below
C.	**Total Remuneration**	₹4.80 million per annum

Further, Usha A Narayanan received sitting fees of ₹1.06 million and ₹0.78 million from our Material Subsidiaries, NFPL and CIFCPL during the Financial Year ended March 31, 2021.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed as a director.

Bonus or profit-sharing plan for Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company other than the performance linked incentives and employee stock options given to the Directors.

Shareholding of Directors in our Company

The shareholding of the Directors of our Company as on the date of filing of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Director	Number of Equity Shares*	Percentage of the pre- Issue Equity Share Capital (%)
1.	Sachin Bansal	281,725,980	97.77
2.	Ankit Agarwal	2,846,975	0.98

For details, see "Capital Structure - Details of Equity Shares held by our Promoter, members of our Promoter Group, Directors and Key Managerial Personnel" on page 119.

Interests of Directors

None of our Directors have interest in any property acquired or proposed to be acquired, by our Company.

Other than Sachin Bansal, who is the Promoter of our Company, none of our Directors are interested in the promotion or formation of our Company as on date of this Draft Red Herring Prospectus.

Ankit Agarwal is one of the initial subscribers to the Memorandum of Association.

No consideration in cash or shares or otherwise or in any other form has been paid or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested, by any person, either to induce such Director to become, or to help such Director to qualify as a Director, or otherwise for services rendered by him/ her or by the firm or company in which he/ she is interested, in connection with the promotion or formation of our Company.

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and respective appointment letters, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Our Directors may also be interested to the extent of Equity Shares and employee stock options, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated with as promoters, directors, partners, proprietors or trustees or held by their relatives.

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Director	Date of change	Reasons
1.	Usha A Narayanan	March 7, 2022	Re-designated as Independent Director
2.	Abhijit Sinha Bose	March 7, 2022	Re-designated as Independent Director
3.	Shripad Shrikrishna Nadkarni	March 7, 2022	Re-designated as Independent Director
4.	Usha A Narayanan	March 4, 2022	Appointment as Additional Independent Director
5.	Abhijit Sinha Bose	March 4, 2022	Appointment as Additional Independent Director
6.	Shripad Shrikrishna Nadkarni	March 4, 2022	Appointment as Additional Independent Director
7.	Natarajan Ranganathan	January 14, 2022	Resignation as Non-Executive Director
8.	Anand Sinha	September 29, 2021	Re-designated to Non-Executive Director
9.	Anand Sinha	August 20, 2021	Appointment as Additional Director
10.	Nachiket Madhusudan Mor	July 29, 2021	Resignation as an Independent Director
11.	Natarajan Ranganathan	September 29, 2020	Re-designated to Non-Executive Director
12.	Natarajan Ranganathan	June 3, 2020	Appointment as an Additional Director
13.	Sachin Bansal	March 13, 2020	Re-designated as Managing Director
14.	Pratima Ram	November 30, 2019	Resignation as an Independent Director
15.	Nachiket Madhusudan Mor	November 7, 2019	Appointment as an Independent Director
16.	Pratima Ram	November 7, 2019	Appointment as an Independent Director

Borrowing Powers of Board

Pursuant to our Articles of Association and in accordance with the provisions of the Companies Act, our Board is authorized to borrow any sum or sums of monies which together with the money already borrowed apart from temporary loans as obtained in the ordinary course of business shall not, without the sanction of the shareholders of our Company by a specific resolution at a general meeting, exceed the aggregate of the paid-up share capital, free reserves and securities premium of our Company.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the corporate governance requirements and the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, particularly in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and the guidelines issued thereunder from time to time.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Usha A Narayanan (*Chairperson*)

2. Anand Sinha (*Member*)

3. Abhijit Sinha Bose (*Member*)

The Audit Committee was constituted by the Board of Directors at their meeting held on March 6, 2022. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and the SEBI Listing Regulations.

The terms of reference of our Audit Committee includes the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommendation to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditor's;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. 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 utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of funds raised through the purposed initial public offering of the Company;

8. 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;

9. Scrutinising of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

13. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussion with internal auditors of any significant findings and follow up thereon;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; of audit as well as post-audit discussion to ascertain any area of concern;

18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. Reviewing the functioning of the whistle blower mechanism;

20. Approving 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 SEBI Listing Regulations or by any other regulatory authority;

22. Reviewing the utilisation of loan and/or advances from investment by the holding 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

23. 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. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management. Provided that only the members of the Audit Committee, who are independent directors, shall approve related party transactions;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and

6. Examination of the financial statements and the auditors' report thereon; and

7. Statement of deviations:

   (a) quarterly statement of deviation(s) including repot of monitoring agency, if applicable, submitted to the stock exchanges(s) in terms of the SEBI Listing Regulations; and
   (b) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Abhijit Sinha Bose (*Chairperson*)

2. Shripad Shrikrishna Nadkarni (*Member*)

3. Anand Sinha (*Member*)

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on March 6, 2022. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulating the criteria for determining the 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 the criteria for the 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 an 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 SEBI Listing Regulations, or by any other regulatory authority;

14. Recommend to the board, all remuneration, in whatever form, payable to senior management; and

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Anand Sinha (*Chairperson*)

2. Abhijit Sinha Bose (*Member*)

3. Ankit Agarwal (*Member*)

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on March 6, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

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, 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Sachin Bansal (*Chairperson*)

2. Ankit Agarwal (*Member*)

3. Shripad Shrikrishna Nadkarni (*Member*)

The Corporate Social Responsibility Committee was first constituted by a meeting of the Board of Directors held on January 21, 2021 and last reconstituted on March 6, 2022.

The terms and reference of the Corporate Social Responsibility Committee include the following:

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.

IPO Committee

The members of the IPO committee are:

1. Ankit Agarwal (*Chairperson*)

2. Sachin Bansal (*Member*)

3. Abhijit Sinha Bose (Member)

The IPO Committee was constituted by a meeting of the Board of Directors held on March 6, 2022.

The terms and reference of the IPO Committee include the following:

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the relevant registrar of companies, the RBI, and any other governmental or statutory authorities as may be required in connection with the Issue and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

2. To finalise, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Issue (the "**BRLMs**") where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Issue, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto ("**Issue Documents**"), and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the Registrar of Companies, Karnataka at Bangalore or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

3. To decide in consultation with the BRLMs on the actual Issue size, timing, pricing, discount, reservation and all the terms and conditions of the Issue, including the price band (including issue price for anchor investors), bid period, Issue price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including to make any amendments, modifications, variations or alterations in relation to the Issue;

4. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrars, sponsor bank, legal advisors, auditors, advertising agency and any other agencies or persons or intermediaries in relation to the Issue, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalisation, execution and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Issue, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, and any other agencies/intermediaries in connection with the Issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Issue;

6. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Issue or any actions connected therewith;

7. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;

8. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;

9. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

10. To accept and appropriate the proceeds of the Issue in accordance with the Applicable Laws;

11. To approve code of conduct as may be considered necessary by the IPO Committee or as required under the Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

12. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

13. To approve the restated audited financial statements of the Company, prepared by the Company in accordance with the requirements of relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended for the purposes of inclusion in the Issue Documents;

14. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

15. To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;

16. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

17. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

18. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

19. To settle all questions, difficulties or doubts that may arise in regard to the Issue, including allotment, terms of the Issue, utilisation of the Issue proceeds and matters incidental thereto as it may deem fit;

20. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Karnataka at Bangalore and the relevant stock exchange(s) where the Equity Shares are to be listed;

21. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

22. To approve the list of ‘group companies’ of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the draft red herring prospectus, the red herring prospectus and the prospectus; and to approve the list of pending litigations involving such group companies which has a material impact on the Company;

23. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws;

24. To withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

25. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

Management Organisation Structure

Sachin Bansal
Chairman, Managing Director & Chief Executive Officer

Ankit Agarwal
Executive Director & Chief Financial Officer

Apurv Anand
Chief Operating Officer & Head of Engineering

Thomas Joseph
Company Secretary & Compliance Officer

Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

Sachin Bansal is the Promoter, Chairman, Managing Director, and Chief Executive Officer of our Company. For details, see "– *Brief Biographies of Directors*" on page 253. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 256.

Ankit Agarwal is the Executive Director and Chief Financial Officer of our Company. For details, see "– *Brief Biographies of Directors*". For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 256.

Thomas Joseph is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce with major in corporate affairs and administration from Indira Gandhi National Open University, New Delhi. He is an associate member of Indian Institute of Company Secretaries of India. Prior to joining our Company, he has worked at Aster DM Healthcare Limited as their assistant manager-company secretary, Tanglin Developments Limited as their company secretary and Neuroncredit Technology Private Limited as their company secretary. He joined our Company as our Company Secretary on November 27, 2020. He was paid a gross compensation of ₹0.65 million in Financial Year ended March 31, 2021.

Apurv Anand is the Chief Operating Officer and Head of Engineering of our Company. He holds a bachelor of technology degree in computer science and engineering from Indian Institute of Technology, Delhi. Prior to joining our Company, he has worked at Veveo (India) Private Limited as senior technical Lead, American Express India Private Limited as lead technical architect and SigTuple Technologies Private Limited as co-founder and chief operations officer. He joined our Company on June 7, 2021. Since he joined our Company in June 2021, has not received any remuneration from our Company in the last Financial Year.

Relationship between our Key Managerial Personnel and Directors

None of our Key Managerial Personnel are related to each other or to the Directors of our Company.

Shareholding of Key Managerial Personnel

The shareholding of the Key Managerial Personnel of our Company as on the date of filing of this Draft Red Herring Prospectus is set forth below:

S. No.	Name	No. of Equity Shares	Number of vested employee stock options	Number of unvested employee stock options	Percentage of the pre-Issue Equity Share Capital (%)	Percentage of the post-Issue of Equity Share Capital (%)
1.	Sachin Bansal	281,725,980	-	-	97.77	[●]
2.	Ankit Agarwal	2,846,975	184,835	92,527	0.98	[●]
3.	Thomas Joseph	-	533	1,069	-	[●]
4.	Apurv Anand	-	-	355,872	-	[●]

For details, see "Capital Structure - Details of Equity Shares held by our Promoter, members of our Promoter Group, Directors and Key Managerial Personnel" on page 119.

Bonus or profit-sharing plans of our Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Interest of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company or Subsidiary other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them in the ordinary course of business, Equity Shares and options held by them in our Company. Our Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

Changes in the Key Managerial Personnel

Except as disclosed under "- *Changes in the Board in last three years*" on page 258 and as set out below, there have been no changes in the Key Managerial Personnel in the last three years.

S. No.	Name	Date of change	Reason for change
1.	Sachin Bansal	March 6, 2022	Re-designated as Chairman, Managing Director and CEO
2.	Apurv Anand	September 11, 2021	Re-designated as Chief Operating Officer and Head of Engineering
3.	Apurv Anand	June 7, 2021	Appointed as Chief Operating Officer
4.	Thomas Joseph	November 27, 2020	Appointment as Company Secretary
5.	Shubham Shrivastava	May 30, 2020	Resignation as Company Secretary
6.	Shubham Shrivastava	April 23, 2019	Appointment as Company Secretary

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed or selected as a Key Managerial Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and our Key Managerial Personnel has entered into any service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Further, none of our Directors have entered into service contracts with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

Attrition rate of Key Managerial Personnel

The attrition of the Key Managerial Personnel of our Company is not high compared to the industry.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

None of our Directors or Key Managerial Personnel are paid any contingent or deferred compensation.

Payment or Benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employee Stock Options

For details of our ESOP Plan, see "*Capital Structure*" on page 108.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Sachin Bansal is the Promoter of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoter holds 281,725,980 Equity Shares aggregating to 97.77% of the issued, subscribed and paid-up Equity Share capital of our Company.

Details of our Promoter

Sachin Bansal, aged 40 years, is our Promoter and Managing Director. For further details, see "*Our Management – Brief Biographies of Directors*" beginning on page 253. He is not involved in any other ventures. His PAN is AKBPB7970K.

Our Company confirms that details of the PAN, passport number and bank account number of our Promoter will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with them.

Interest of our Promoter

Our Promoter is interested in our Company to the extent of (i) his shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by him; (ii) being the Managing Director of our Company and the reimbursement of expenses payable by our Company to him; and (iii) being a subscriber to the Memorandum of Association of our Company. For details, please see "*Capital Structure*" and "*Our Management*" on page 108 and 253, respectively. For details of our Promoter's directorship in our Subsidiaries, see "*Our Management*" on page 253. Further, for details of our Promoter's shareholding in our Subsidiaries, see "*Our Subsidiaries*" on page 243.

Our Promoter is not interested in the properties acquired or proposed to be acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus with SEBI.

Further, our Promoter does not have any interest in any transaction of our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed below and in the section "*Our Management*" beginning on page 253. Our Promoter is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Payment or Benefits to our Promoter

Except as stated in the section "*Our Management*" beginning on page 253, there has been no amount or benefit paid or given, respectively, to our Promoter or Promoter Group during the two years prior to date of this Draft Red Herring Prospectus and no amount or benefit is intended to be paid or given to any of our Promoter or members of the Promoter Group.

Change in the control of our Company

Our Promoter is the original promoter of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Material guarantees to third parties with respect to the Equity Shares

As on the date of this Draft Red Herring Prospectus, our Promoter has not given any material guarantees to any third-party with respect to the Equity Shares.

Companies with which our Promoter has disassociated in the last three years

Except as disclosed below, our Promoter has not disassociated himself from any company during the preceding three years from the date of filing this Draft Red Herring Prospectus:

Name of the Company	Reasons for disassociation	Date of disassociation
Sabin Advisors Private Limited	Strike-off of company	April 26, 2019
Blue Hat Education Private Limited	Strike-off of company	November 8, 2019
Inkers Technology Private Limited	Sale of complete stake in company	March 1, 2021
Talent Unlimited Online Services Private Limited	Sale of complete stake in company	June 9, 2021

For other relevant confirmations in relation to our Promoter and Promoter Group, see "*Other Regulatory and Statutory Disclosures – Prohibition by SEBI or other Governmental Authorities*" on page 478.

Promoter Group[(1)]

Apart from our Promoter, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons who are part of the Promoter Group

a. Aryaman Bansal

b. Kiran Bansal

c. Nitin Bansal

d. Sat Parkash Aggarwal

Entities forming part of the Promoter Group

a. Seven Leaves

b. White Shrub Private Limited

[(1)] Our Company has filed exemption applications dated March 10, 2022, seeking exemption from strict enforcement of the SEBI ICDR Regulations, under Regulation 300(1)(c) of the SEBI ICDR Regulations, from disclosing (a) a private limited company in which our Promoter holds more than 20% of the equity share capital, and the entities in which such private limited company has shareholding, and (b) an individual who is related to our Promoter, such individual's immediate relatives, and the entities in which such individual or their immediate relatives have an interest, as members of the Promoter Group in accordance with the SEBI ICDR Regulations.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations 'group companies' of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements during any of the last three Financial Years in respect of which the Restated Financial Statements are included in this Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board. For the purposes of (ii) above, pursuant to the resolution passed by our Board at its meeting held on March 6, 2022, the Board has approved that no companies shall be considered material.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Board has not identified any group companies.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend policy of our Company was adopted and approved by our Board in their meeting held on March 6, 2022 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors such as, profitability, free cash flow, growth plans, borrowing capacity, investment opportunities or any other factor which is likely to have a significant impact on the Company, and external factors, such as contractual or statutory restrictions, growth and performance of the economy or any other external factors which may impact the Company's operations.

Our Company has not declared dividends on the Equity Shares during the current Financial Year and the preceding three Financial Years.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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The Board of Directors
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
7th Floor, Wing-B Prestige RMZ Star Tech,
Hosur Rd, Koramangala Industrial Layout,
Bangalore - 560034

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Navi Technologies Limited *(formerly known as Navi Technologies Private Limited)*** (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, 2020 and 2019, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the nine month period ended December 31, 2021 and for the years ended March 31, 2021 and 2020 and for the period December 10, 2018 to March 31, 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on March 06, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
    b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
    c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India and relevant stock exchanges in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 3.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 07, 2022 in connection with the proposed IPO of equity shares of the Company;
    b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
    d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:
    a. Audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the nine month period ended December 31, 2021 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the “Special Purpose Interim Consolidated Ind AS Financial Statements”) which have been approved by the Board of Directors at their meeting held on March 06, 2022.

    b. Audited Consolidated Ind AS financial statements of the Group as at and for the years ended March 31 2020 and 2021 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 24, 2020 and July 29, 2021. The comparative information for the period December 10, 2018 to March 31, 2019 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at March 31, 2019 and for the period December 10, 2018 to March 31, 2019, prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”) which have been audited by the previous auditors, M/s Varma & Varma Chartered Accountants (the “Previous Auditors”) and was approved by the Board of directors at their meeting held on August 02, 2019.

    c. The Restated Consolidated Financial Information also contains the Special Purpose Ind AS financial information as at March 31, 2019 and for the period December 10, 2018 to March 31, 2019. The Special Purpose Ind AS financial information have been prepared by making Ind AS adjustments to the financial statements prepared in accordance with Indian GAAP and other accounting principles generally accepted in India as at March 31, 2019 and for the period December 10, 2018 to March 31, 2019 by the previous auditors, M/s Varma & Varma Chartered Accountants, which have been approved by the Board of Directors at their meeting held on March 06, 2022 as described in Note 3.1 to the Restated Consolidated Financial Information.

5. For the purpose of our examination, we have relied on:

   a. Auditors' reports issued by us dated March 06, 2022, July 29, 2021 and September 24, 2020 on the consolidated financial statements of the Group as at and for the nine month period ended December 31, 2021 and as at and for the year ended March 31, 2021 and March 31, 2020 as referred in Paragraph [4] above; and

   b. Auditors' Report issued by the Previous Auditors dated March 06, 2022 on the special purpose Ind AS financial statements of the Company as at March 31, 2019 and for the period December 10, 2018 to March 31, 2019, as referred in Paragraph 4 above

   The audit for the period December 10, 2018 to March 31, 2019 was conducted by the Company's previous auditors, M/s Varma & Varma Chartered Accountants, and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2019 Restated Financial Information") examined by them for the said period. The examination report included for the said period is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2019 Restated Financial Information:

      i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial period December 10, 2018 to March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine-month period ended December 31, 2021;

      ii. do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 below; and

      iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. The audit reports on the consolidated financial statements issued by us and Previous Auditors included following paragraphs (also refer note 66 to the Restated Consolidated Financial Information) :

   Emphasis of matter paragraph in the audit report dated March 06, 2022 issued by us on the special purpose consolidated financial statements for the nine months period ended December 31, 2021

   "We draw attention to Note 67 of the accompanying Special Purpose Interim Consolidated Financial Statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Group's operations and the impact on the impairment provision recognized towards the loan assets and unquoted investments outstanding as at 31 December 2021. Our opinion is not modified in respect of this matter."

   "The auditors of Chaitanya India Fin Credit Private Limited, vide their report dated 01 February 2022, have expressed an unmodified opinion and have reported in the 'Emphasis of matter' section that, attention is drawn to Note No. 2(B) and Note No. 7 of the special purpose financial statements for the nine months ended December 31, 2021, which describes the evaluation of the impact of Global pandemic COVID-19, on the company's business operations, financial position, carrying value of various assets and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as at the date of approval of these financial statements. Our Opinion is not modified in respect of the above matter."

Other matter paragraphs in the audit report dated March 06, 2022 issued by us on the special purpose consolidated financial statements for the nine months period ended December 31, 2021

"The auditors of Navi General Insurance Limited, vide their report dated 03 February 2022, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported ('IBNR'), Claims Incurred But Not Enough Reported ('IBNER') and Premium Deficiency Reserve ('PDR') is the responsibility of the Company's appointed actuary (the 'Appointed Actuary'). The actuarial valuation of these liabilities as at December 31, 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. The auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for outstanding claims reserves (IBNR and IBNER) as reflected in the special purpose financial statements of the subsidiary company."

"The auditors of Navi General Insurance Limited, vide their report dated 03 February 2022, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'the audit of the Special Purpose Financial Statements for the year ended March 31, 2021 and March 31, 2020 was conducted by N.M.Raiji & Co., Chartered Accountants, one of the joint auditors of the Company, who had expressed an unmodified opinion on those Special Purpose Financial Statements. Accordingly, J.C. Bhalla & Co., Chartered Accountants does not express any opinion on the figures reported in the Special Purpose Financial Statements for the year ended March 31, 2021 and March 31, 2020'."
Our opinion above on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors."

Emphasis of matter paragraph in the audit report dated July 29, 2021 issued by us on the consolidated financial statements for the Financial year ended March 31, 2021

"We draw attention to Note 64 of the consolidated financial statements, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Group's operations and the impact on the impairment provision recognised towards the loan assets and unquoted investments outstanding as on 31 March 2021. Our opinion is not modified in respect of this matter."

Other matter paragraph in the audit report dated July 29, 2021 issued by us on the consolidated financial statements for the Financial year ended March 31, 2021

"The auditors of Navi General Insurance Limited, vide their report dated 13 July 2021, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'the actuarial valuation of liabilities in respect of Claims Incurred But Not Reported ('IBNR'), Claims Incurred But Not Enough Reported ('IBNER') and Premium Deficiency Reserve ('PDR') is the responsibility of the Company's appointed actuary (the 'Appointed Actuary'). The actuarial valuation of these liabilities as at 31 March 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. The auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for outstanding claims reserves (IBNR and IBNER) as reflected in the special purpose financial statements of the subsidiary company."

Emphasis of matter paragraph in the audit report dated September 24, 2020 issued by us on the consolidated financial statements for the Financial year ended March 31, 2020

"We draw attention to Note 57 of the accompanying consolidated financial statements, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Group's operations and the impact on the impairment provision recognised towards the loan assets and unquoted investments outstanding as on 31 March 2020. Our opinion is not modified in respect of this matter."

7. As indicated in our audit reports referred above:

   a. we did not audit financial statements of two subsidiaries whose share of total assets, total revenues and net cash inflows / (outflows) included in the consolidated financial statements, for the year ended March 31, 2020 is tabulated below, which have been audited by other auditors, Richa Khetawat, JC Bhalla & Co. and N.M. Raiji & Co., and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at/ for the year ended March 31, 2020
Total assets	4,777.20
Total revenues	182.62
Net cash inflow/ (outflows)	25.60

   b. we did not audit financial statements of five subsidiaries whose share of total assets, total revenues and net cash inflows / (outflows) included in the consolidated financial statements, for the year ended March 31, 2021 is tabulated below, which have been audited by other auditors, Richa Khetawat, JC Bhalla & Co. N.M. Raiji & Co., Sharma & Pagaria, Mukund M. Chitale & Co. and BS Sharma & Co., and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at/ for the year ended March 31, 2021
Total assets	8,998.25
Total revenues	1,432.24
Net cash inflow/ (outflows)	(398.72)

c. we did not audit financial statements of six subsidiaries whose share of total assets, total revenues and net cash inflows / (outflows) included in the special purpose interim consolidated financial statements, for the nine months period ended December 31, 2021 is tabulated below, which have been audited by other auditors, M/s Varma & Varma, Richa Khetawat, JC Bhalla & Co., N.M. Raiji & Co., CGS & Co. Mukund M. Chitale & Co. and BS Sharma & Co., and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at/ for the nine month period ended December 31, 2021
Total assets	29,354.29
Total revenues	3,378.99
Net cash inflow/ (outflows)	(289.65)

d. The comparative financial information of the Company for the period December 10, 2018 to March 31, 2019 and the transition date opening balance sheet as at April 1, 2019 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the previous auditors. The report of the previous auditors on the comparative financial information and the said opening balance sheet dated March 06, 2022 expressed an unmodified opinion.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

These other auditors of the subsidiaries, as mentioned above, have examined the restated consolidated financial information and have confirmed that the restated consolidated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine-months period ended December 31, 2021;
b) do not require any adjustments for the matters giving rise to modifications mentioned in paragraph 6 above; and
c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors and other auditors for the respective periods/years, we report that the Restated Consolidated Financial Information:

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and 2020 and the period December 10, 2018 to March 31,2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended December 31, 2021;

b. do not require any adjustments for the matters giving rise to modifications mentioned in paragraph 6 above; and

c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated Ind AS financial statements and audited consolidated financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Manish Gujral
Partner
Membership No.: 105117

UDIN: 22105117AEGEYI9015

Place: Mumbai
Date: 06 March 2022

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(All amount in ₹ Millions, unless otherwise stated)

	Particulars	Notes	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
I.	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	6	408.58	172.45	227.88	3.63
	Right of use assets	7	727.43	686.30	273.44	30.39
	Goodwill		1,501.95	1,501.95	1,271.10	-
	Other intangible assets	8	1,044.62	1,192.39	1,125.53	0.04
	Intangible assets under development	9	0.91	0.05	101.92	5.61
	Financial assets					
	(i) Investments	10	3,717.09	1,315.93	7,792.52	-
	(ii) Investments of Insurance business: Policyholders	10A	2,576.06	3,175.82	1,496.47	-
	(iii) Investments of Insurance business: Shareholders	10B	2,109.47	1,909.80	820.43	-
	(iv) Loans	11	12,631.37	5,231.75	2,817.48	-
	(v) Other financial assets	12	214.91	302.91	112.49	3.51
	Reinsurance assets	54	701.39	696.99	230.03	-
	Non current tax assets (net)	13	272.97	107.60	25.56	-
	Other non-current assets	14	47.36	44.67	23.69	1.61
	Deferred tax assets (net)	15	994.90	451.00	166.41	-
	Total non-current assets		**26,949.01**	**16,789.61**	**16,484.95**	**44.79**
(2)	**Current assets**					
	Financial assets					
	(i) Investments	16	14,877.92	28,146.74	26,006.97	558.03
	(ii) Investments of insurance business: Policyholders	16A	700.94	607.73	337.12	-
	(iii) Investments of insurance business: Shareholders	16B	280.23	326.29	651.15	-
	(iv) Trade receivables	17	5.96	17.37	0.63	-
	(v) Cash and cash equivalents	18	3,347.75	2,073.04	316.05	0.01
	(vi) Other bank balances	19	1,649.37	2,745.19	118.36	-
	(vii) Loans	20	21,025.04	11,377.01	6,557.81	-
	(viii) Other financial assets	21	1,884.19	268.98	99.58	-
	Reinsurance assets	54	242.12	383.73	262.62	-
	Other current assets	22	1,605.00	326.97	174.52	3.76
	Total current assets		**45,618.52**	**46,273.05**	**34,524.81**	**561.80**
	TOTAL ASSETS		**72,567.53**	**63,062.66**	**51,009.76**	**606.59**

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Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure I - Restated Consolidated Statement of Assets and Liabilities (cont'd)
(All amount in ₹ Millions, unless otherwise stated)

	Particulars	Notes	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
II.	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	23	28,813.90	28,813.90	28,749.34	510.00
	Other equity	24	8,501.55	10,523.07	10,766.89	20.69
	Total equity		**37,315.45**	**39,336.97**	**39,516.23**	**530.69**
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	25	11,754.09	8,845.26	2,369.41	-
	(ii) Lease liabilities	26	616.83	581.70	210.14	24.10
	(iii) Other financial liabilities	27	-	10.51	-	-
	Insurance contract liabilities	28	1,936.02	2,600.46	927.20	-
	Provisions	29	194.83	116.23	87.81	-
	Other non-current liabilities	30	134.82	129.49	110.78	-
	Deferred tax liabilities (net)	15	-	-	-	0.54
	Total non-current liabilities		**14,636.59**	**12,283.65**	**3,705.34**	**24.64**
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	31	14,770.70	8,066.95	5,679.46	31.59
	(ii) Lease liabilities	32	201.59	127.01	72.41	6.72
	(iii) Trade payables	33				
	- total outstanding dues of micro enterprises and small enterprises; and		1.39	13.03	0.04	0.12
	- total outstanding dues of creditors other than micro enterprises and small enterprises.		294.08	208.98	189.26	3.25
	(iv) Other financial liabilities	34	2,710.83	1,171.57	385.78	0.90
	Insurance contract liabilities	35	2,125.78	1,483.95	1,274.84	-
	Other current liabilities	36	258.56	233.47	128.90	5.25
	Provisions	37	173.19	99.64	50.35	-
	Current tax liabilities (net)	38	79.37	37.44	7.15	3.43
	Total current liabilities		**20,615.49**	**11,442.04**	**7,788.19**	**51.26**
	Total liabilities		**35,252.08**	**23,725.69**	**11,493.53**	**75.90**
	TOTAL EQUITY AND LIABILITIES		**72,567.53**	**63,062.66**	**51,009.76**	**606.59**
	Summary of significant accounting policies	1-5				

The accompanying notes are integral part of the restated consolidated financial information.

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

For and on behalf of Board of Directors of
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)

Sd/-
Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 6 March 2022

Sd/-
Sachin Bansal
Managing Director and
Chief Executive Officer
DIN No.: 02356346

Place: Bengaluru
Date: 6 March 2022

Sd/-
Ankit Agarwal
Executive Director and
Chief Financial Officer
DIN No.: 08299808

Place: Bengaluru
Date: 6 March 2022

Sd/-
Thomas Joseph
Company Secretary
Membership No:A53322

Place: Bengaluru
Date: 6 March 2022

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amount in ₹ Millions, unless otherwise stated)

	Particulars	Notes	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
I.	**Income**					
	Revenue from operations	39	965.75	1,366.63	559.48	125.70
	Interest income	40	4,376.33	4,509.53	1,639.33	1.47
	Other income	41	36.08	9.12	11.54	-
	Net gain/(loss) on fair value changes	42	1,684.20	1,725.08	(148.76)	42.35
	Net gain on derecognition of financial instruments under amortised cost category	43	131.43	189.81	8.57	-
	Total income		**7,193.79**	**7,800.17**	**2,070.16**	**169.52**
II.	**Expenses**				-	
	Employee benefits expense	44	2,107.42	1,696.74	616.14	58.11
	Finance costs	45	1,371.05	882.10	370.26	0.87
	Depreciation and amortisation expense	46	357.32	406.59	89.33	1.69
	Impairment on financial instruments	47	1,042.74	1,872.44	238.21	-
	Policyholders expense of insurance operations		429.58	668.17	148.52	-
	Other expenses	48	4,356.17	1,211.52	578.43	65.73
	Total expenses		**9,664.28**	**6,737.56**	**2,040.89**	**126.40**
III.	**(Loss)/Profit before tax**		**(2,470.49)**	**1,062.61**	**29.27**	**43.12**
IV.	**Tax expense**	49				
	Current tax expense		129.49	641.71	215.14	21.89
	Deferred tax (credit)/expense		(535.71)	(290.98)	(105.16)	0.54
	Total Tax expense		**(406.22)**	**350.73**	**109.98**	**22.43**
V.	**Net (Loss)/Profit for the period/year**		**(2,064.27)**	**711.88**	**(80.71)**	**20.69**
VI.	**Other Comprehensive Income**	50				
A	Items that will not be reclassified to profit or loss		(3.99)	2.16	(1.83)	-
	Income tax related to items (A)		1.98	0.43	0.32	-
B	Items that will be reclassified to profit or loss		(77.73)	22.76	23.03	-
	Income tax related to items (B)		6.21	(7.08)	-	-
	Other comprehensive (loss) / income for the period /year (A+B)		**(73.53)**	**18.27**	**21.52**	**-**
VII.	**Total Comprehensive (loss) / income for the period /year**		**(2,137.80)**	**730.15**	**(59.19)**	**20.69**
VIII.	**Earnings per equity share**	51				
	Basic (₹ per share)		(7.16)	2.47	(2.09)	7.31
	Diluted (₹ per share)		(7.16)	2.45	(2.09)	7.31

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the restated consolidated financial information.

This is the Restated Consolidated Statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

For and on behalf of Board of Directors of
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)

Sd/-
Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 6 March 2022

Sd/-
Sachin Bansal
Managing Director and
Chief Executive Officer
DIN No.: 02356346

Place: Bengaluru
Date: 6 March 2022

Sd/-
Ankit Agarwal
Executive Director and
Chief Financial Officer
DIN No.: 08299808

Place: Bengaluru
Date: 6 March 2022

Sd/-
Thomas Joseph
Company Secretary

Membership No: A53322

Place: Bengaluru
Date: 6 March 2022

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure III - Restated Consolidated Statement of Changes in Equity
(All amount in ₹ Millions, unless otherwise stated)

A Equity share capital

Particulars	Number of Equity Shares	Amount
Balance as at 10 December 2018	**-**	**-**
Changes in equity share capital during the period 10 December 2018 to 31 March 2019	51,00,000	510.00
Balance as at 31 March 2019	**51,00,000**	**510.00**
Changes in equity share capital during the year	28,23,93,349	28,239.34
Balance as at 31 March 2020	**28,74,93,349**	**28,749.34**
Changes in equity share capital during the year	6,45,629	64.56
Balance as at 31 March 2021	**28,81,38,978**	**28,813.90**
Changes in equity share capital during the period	-	-
Balance as at 31 December 2021	**28,81,38,978**	**28,813.90**

B Other equity

Particulars	Share application money pending allotment	Statutory reserve u/s 45IA of the RBI Act	Capital Reserve	Debenture Redemption Reserve	Securities premium	Employee stock option plan reserve	Retained earnings	Total
Profit for the period 10 December 2018 to 31 March 2019	-	-	-	-	-	-	20.69	20.69
Other comprehensive income	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**-**	**20.69**	**20.69**
Loss for the year	-	-	-	-	-	-	(80.71)	(80.71)
Other comprehensive income for the year	-	-	-	-	-	-	21.52	21.52
Statutory reserve pertaining to NBFC subsidiaries acquired on business combination (refer note 60)	-	44.10	-	-	-	-	-	44.10
Transfer to statutory reserve from retained earnings	-	19.47	-	-	-	-	(19.47)	-
Share application money pending allotment	21.45	-	-	-	-	-	-	21.45
Security premium received on allotment of shares	-	-	-	-	10,763.36	-	-	10,763.36
Share based payment to employees	-	-	-	-	-	23.99	-	23.99
Capital reserve upon consolidation	-	-	3.29	-	-	-	-	3.29
Dividend distribution tax paid	-	-	-	-	-	-	(50.80)	(50.80)
Balance as at 31 March 2020	**21.45**	**63.57**	**3.29**	**-**	**10,763.36**	**23.99**	**(108.77)**	**10,766.89**
Profit for the year	-	-	-	-	-	-	711.88	711.88
Other comprehensive income for the year	-	-	-	-	-	-	18.27	18.27
Adjustments to retained earnings on account of Change in UEPR methodology (refer note 54.2)	-	-	-	-	-	-	(981.72)	(981.72)
Share application money pending allotment refunded	(3.59)	-	-	-	-	-	-	(3.59)
Shares allotted against share application money	(17.86)	-	-	-	-	-	-	(17.86)
Transferred from retained earnings to Debenture Redemption reserve	-	-	-	10.00	-	-	(10.00)	-
Security premium received on allotment of shares	-	-	-	-	26.15	-	-	26.15
Transferred to securities premium from share based payment reserve	-	-	-	-	16.80	(16.80)	-	-
ESOP cost adjusted for shares purchased from employees	-	-	-	-	(21.39)	-	-	(21.39)
Security premium utilised for equity component of Compulsory Convertible Debentures	-	-	-	-	(27.78)	-	-	(27.78)
Share based payment to employees	-	-	-	-	-	51.05	-	51.05
Capital reserve upon consolidation	-	-	1.17	-	-	-	-	1.17
Transfer to statutory reserve from retained earnings	-	240.55	-	-	-	-	(240.55)	-
Balance as at 31 March 2021	**-**	**304.12**	**4.46**	**10.00**	**10,757.14**	**58.24**	**(610.89)**	**10,523.07**
Loss for the period	-	-	-	-	-	-	(2,064.27)	(2,064.27)
Other comprehensive income for the period	-	-	-	-	-	-	(73.53)	(73.53)
Share based payment to employees	-	-	-	-	-	116.28	-	116.28
Balance as at 31 December 2021	**-**	**304.12**	**4.46**	**10.00**	**10,757.14**	**174.52**	**(2,748.69)**	**8,501.55**

Summary of significant accounting policies
The accompanying notes are integral part of the restated consolidated financial information.

This is the Restated Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

Sd/-
Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 6 March 2022

For and on behalf of Board of Directors of
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)

Sd/-
Sachin Bansal
Managing Director and
Chief Executive Officer
DIN No.: 02356346

Place: Bengaluru
Date: 6 March 2022

Sd/-
Ankit Agarwal
Executive Director and
Chief Financial Officer
DIN No.: 08299808

Place: Bengaluru
Date: 6 March 2022

Sd/-
Thomas Joseph
Company Secretary

Membership No:A53322

Place: Bengaluru
Date: 6 March 2022

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure IV - Restated Consolidated Cash Flow Statement
(All amount in ₹ Millions, unless otherwise stated)

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax	**(2,470.49)**	**1,062.61**	**29.27**	**43.12**
Adjustments for:				
i. Depreciation and amortisation expense	357.32	406.59	89.33	1.69
ii. Finance costs	1,370.84	881.81	369.99	0.87
iii. Interest income on debt securities and deposits	(907.52)	(1,386.64)	(218.20)	(0.15)
iv. (Gain)/loss on sale of investments	(1,684.20)	(1,725.08)	148.75	(40.05)
v. Impairment expense	1,042.74	1,872.44	238.20	-
vi. Other adjustments				
- Premium received on redemption of debt securities	-	-	(0.89)	-
- Gain on sale of bills purchased	-	-	(7.51)	-
- (Gain)/Loss on sale of property, plant and equipment	0.04	5.31	(0.05)	-
- (Gain)/Loss on derecognition of right of use for sub-leasing	-	(3.51)	-	-
- Unwinding of discount on security deposits paid	(5.02)	(1.62)	(0.44)	(0.12)
- Unwinding of discount on security deposits received	0.21	0.29	0.27	-
- Prepaid rental charges	-	1.69	0.47	0.08
- Share based payments expense	116.28	58.44	24.11	-
- Employee incentive plan	31.39	15.57	10.11	-
- Stamp duty charges on share allotment	-	8.23	39.05	-
- Change in valuation of liabilities in respect of insurance policies in force	(22.61)	299.21	49.15	-
- Net gain on derecognition of financial instruments under amortised cost category	(131.43)	(189.81)	(8.57)	-
- Re-measurement gains/(losses) on defined benefit plans (net of tax)	(2.01)	2.59	(1.51)	-
- Effective interest rate adjustment for financial instruments	113.73	-	-	-
- Others	2.76	3.56	0.95	-
Operating (loss)/profit before working capital changes	**(2,187.97)**	**1,311.68**	**762.48**	**5.44**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(3.35)	(12.80)	6.33	-
Loans	(18,464.34)	(9,042.31)	(3,331.70)	(6.71)
Other financial assets	(2,138.25)	2,055.85	(58.03)	-
Other assets	(862.89)	(3,643.52)	54.92	(5.67)
Adjustments for increase/(decrease) in operating liabilities:	-	-		
Trade payables	20.36	43.54	(40.65)	3.37
Other financial liabilities	(174.16)	(160.39)	42.30	0.90
Other liabilities	94.48	1,053.80	(44.69)	5.32
Provisions	418.96	170.57	62.65	-
Cash generated from / (used in) from operations	**(23,297.16)**	**(8,223.58)**	**(2,546.39)**	**2.65**
Income taxes paid (net of refunds)	(258.78)	(716.88)	(178.10)	(18.59)
Net cash flow (used in) operating activities (A)	**(23,555.94)**	**(8,940.46)**	**(2,724.49)**	**(15.94)**

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Annexure IV - Restated Consolidated Cash Flow Statement
(All amount in ₹ Millions, unless otherwise stated)

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
B. CASH FLOWS FROM INVESTING ACTIVITIES				
i. Property, plant and equipment				
- Purchased during the year / period	(323.21)	(59.52)	(35.52)	(3.73)
- Sold during the year / period	1.28	52.73	2.55	-
ii. Intangible assets (including intangibles under development)				
- Purchased during the year / period	(11.73)	(79.01)	(199.38)	(5.65)
- Sold during the period	-	-	-	-
iii. Deposits with Bank				
- redeemed during the year / period	(30.69)	(2,685.20)	294.47	-
- made during the year / period	1,389.80	40.92	(300.00)	-
iv. Purchase consideration paid for acquisition of subsidiaries (net of cash and cash equivalents on date of acquisition)	-	(868.34)	(3,497.65)	-
v. Net proceeds from sale/ (purchase) of investments(net)	12,432.81	4,302.63	(10,859.61)	(554.56)
vi. Interest income received on investments	966.89	1,243.82	218.20	0.16
vii. Gains/premium realised on sale/redemption of investments	850.20	309.60	79.60	40.05
Net cash flow generated from / (used in) investing activities (B)	**15,275.35**	**2,257.63**	**(14,297.34)**	**(523.73)**
C. CASH FLOWS FROM FINANCING ACTIVITIES				
i. Share capital issued				
- Proceeds from issue of share capital	-	72.85	14,238.13	510.00
- Share application money received pending allotment	-	(3.59)	21.45	-
ii. Borrowings from Banks and Financial Institutions				
- Availed during the year / period	64,826.98	32,950.19	5,633.34	31.59
- Repayments during the year / period	(67,828.78)	(28,430.04)	(2,197.58)	-
iii. Unsecured loan from directors				
- Availed during the year / period	-	-	780.00	9,000.00
- Repayments during the year / period	-	-	(780.00)	(9,000.00)
iv. Unsecured loan from others				
- Availed during the year / period	-	-	55.00	-
- Repayments during the year / period	-	(70.94)	(21.00)	-
v. Bank overdraft				
- Availed during the year / period	-	-	5.36	-
vi. Debentures				
- Availed during the year / period	14,549.72	5,229.00	-	-
- Repayments during the year / period	(557.51)	(802.16)	-	-
vii. Payment of lease liability				
- Principal portion	(64.45)	(65.59)	(9.15)	(1.17)
- Interest portion	(43.61)	(22.88)	(7.43)	(0.58)
viii. Interest expenses incurred				
- Interest paid on borrowings	(1,326.91)	(833.49)	(380.09)	(0.16)
- Interest paid on taxes	(0.14)	(0.18)	(0.16)	-
Net cash flow generated from Financing Activities (C)	**9,555.30**	**8,023.17**	**17,337.87**	**539.68**

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Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure IV - Restated Consolidated Cash Flow Statement
(All amount in ₹ Millions, unless otherwise stated)

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
Net increase in cash and cash equivalents (A+B+C)	**1,274.71**	**1,340.34**	**316.04**	**0.01**
Cash and cash equivalents at the beginning of the period/year (refer note 18)	2,073.04	316.05	0.01	-
Cash and cash equivalents acquired upon acquisitions	-	416.65	-	-
Cash and cash equivalents at the end of the period/year (refer note 18)	**3,347.75**	**2,073.04**	**316.05**	**0.01**
Cash and cash equivalents as per the cash flow statement	**1,274.71**	**1,340.34**	**316.04**	**0.01**

The accompanying notes are integral part of the restated consolidated financial information.
This is the Restated Consolidated Cash Flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

For and on behalf of Board of Directors of
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)

Sd/-
Manish Gujral
Partner
Membership No: 105117
Place: Mumbai
Date: 6 March 2022

Sd/-
Sachin Bansal
Managing Director and Chief Executive Officer
DIN No.: 02356346
Place: Bengaluru
Date: 6 March 2022

Sd/-
Ankit Agarwal
Executive Director and Chief Financial Officer
DIN No.: 08299808
Place: Bengaluru
Date: 6 March 2022

Sd/-
Thomas Joseph
Company Secretary
Membership No: A53322
Place: Bengaluru
Date: 6 March 2022

1. Corporate Information

The restated consolidated financial information comprise of the restated financial information of Navi Technologies Limited *(formerly known as Navi Technologies Private Limited)* (hereinafter referred to as the "Holding Company" or "the Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as at and for the period ended 31 December 2021, years ended 31 March 2021, 31 March 2020 and the period 10 December 2018 to 31 March 2019.

The Holding Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 ("the Act").

The Holding Company was incorporated as BAC Acquisitions Private Limited, on 10 December 2018 in Bengaluru, Karnataka. The Company's name was changed to Navi Technologies Private Limited on 14 October 2019, and subsequently to Navi Technologies Limited on 15 February 2022.

The registered office of the Holding Company is located at 3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout Bangalore Karnataka 560095. The principal place of business of the Group is in India.

The Holding Company is in the business of building technology and providing services through information technology-driven internet and mobile platforms in various sectors and providing advisory services. The subsidiaries of the Holding Company are involved in the business of:

i. 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 non-banking financing company, including intermediation services for financial services agents and money transfer agents, credit linkage services, acting as a banking correspondent, etc.
ii. investments in equity, mutual funds, alternative investment funds (AIFs), bonds, debentures, pass through certificates, receivables, sovereign funds and to extend to other persons and body corporates, loans and other instruments of similar nature for such consideration as the Group may deem fit;
iii. the activity of trading in the equity, debt, gold, oil, currency, interest rates and commodities in and across futures, options and other derivatives and to carry on repo and reverse repo transactions;
iv. providing various insurance products to the customers through multiple distribution channels; and
v. acting as an asset management company, for various mutual fund schemes floated by the Group, as approved by the Securities and Exchange Board of India (SEBI).

The Restated Consolidated Financial Information were authorised for issue in accordance with a resolution of the Board of Directors on 6 March 2022.

2. Statement of Compliance

These Restated Consolidated Financial Information of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), and applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The restated consolidated financial information for the nine-months ended 31 December 2021 were authorized and approved for issue by the Board of Directors on 6 March 2022.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. Significant accounting policies

3.1. Basis of preparation

The restated consolidated financial information of the Group, and its subsidiaries comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows for the nine-months ended 31 December 2021 and for the years ended 31 March 2021, 31 March 2020 and the period 10 December 2018 to 31 March 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (*collectively, the 'Restated Consolidated Financial Information'*).

These restated consolidated financial information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (‘DRHP’) to be filed by the Company with the SEBI, National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) in connection with proposed Initial Public Offering (“IPO”) of its equity shares.

The restated consolidated financial information, which have been approved by the Board of Directors of the Holding Company, have been prepared in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") as amended from time to time;
b) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the “SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

The restated consolidated financial information have been prepared from the audited special purpose interim restated consolidated financial information of the Group as at and for the period nine-months period ended 31 December 2021, the audited restated consolidated financial information as at and for the years ended 31 March 2021 and 31 March 2020 and the audited financial statements as at and for the period 10 December 2018 to 31 March 2019 which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Act read with, the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors of the Holding Company at their meetings held on 6 March 2022, 29 July 2021, 24 September 2020 and 6 March 2022 respectively, on which an unmodified audit opinion was issued vide audit reports dated 6 March 2022, 29 July 2021, 24 September 2020 and 6 March 2022, respectively. The audited financial statements of the Company as at and for the period 10 December 2018 to 31 March 2019 was prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”), which was audited by the previous auditors, M/s. Varma & Varma Chartered Accountants and was approved by the Board of directors at their meeting held on 6 March 2022. A Special Purpose Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the period 10 December 2018 to 31 March 2019, by the previous auditors, M/s Varma & Varma Chartered Accountants, which have been approved by the Board of Directors of the Company at their meeting held on 6 March 2022.

The restated consolidated financial information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policies on financial instruments and Share-based payments).

The accounting policies have been consistently applied by the Group in preparation of the restated consolidated financial information and are consistent with those adopted in the preparation of the special purpose interim restated consolidated financial information for the period ended 31 December 2021. These restated consolidated financial information do not reflect the effects of events that occurred subsequent to the respective dates of auditor’s reports on the audited restated consolidated financial information mentioned above.

The restated consolidated financial information has been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;
b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the special purpose interim restated consolidated financial information of the Group for the nine-months period ended 31 December 2021 and the requirements of the SEBI ICDR Regulations, if any; and
c) The resultant impact of tax due to the aforesaid adjustments, if any.

All the amounts included in the restated consolidated financial information are presented in Indian Rupees (‘Rupees’ or ‘INR’) and are rounded to the nearest millions (upto two digits), except per share data and unless stated otherwise.

Refer note 59 for information of entities consolidated in the Group.

(i) Going concern and basis of measurement

The restated consolidated financial information has been prepared on a going concern basis under the historical cost convention on accrual basis except for:

- Certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.
- Net defined employee benefit asset / liability, which are measured at Fair Value of plan assets less present value of defined benefit obligations.
- Certain insurance contract liabilities and investments contract liabilities.
- Intangibles acquired on business combinations have been measured at fair value.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(ii) Business Combination and Goodwill

Business combinations (other than those under common control) are accounted for using the acquisition method under Ind AS 103. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- The assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 19 Employee Benefits.
- Deferred tax assets and liabilities are recognized and measured in accordance with Ind AS 12 Income Taxes.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The consideration transferred by the acquirer is recognized at fair value at the acquisition date. Deferred consideration is classified as a liability under Ind AS 109 and is measured at amortized cost.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in restated consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(iii) Basis of Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The determination of control for the purpose of consolidation is done as per Ind AS 110. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
b) Exposure, or rights, to variable returns from its involvement with the investee, and
c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee;
b) Rights arising from other contractual arrangements;
c) The Group's voting rights and potential voting rights; and
d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the restated consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated consolidated financial information 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 restated consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's restated financial information in preparing the restated consolidated financial information to ensure conformity with the group's accounting policies.

The restated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the restated consolidated financial information of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the 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 restated consolidated financial information at the acquisition date.
b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, 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 intra-group transactions.

Profit or loss and each component of other comprehensive income (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 non-controlling interests having a deficit balance. When necessary, adjustments are made to the restated financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The Group measures non-controlling interests at their proportion of the fair value of the identifiable net assets.

(iv) Functional and presentation currency

These restated consolidated financial information are presented in Indian Rupees, which is also the Group's functional currency, all amounts have been rounded off to nearest millions (up to two digits), unless otherwise indicated.

(v) Use of estimates and judgements

The preparation of the restated consolidated financial information 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 period. An overview of the areas that involve a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to, estimates and assumptions turning out to be different than those originally assessed have been disclosed below. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the restated consolidated financial information.

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under circumstances.

(vi) Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revised Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Group has incorporated these requirements of these amendments and considered as part of the restated consolidated financial information.

3.1 Revenue recognition

Indian Accounting Standard 115 Revenue from Contracts with Customers (“Ind AS 115”), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:
(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies the performance obligations by transferring the promised goods or services to its customers.

Rendering of Services

Revenue from rendering services are measured using the percentage of completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and are recognized net of taxes.
Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Other income

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

3.2 Property, Plant and Equipment:

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

Subsequent measurement (depreciation method, useful lives and residual value)

Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013, except for the below assets where different useful lives have been taken on the basis of technical assessment:

Asset class	Useful life adopted by the Group
Electrical Installations and Equipment	10 years
Leasehold Improvements	10 years
Computers and Peripherals	6 years
Office equipment	5 years
Furniture and fixtures	10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Assets individually costing less than ₹5,000 are fully depreciated in the year of purchase.
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.

Subsidiaries

Subsidiaries of the Holding Company – Navi Finserv Private Limited *(formerly known as Chaitanya Rural Intermediation Development Services Limited)*, Chaitanya India Finance Credit Private Limited *(subisidiary of Navi Finserv Private Limited)* and Mavenhive Technologies Private Limited are following written down value method as prescribed in Schedule II of Companies Act 2013.
The useful life of the assets adopted by subsidiaries under WDV method 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
Vehicles	8 years
UPS	10 years

3.3 Intangible assets

Recognition and initial measurement

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Any gain or loss on disposal of an item of intangible assets is recognised in statement of profit or loss.

Subsequent measurement (amortization method, useful lives and residual value)

For amortization of intangibles the amortization amount of intangible assets is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets as following:

Asset class	Useful life adopted by the Group
Computer and Application Software	3 years
Web domain	Period of license
Insurance licenses and regulatory permits	Period of license
Customer relationships#	1 to 4 years
Trademarks and Ips (including developed products)	3 years
Distributor relationships	6 years

#Customer relationships are intangibles acquired on business combination. These are amortised based upon assessment by registered valuers.

Intangible Assets under Development
Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

De-recognition of Intangible Assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

3.4 Goodwill
Goodwill is stated at cost less impairment losses, where applicable. Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount, is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

3.5 Borrowing Costs
Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.
All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

3.6 Fair value measurement
The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• in the principal market for the asset or liability, or
• in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the 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.

3.7 Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Subsequent measurement

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances.
b) Financial guarantee contracts which are not measured at Fair value through profit & loss account. (FVTPL).

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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 a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities:
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement
Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

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

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

3.8 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 recognised as an expense in the year in which the related employee services are received.

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

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

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

3.9 Leases
At inception of a contract, Group assesses whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.
To apply this definition, the Group assesses whether the contract meets all the three key evaluations which are whether:
- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Group as a Lessee
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 earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
i. fixed payments, including in-substance fixed payments
ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
iii. amounts expected to be payable under a residual value guarantee; and
iv. the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.10 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognised in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognised in Other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend Distribution Tax is recognized at the same time when the liability to pay a dividend is recognized.

3.11 Provisions, contingent liabilities, and contingent assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Group can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

3.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Segment Reporting

The Group is engaged in the businesses of insurance, Personal, Housing and Other Loans, Microfinance Loans, Asset Management (Mutual Fund) and Others among others in terms of Ind AS 108 "Operating segments" specified under section 133 of the Companies Act, 2013.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which customers of the Group are located.

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.

3.14 Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3.15 Share based payments

The fair value of options granted under Employee Stock Option Plan is recognized as a deemed investment in subsidiary Group with a corresponding increase in employee stock options outstanding reserve. The total amount to be recognized is determined by reference to the fair value of the options and is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

3.16 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.

3.17 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 shareholders' meeting and the Board of Directors respectively.

3.18 Significant management judgments in applying accounting policies and estimation of uncertainty

The preparation of the Group's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

3.19 Significant management judgments

Recognition of deferred tax assets/ liabilities – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

3.20 Significant estimates

Useful lives of depreciable/amortizable assets – The management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Fair value measurements – The management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income Taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

Expected Credit Loss ('ECL') – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.

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.

Effective Interest Rate (EIR) method - The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

3.21 Rounding off amounts

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

4. Significant accounting policies related to insurance business

General Insurance Business comprises of Navi General Insurance Private Limited, which prepares its financial statements originally in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the IRDAI Financial Statements Regulations").

However, for the purpose of consolidation, financial statements of general insurance business have been prepared as per Indian Accounting Standards (Ind AS), to the extent applicable.

4.1. Product classification

Insurance contracts are those contracts where, the Group being an insurer, has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the Group determines whether it has undertaken significant insurance risk, by considering the benefits payable by it on occurrence of an insured event as against no such benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

4.2. Reinsurance assets

Assets and liabilities related to reinsurance are reported on a gross basis. Reinsurance assets include balances expected to be recovered from reinsurance companies.

4.3. Revenue recognition for insurance business

Premium Income

Premium including reinsurance accepted is recognized as income over the contract period or the period of risk, whichever is appropriate, after adjusting for unearned premium (unexpired risk). Installment cases are recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered.

Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract period, as applicable.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

Income from reinsurance ceded

Commission on reinsurance ceded is recognised as income in the period of ceding the risk. Profit commission income / expense under re-insurance treaties, wherever applicable, is recognized in accordance with treaty arrangements with the re-insurers and combined with commission on re-insurance ceded.

4.4. Premium received in advance

It represents premium received during the year, where the risk commences subsequent to the balance sheet date.

4.5. Contribution to solatium fund

The subsidiary Company provides for contribution to Solatium Fund at 0.1%, of the total third party premium of direct business in the motor segment, as mandated by the IRDAI.

4.6. Contribution to terrorism pool

The subsidiary Company in accordance with the requirements of the IRDAI has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (‘GIC’). Amounts collected as terrorism premium are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 20 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the subsidiary Company, terrorism premium to the extent of the subsidiary Company’s share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on intimation/confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded in books of account as per the last confirmation received.

4.7. Reinsurance premium

Insurance premium on ceding (inward) of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to such premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements.

4.8. Reserve for unexpired risk

Reserve for unexpired risk represents that part of the net premium written which is attributable to and allocable to the succeeding accounting period(s). For Fire, Marine Cargo and Miscellaneous business it is calculated on a 1/365 basis except in the case of Marine Hull business it is computed at 100% of net premium written on all unexpired policies on the balance sheet date.

4.9. Premium Deficiency

Premium deficiency is recognised if the sum of the expected claim costs, related expenses and maintenance cost (related to claims handling) exceeds related reserve for unexpired risk. The expected claim costs are calculated and duly certified by the Appointed Actuary.

4.10. Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims following a loss occurrence reported and estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not Enough reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the Statement of Profit and Loss.

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Salvaged stock is recognised at estimated net realisable value based on independent valuer's report.

Estimated liability for outstanding claims is determined by the Management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information. IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the subsidiary company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

4.11. Acquisition Cost

Acquisition costs are those costs that vary with, and are primarily related to, the acquisition of new insurance contracts and renewal of existing insurance contracts viz. commission, policy issue expenses, etc.

Acquisition costs are expensed in the period in which they are incurred.

4.12. Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL approach include financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial guarantee contracts which are not measured at fair value through profit and loss.

For recognition of impairment loss on other financial assets and risk exposure, the subsidiary Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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 a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

At each reporting date, the subsidiary company assesses whether financial assets carried at amortised cost and non-equity financial assets carried at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the following observable data:

a. Significant financial difficulty of the issuer of security
b. A breach of contract such as default or past due event
c. Issuer of security may enter bankruptcy or financial reorganization
d. Disappearance of an active market for a security because of financial difficulties
e. Downgrade of rating of the security

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Subsidiary Company reverts to recognising impairment loss allowance based on 12-month ECL.

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

a. Stage 1: 12-month ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

b. Stage 2: Lifetime ECL (not credit impaired):
At each reporting date, the company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The company applies various approaches to determine if there has been a significant increase in credit risk. In determining whether credit risk has increased significantly since initial recognition, the company uses external risk ratings and forecast information to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

c. Stage 3: Lifetime ECL (credit impaired):
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision).

5. Significant accounting policies related to Lending Businesses

Lending Businesses comprise of Navi Finserv Private Limited *(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)* and Chaitanya India Fin Credit Private Limited *(subsidiary of Navi Finserv Private Limited).*

The purpose of Lending businesses is to carry on the business of lending, instalment financing, bill discounting, providing working capital and term loan facilities to small and medium business enterprises including individual loans, with or without all or any types of securities.
The NBFC's acts as facilitator for provision of micro finance, savings and other financial services by acting as intermediaries between bank, financial institutions, individuals, corporate bodies or other entities (whether incorporated or not), of one part, with the Joint Liability Groups (JLG), Members of JLGs, discrete individuals or small groups which are in the process of forming JLGs and / or other micro-credit aspirants, and to assist, execute, provide consultancy services and promote and finance such programs, either directly or through an independent agency and/or in any other manner.

Both the subsidiaries are treated as a Systemically Important Non-Deposit taking Non-Banking Financial Company as the assets size of the subsidiary Companies together) exceeded ₹ 500 crores in the month of September 2018 (by virtue of RBI Master direction RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 01 September 2016).

5.1. Impairment of financial assets

In accordance with Ind AS 109, the subsidiary companies applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
Financial assets that are investments in debt instruments and are measured at amortised cost along with other financial assets such as e.g., loans, deposits, trade receivables and bank balances.

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

The subsidiaries being NBFCs record allowance for expected credit losses for all loans and other debt instruments not held at FVTPL in this section all referred to as financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

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

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

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

The subsidiaries have 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 categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances/investments and advances/investments upto 30 days default under this category. Stage 1 financial instruments also include facilities where the credit risk have improved and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3
Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Company recognizes lifetime ECL for impairment of financial assets. A financial instrument after being classified as Stage 3 is reclassified to previous stages only after all overdues are paid.

B. Estimation of expected credit loss

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

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio.

  The Company uses historical information where available to determine PD. Considering the different products, the Company has bifurcated its financial instruments into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where the historical information is not available, the PD/default rates as stated by external credit rating agencies is considered. For investments, the PD/default rates are considered as reported by external credit rating agencies.

- Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

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

Forward looking information

While estimating the expected credit losses, the Group 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 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 movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

5.2. 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.

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

Fair value of financial instruments - The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques 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.

Impairment of loans and investment portfolio - The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

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6 Property, plant and equipment

Description	Office equipment	Computers and peripherals	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross carrying value						
As at 10 December 2018	-	-	-	-	-	-
Additions	0.98	0.53	2.03	0.18	-	3.72
Disposals	-	-	-	-	-	-
As at 31 March 2019	**0.98**	**0.53**	**2.03**	**0.18**	**-**	**3.72**
Acquired on business combination (refer note 60)	25.98	239.05	46.47	35.69	17.13	**364.32**
Additions	4.85	16.66	7.68	5.30	1.02	**35.51**
Disposals	(0.02)	-	-	(0.69)	(2.21)	**(2.92)**
As at 31 March 2020	**31.79**	**256.24**	**56.18**	**40.48**	**15.94**	**400.63**
Acquired on business combination (refer note 60)	0.62	2.28	0.68	0.67	-	**4.25**
Additions	9.05	28.37	8.01	3.50	-	**48.93**
Disposals	-	(0.13)	-	-	(15.11)	**(15.24)**
Reclassification from/to held for sale	(6.20)	-	(45.10)	(5.93)	-	**(57.23)**
As at 31 March 2021	**35.26**	**286.76**	**19.77**	**38.72**	**0.83**	**381.34**
Additions	56.20	126.08	130.83	10.10	-	**323.21**
Disposals	0.01	(0.23)	-	(0.31)	(0.75)	**(1.28)**
Adjustments	-	(11.95)	-	-	-	**(11.95)**
As at 31 December 2021	**91.47**	**400.66**	**150.60**	**48.51**	**0.08**	**691.32**
Accumulated depreciation						
As at 10 December 2018	-	-	-	-	-	**-**
Charge for the period 10 December 2018 to 31 March 2019	0.03	0.03	0.03	-	-	**0.09**
Adjustment for disposals	-	-	-	-	-	**-**
As at 31 March 2019	**0.03**	**0.03**	**0.03**	**-**	**-**	**0.09**
Acquired on business combination (refer note 60)	10.34	103.51	13.25	17.68	10.08	**154.86**
Charge for the year	1.89	10.97	2.34	2.08	0.95	**18.23**
Adjustment for disposals	-	(0.03)	-	-	(0.40)	**(0.43)**
As at 31 March 2020	**12.26**	**114.48**	**15.62**	**19.76**	**10.63**	**172.75**
Acquired on business combination (refer note 60)	0.44	2.02	0.34	0.15	-	**2.95**
Charge for the year	6.52	48.42	13.74	5.83	0.59	**75.10**
Disposals	-	(0.10)	-	-	(11.09)	**(11.19)**
Reclassification from/to held for sale	(3.08)	-	(24.22)	(3.42)	-	**(30.72)**
As at 31 March 2021	**16.14**	**164.82**	**5.48**	**22.32**	**0.13**	**208.89**
Charge for the period	7.82	49.03	15.11	4.06	-	**76.02**
Adjustment for disposals	0.71	(3.53)	0.37	0.33	(0.05)	**(2.17)**
As at 31 December 2021	**24.67**	**210.32**	**20.96**	**26.71**	**0.08**	**282.74**
Net block as at 31 March 2019	**0.95**	**0.50**	**2.00**	**0.18**	**-**	**3.63**
Net block as at 31 March 2020	**19.53**	**141.76**	**40.56**	**20.72**	**5.31**	**227.88**
Net block as at 31 March 2021	**19.12**	**121.94**	**14.29**	**16.40**	**0.70**	**172.45**
Net block as at 31 December 2021	**66.80**	**190.34**	**129.64**	**21.80**	**-**	**408.58**

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7 Right of use assets *

Description	Office Buildings	Total
Gross carrying value		
As at 10 December 2018	-	-
Additions	31.99	31.99
Disposals	-	-
As at 31 March 2019	**31.99**	**31.99**
Acquired in business combination (refer note 60)	241.12	241.12
Additions	95.03	95.03
Disposals	-	-
As at 31 March 2020	**368.14**	**368.14**
Acquired in business combination (refer note 60)	9.90	9.90
Additions	637.21	637.21
Disposals	(116.90)	(116.90)
Transferred to lease receivable	(31.38)	(31.38)
As at 31 March 2021	**866.97**	**866.97**
Additions	288.00	288.00
Disposals	(224.09)	(224.09)
Adjustments	(18.25)	(18.25)
As at 31 December 2021	**912.63**	**912.63**
Accumulated depreciation		
As at 10 December 2018	-	-
Charge for the period 10 December 2018 to 31 March 2019	1.60	1.60
Adjustment for disposals	-	-
As at 31 March 2019	1.60	1.60
Acquired in business combination (refer note 60)	71.08	71.08
Charge for the year	23.06	23.06
Adjustment for disposals	(1.04)	(1.04)
As at 31 March 2020	**94.70**	**94.70**
Acquired in business combination (refer note 60)	8.34	8.34
Charge for the year	83.04	83.04
Adjustment for disposals	(5.41)	(5.41)
As at 31 March 2021	**180.67**	**180.67**
Acquired in business combination (refer note 60)	-	-
Charge for the period	121.45	121.45
Adjustment for disposals	(116.92)	(116.92)
As at 31 December 2021	**185.20**	**185.20**
Net block as at 31 March 2019	**30.39**	**30.39**
Net block as at 31 March 2020	**273.44**	**273.44**
Net block as at 31 March 2021	**686.30**	**686.30**
Net block as at 31 December 2021	**727.43**	**727.43**

Note:

*Refer note 55 for lease disclosures.

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8 Other intangible assets

Description	Computer software	Application software	Web domain	Licenses and regulatory permits	Customer relationships	Trademarks and IPs (including developed products)	Distributor relationships	Total
Gross carrying value								
As at 10 December 2018	-	-	-	-	-	-	-	**-**
Additions	0.04	-	-	-	-	-	-	**0.04**
Disposals	-	-	-	-	-	-	-	**-**
As at 31 March 2019	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**
Acquired in business combination (refer note 60)	500.04	0.04	-	328.90	194.00	149.91	30.90	**1,203.79**
Additions	0.15	0.09	104.97	-	-	0.19	-	**105.40**
Disposals	-	-	-	-	-	-	-	**-**
As at 31 March 2020	**500.23**	**0.13**	**104.97**	**328.90**	**194.00**	**150.10**	**30.90**	**1,309.23**
Acquired in business combination (refer note 60)	4.02	-	-	142.40	-	-	-	**146.42**
Additions	170.91	-	0.92	-	-	0.02	-	**171.85**
Disposals	(3.88)	-	-	-	-	-	-	**(3.88)**
Impairment	(36.19)	-	-	-	-	-	-	**(36.19)**
As at 31 March 2021	**635.09**	**0.13**	**105.89**	**471.30**	**194.00**	**150.12**	**30.90**	**1,587.43**
Additions	10.87	**-**	**-**	**-**	**-**	**-**	**-**	**10.87**
Disposals	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2021	**645.96**	**0.13**	**105.89**	**471.30**	**194.00**	**150.12**	**30.90**	**1,598.30**
Accumulated depreciation								
As at 10 December 2018								
Charge for the period 10 December 2018 to 31 March 2019	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquired on business combination (refer note 60)	135.64	0.01	-	-	-	0.01	-	**135.66**
Amortisation charge for the year	12.37	0.01	-	-	27.50	7.40	0.76	**48.04**
Disposals	-	-	-	-	-	-	-	**-**
As at 31 March 2020	**148.01**	**0.02**	**-**	**-**	**27.50**	**7.41**	**0.76**	**183.70**
Acquired on business combination (refer note 60)	2.96	-	-	-	-	-	-	**2.96**
Amortisation charge for the year	98.83	0.04	-	-	59.94	49.97	5.15	**213.93**
Disposals	(3.88)	-	-	-	-	-	-	**(3.88)**
Impairment	(1.67)	-	-	-	-	-	-	**(1.67)**
As at 31 March 2021	**244.25**	**0.06**	**-**	**-**	**87.44**	**57.38**	**5.91**	**395.04**
Amortisation charge for the period	85.33	0.03	-	-	32.96	37.65	3.88	**159.85**
Adjustments	(1.21)	-	-	-	-	-	-	**(1.21)**
As at 31 December 2021	**328.37**	**0.09**	**-**	**-**	**120.40**	**95.03**	**9.79**	**553.68**
Net book value as at 31 March 2019	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**
Net book value as at 31 March 2020	**352.22**	**0.11**	**104.97**	**328.90**	**166.50**	**142.69**	**30.14**	**1,125.53**
Net book value as at 31 March 2021	**390.84**	**0.07**	**105.89**	**471.30**	**106.56**	**92.74**	**24.99**	**1,192.39**
Net book value as at 31 December 2021	**317.59**	**0.04**	**105.89**	**471.30**	**73.60**	**55.09**	**21.11**	**1,044.62**

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
9 Intangible assets under development				
Software	0.63	-	101.92	5.61
Trademark and logo	0.05	0.05	-	-
Web domain	0.23	-	-	-
	0.91	**0.05**	**101.92**	**5.61**

Notes:
(i) Movement in Intangible assets under development has been summarised below:

Particulars	Software	Trademark and logo	Web domain	Total
As at 10 December 2018	-	-	-	-
Additions	5.61	-	-	**5.61**
Less: Capitalisations	-	-	-	**-**
As at 31 March 2019	**5.61**	**-**	**-**	**5.61**
Acquired on business combination (refer note 60)	2.31	-	-	2.31
Additions	99.61	-	-	99.61
Less: Capitalisations	(5.61)	-	-	(5.61)
As at 31 March 2020	**101.92**	**-**	**-**	**101.92**
Additions	-	0.05	-	0.05
Less: Capitalisations	(101.92)	-	-	(101.92)
As at 31 March 2021	**-**	**0.05**	**-**	**0.05**
Additions	0.63	-	0.23	0.86
Less: Capitalisations	-	-	-	-
As at 31 December 2021	**0.63**	**0.05**	**0.23**	**0.91**

(ii) Intangible assets under development ageing schedule: Projects in Progress

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Less than 1 year	0.91	0.05	101.92	5.61
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	**0.91**	**0.05**	**101.92**	**5.61**

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		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
10	**Investments (non-current financial assets)**				
(A)	**Investment in equity instruments**				
	Carried at cost, Unquoted				
	Garagepreneurs Internet Private Limited	-	1.22	1.22	-
	MF Utilities India Private Limited [refer note below (a)]	2.20	2.20	-	-
	AMC Repo clearing Limited [refer note below (a)]	0.12	-	-	-
	Total investment in equity instruments (A)	**2.32**	**3.42**	**1.22**	**-**
(B)	**Investments in bonds, debentures and other instruments**				
	Carried at amortised cost, Unquoted				
	Investments in bonds and debentures	174.15	-	-	-
	Investments in pass through certificates	3,657.36	1,066.56	7,791.30	-
		3,831.51	**1,066.56**	**7,791.30**	**-**
	Less: Aggregate amount of impairment in value of investments	(174.51)	-	-	-
	Total investment in bonds, debentures and others (B)	**3,657.00**	**1,066.56**	**7,791.30**	**-**
(C)	**Investments in mutual funds**				
	Carried at fair value through profit and loss, Quoted				
	Investments in Mutual Funds [refer note below (b)]	57.77	245.95	-	-
	Total investment in mutual funds (C)	**57.77**	**245.95**	**-**	**-**
	Total non-current investments	**3,717.09**	**1,315.93**	**7,792.52**	**-**
	Aggregate amount of quoted investments and market value thereof	57.77	245.95	-	-
	Aggregate amount of unquoted investments	3,833.83	1,069.98	7,792.52	-
	Aggregate amount of impairment in value of investments	(174.51)	-	-	-
	Total non-current investments	**3,717.09**	**1,315.93**	**7,792.52**	**-**

Notes:

(a) Investments in Equity Instruments

Equity investments in MF Utilities India Private Limited and AMC Repo Clearing Limited, have been made in accordance with SEBI regulations as Group is the Investment Manager for Navi Mutual Funds.

(b) Investments in Mutual Funds (**)

Particulars	Number of units	NAV ₹ per unit	Amount ₹ Millions
As at 31 December 2021			
Navi Liquid Fund Direct Plan Growth	3,260.74	2,308.37	7.53
Navi 3 in 1 Fund	90,581.35	28.79	2.61
Navi Large Cap Equity Fund	1,81,998.95	39.32	7.16
Navi Regular Savings Fund	3,29,663.08	25.37	8.36
Navi Ultra Short Term Fund	3,231.48	2,363.34	7.64
Navi Large & Mid Cap Fund	4,02,727.35	27.52	11.08
Navi Long Term Advantage Fund	2,50,000.00	23.16	5.79
Navi Equity Hybrid Fund	5,00,000.00	15.20	7.60
			57.77
As at 31 March 2021			
Navi Liquid Fund Direct Plan Growth	86,708.69	2,248.49	194.96
Navi 3 in 1 Fund	90,581.35	23.78	2.15
Navi Large Cap Equity Fund	1,81,998.85	31.97	5.82
Navi Regular Savings Fund	3,29,663.08	24.02	7.92
Navi Ultra Short Term Fund	3,231.48	2,311.89	7.47
Navi Large & Mid Cap Fund	4,02,727.35	21.05	8.48
Navi Long Term Advantage Fund	2,50,000.00	18.63	4.66
Navi Equity Hybrid Fund	5,00,000.00	12.74	6.37
Navi Arbitrage Fund	1,20,000.00	10.86	1.30
Navi Flexi Cap Fund	5,00,000.00	13.64	6.82
			245.95

(**) Investments in mutual funds are in the Schemes of Navi Mutual Funds (formerly known as Essel Mutual Funds), for which the Navi AMC Limited acts as the Investment Manager. These investments in mutual funds have been made in accordance with Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and cannot be redeemed unless the schemes of Mutual Fund are wound up.

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
10A	**Investments of Insurance business: Policyholders (non-current)**				
	Carried at amortised cost				
	Investments in fixed deposits	0.10	50.01	-	-
	Carried at fair value through other comprehensive income, Quoted				
	Investments in government securities	1,948.44	2,145.71	535.75	-
	Investments in bonds and debentures	627.52	980.10	1,006.16	-
		2,576.06	**3,175.82**	**1,541.91**	**-**
	Less: Aggregate provision for impairment in value of investments	-	-	(45.44)	-
	Total non-current investments of insurance business: Policyholders	**2,576.06**	**3,175.82**	**1,496.47**	**-**
	Aggregate amount of quoted investments and market value thereof	2,575.96	3,125.81	1,541.91	-
	Aggregate amount of unquoted investments	0.10	50.01	-	-
	Aggregate amount of impairment in value of investments	-	-	(45.44)	-
	Total non-current investments	**2,576.06**	**3,175.82**	**1,496.47**	**-**
10B	**Investments of Insurance business: Shareholders (non-current)**				
	Carried at fair value through other comprehensive income, Quoted				
	Investments in government securities	451.05	383.05	583.89	-
	Investments in bonds and debentures	1,658.42	1,526.75	204.97	-
	Carried at cost, Unquoted				
	Investments in fixed deposits	-	-	55.01	-
		2,109.47	**1,909.80**	**843.87**	**-**
	Less: Aggregate provision for impairment in value of investments	-	-	(23.44)	-
		2,109.47	**1,909.80**	**820.43**	**-**
	Aggregate amount of quoted investments and market value thereof	2,109.47	1,909.80	788.86	-
	Aggregate amount of unquoted investments	-	-	55.01	-
	Aggregate amount of impairment in value of investments	-	-	(23.44)	-
	Total non-current investments	**2,109.47**	**1,909.80**	**820.43**	**-**
11	**Loans (non-current financial assets)**				
(a)	**Portfolio loans (Lending business), non-current portion**				
	Carried at amortised cost, Unsecured, considered good				
	Joint liability loans	6,397.59	4,512.45	2,271.84	-
	Carried at amortised cost, Secured, considered good				
	Term loans	6,750.55	2,271.81	820.04	-
	Carried at fair value through Other Comprehensive Income, Unsecured, considered good				
	Joint liability loans	274.10	-	-	-
	Total - gross loans	**13,422.24**	**6,784.26**	**3,091.88**	**-**
	Less: Impairment loss allowance on joint liability loans	(300.54)	(585.37)	(206.96)	-
	Less: Impairment loss allowance on term loans	(490.33)	(967.14)	(67.44)	-
	Total - net loans	**12,631.37**	**5,231.75**	**2,817.48**	**-**
	Gross loans	13,422.24	6,784.26	3,091.88	-
	Less: Impairment loss allowance on loans	(790.87)	(1,552.51)	(274.40)	-
	Net loans	**12,631.37**	**5,231.75**	**2,817.48**	**-**

Notes:
(i) The carrying values are considered to be a reasonable approximation of fair value.
(ii) Refer note 63.2 Financial instruments - Fair values hierachy for fair value disclosures.
(iii) Refer notes - 63.4 Financial risk management for other businesses (other than Lending, insurance and AMC), 63.5 Financial risk management for Lending businesses, 63.6 Financial risk management for insurance business and 63.7 Financial risk management for Asset Management business (Mutual fund).

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
12	**Other financial assets (non-current)**				
	Carried at amortised cost: Unsecured, considered good				
	Security deposits	110.64	95.22	45.62	3.51
	Margin money deposits with maturity more than 12 months	104.27	182.15	66.82	-
	EIS receivable on assignment transactions	-	25.54	0.05	-
		214.91	**302.91**	**112.49**	**3.51**

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
13	**Non current tax assets (net)**				
	TDS receivable and advance tax paid	974.38	804.57	86.44	-
	Less: Provision for taxation	(701.41)	(696.97)	(60.88)	-
		272.97	**107.60**	**25.56**	**-**
14	**Other non-current assets**				
	Prepaid expenses	39.52	39.58	19.02	1.61
	Income tax paid under dispute	4.68	4.68	4.67	-
	Gratuity assets	3.16	0.41	-	-
		47.36	**44.67**	**23.69**	**1.61**
15	**Deferred tax assets (net)**				
	(A) Items constituting deferred tax assets				
	Impact of difference between tax depreciation/amortisation and books	7.25	4.46	4.11	-
	Expected credit loss for portfolio loans	454.89	376.46	66.44	-
	Impairment allowance for other receivables	11.31	4.35	2.70	-
	Financial assets measured at amortised cost	140.01	41.72	19.76	-
	Financial assets measured at FVTPL	-	44.96	54.64	-
	Recognition of right of use asset and lease liability	28.07	14.17	2.20	0.12
	Provisions for employee benefits	53.69	21.59	25.49	-
	Employee stock option scheme expense	-	-	1.13	-
	Employee incentive plan	13.14	6.18	2.55	-
	Preliminary expenses	-	-	-	0.04
	Carried forward losses for current period/year	339.91	43.44	-	-
	Others	120.57	0.34	0.01	-
	Total deferred tax assets (A)	**1,168.84**	**557.67**	**179.03**	**0.16**
	(B) Items constituting deferred tax liabilities				
	Impact of difference between tax depreciation/amortisation and books	50.23	23.47	0.36	0.05
	Interest on non-performing loans	0.01	0.30	2.99	-
	Fair valuation of investments using FVTPL	8.80	-	0.44	0.64
	Financial liabilities measured at amortised cost	30.85	17.91	6.73	-
	Fair value change of loans through other comprehensive income	0.87	7.08	-	-
	Financial assets measured at fair value through profit and loss	18.37	26.17	-	-
	Deferment of upfront EIS and servicing obligation recorded for assignment	29.73	31.71	1.96	-
	Others	35.08	0.03	0.14	0.01
	Total deferred tax liabilities (B)	**173.94**	**106.67**	**12.62**	**0.70**
	Deferred tax asset (net) [A-B]	**994.90**	**451.00**	**166.41**	**(0.54)**

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15 Deferred tax assets (net) (cont'd)

Notes:

(i) Movement in deferred tax assets/(liabilities) for period ended 31 December 2021 :

Particulars	As at 31 March 2021	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 December 2021
Tax effect of items constituting deferred tax assets:				
Impact of difference between tax depreciation/amortisation and books	4.46	-	2.79	7.25
Expected credit loss for portfolio loans	376.46	-	78.43	454.89
Impairment allowance for other receivables	4.35	-	6.96	11.31
Financial assets measured at amortised cost	41.72	-	98.29	140.01
Financial assets measured at FVTPL	44.96	-	(44.96)	-
Recognition of right of use asset and lease liability	14.17	-	13.90	28.07
Provisions for employee benefits	21.59	1.98	30.12	53.69
Employee stock option scheme expense	-	-	-	-
Employee incentive plan	6.18	-	6.96	13.14
Carried forward unabsorbed losses for current year	43.44	-	296.47	339.91
Others	0.34	-	120.23	120.57
Total deferred tax assets	**557.67**	**1.98**	**609.19**	**1,168.84**
Tax effect of items constituting deferred tax liabilities:				
Impact of difference between tax depreciation/amortisation and books	23.47	-	26.76	50.23
Interest on non-performing loans	0.30	-	(0.29)	0.01
Fair valuation of investments using FVTPL	-	-	8.80	8.80
Financial liabilities measured at amortised cost	17.91	-	12.94	30.85
Fair value change of loans through other comprehensive income	7.08	(6.21)	-	0.87
Financial assets measured at fair value through profit and loss	26.17	-	(7.80)	18.37
Deferment of upfront EIS and servicing obligation recorded for	31.71	-	(1.98)	29.73
Others	0.03	-	35.05	35.08
Total deferred tax liabilities	**106.67**	**(6.21)**	**73.48**	**173.94**
Deferred tax asset (net) [A-B]	**451.00**	**8.19**	**535.71**	**994.90**

(ii) Movement in deferred tax assets/(liabilities) for year ended 31 March 2021 :

Particulars	As at 31 March 2020	As at acquisition date *(for subsidiaries acquired)*	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2021
Tax effect of items constituting deferred tax assets:					
Impact of difference between tax depreciation/amortisation and books	4.11	0.07	-	0.28	4.46
Expected credit loss for portfolio loans	66.44	-	-	310.02	376.46
Impairment allowance for other receivables	2.70	-	-	1.65	4.35
Financial assets measured at amortised cost	19.76	-	-	21.96	41.72
Financial assets measured at FVTPL	54.64	-	-	(9.68)	44.96
Recognition of right of use asset and lease liability	2.20	-	-	11.97	14.17
Provisions for employee benefits	25.49	-	0.43	(4.33)	21.59
Employee stock option scheme expense	1.13	-	-	(1.13)	-
Employee incentive plan	2.55	-	-	3.63	6.18
Carried forward unabsorbed losses for current year	-	-	-	43.44	43.44
Others	0.01	-	-	0.33	0.34
Total deferred tax assets	**179.03**	**0.07**	**0.43**	**378.14**	**557.67**
Tax effect of items constituting deferred tax liabilities:					
Impact of difference between tax depreciation/amortisation and books	0.36	(0.19)	-	23.30	23.47
Interest on non-performing loans	2.99	-	-	(2.69)	0.30
Fair valuation of investments using FVTPL	0.44	-	-	(0.44)	-
Financial liabilities measured at amortised cost	6.73	-	-	11.18	17.91
Fair value change of loans through other comprehensive income	-	-	7.08	-	7.08
Financial assets measured at fair value through profit and loss	-	-	-	26.17	26.17
Deferment of upfront EIS and servicing obligation recorded for assignment	1.96	-	-	29.75	31.71
Others	0.14	-	-	(0.11)	0.03
Total deferred tax liabilities	**12.62**	**(0.19)**	**7.08**	**87.16**	**106.67**
Deferred tax asset (net) [A-B]	**166.41**	**0.26**	**(6.65)**	**290.98**	**451.00**

15 Deferred tax assets (net) (cont'd)

Notes:

(iii) Movement in deferred tax assets/(liabilities) for year ended 31 March 2020 :

Particulars	As at 31 March 2019	As at acquisition date *(for subsidiaries acquired)*	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2020
Tax effect of items constituting deferred tax assets:					
Impact of difference between tax depreciation/amortisation and books	-	3.00	-	1.11	4.11
Unabsorbed loss as per Income tax Act	-	1.27	-	(1.27)	-
Expected credit loss for portfolio loans	-	42.91	-	23.53	66.44
Impairment allowance for other receivables	-	-	-	2.70	2.70
Financial assets measured at amortised cost	-	-	-	19.76	19.76
Financial assets measured at FVTPL	-	-	-	54.64	54.64
Recognition of right of use asset and lease liability	0.12	-	-	2.08	2.20
Provisions for employee benefits	-	13.39	(0.32)	12.42	25.49
Employee stock option scheme expense	-	-	-	1.13	1.13
Employee incentive plan	-	-	-	2.55	2.55
Preliminary expenses	0.04	-	-	(0.04)	-
Others	-	-	-	0.01	0.01
Total deferred tax assets	**0.16**	**60.57**	**(0.32)**	**118.62**	**179.03**
Tax effect of items constituting deferred tax liabilities:					
Impact of difference between tax depreciation/amortisation and books	0.05	0.58	-	(0.27)	0.36
Interest on non-performing loans	-	-	-	2.99	2.99
Fair valuation of investments using FVTPL	0.64	-	-	(0.20)	0.44
Financial liabilities measured at amortised cost	-	-	-	6.73	6.73
Deferment of upfront EIS and servicing obligation recorded for assignment	-	-	-	1.96	1.96
Others	0.01	(2.00)	-	2.25	0.14
Total deferred tax liabilities	**0.70**	**(1.42)**	**-**	**13.46**	**12.62**
Deferred tax asset/(liabilities) (net) [A-B]	**(0.54)**	**61.99**	**(0.32)**	**105.16**	**166.41**

(iii) Deferred tax assets/(liabilities) for year ended 31 March 2019 :

Particulars	As at 10 December 2018	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2019
Tax effect of items constituting deferred tax assets:				
Recognition of right of use asset and lease liability	-	-	0.12	0.12
Preliminary expenses	-	-	0.04	0.04
Total deferred tax assets	**-**	**-**	**0.16**	**0.16**
Tax effect of items constituting deferred tax liabilities:				
Impact of difference between tax depreciation/amortisation and books	-	-	0.05	0.05
Fair valuation of investments using FVTPL	-	-	0.64	0.64
Others	-	-	0.01	0.01
Total deferred tax liabilities	**-**	**-**	**0.70**	**0.70**
Deferred tax asset/(liabilities) (net) [A-B]	**-**	**-**	**(0.54)**	**(0.54)**

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		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
16	**Investments (current financial assets)**				
(A)	**Investments in debt securities**				
	Carried at amortised cost, Unquoted				
	Bonds and debentures	13.17	277.46	3,373.98	-
	Pass through certificates	1,883.21	996.61	2,209.19	-
	Alternative investment fund	35.00	50.00	-	-
	Commercial paper	399.24	1,198.61	-	-
	Repo instruments placed with CCIL	399.91	1,419.82	-	-
	Carried at fair value through profit and loss, Quoted				
	Bonds and debentures	6,872.59	16,263.00	13,591.83	151.19
	Pass through certificates	1,199.08	1,295.78	-	-
	Certificate of deposits	-	-	1,606.13	-
	Derivative contracts	32.19	63.50	1.00	-
	Government securities	2,134.22	4,679.41	-	-
		12,968.61	**26,244.19**	**20,782.13**	**151.19**
(B)	**Investments in mutual funds**				
	Carried at fair value through profit and loss, Quoted				
	Investments in mutual funds (*)	1,910.00	2,075.24	4,130.63	406.84
		1,910.00	**2,075.24**	**4,130.63**	**406.84**
(C)	**Investments in equity shares instruments**				
	Carried at Fair Value through Profit and Loss, Quoted				
	Investment through portfolio managers	-	-	740.93	-
		-	**-**	**740.93**	**-**
(C)	**Investments - Others**				
	Carried at Fair Value through Profit and Loss, Unquoted				
	Avendus Capital alternative investment fund	-	-	379.68	-
		-	**-**	**379.68**	**-**
		14,878.61	**28,319.43**	**26,033.37**	**558.03**
	Less: Aggregate provision for impairment in value of investments	(0.69)	(172.69)	(26.40)	-
	Total current investments	**14,877.92**	**28,146.74**	**26,006.97**	**558.03**
	Aggregate amount of quoted investments and market value thereof	12,148.08	24,376.93	20,070.52	558.03
	Aggregate amount of unquoted investments	2,730.53	3,942.50	5,962.85	-
	Aggregate amount of impairment in value of investments	(0.69)	(172.69)	(26.40)	-
	Total current investments	**14,877.92**	**28,146.74**	**26,006.97**	**558.03**

(*) Note: Mutual funds investments in Kotak Savings Fund Direct Plan Growth has been given as lien against bank overdraft facility with an overall limit up to ₹ 100 million, by the Holding Company.

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
16A	**Investments of insurance business: Policyholders**				
	Carried at fair value through other comprehensive income, Quoted				
	Investments in debentures and bonds	106.42	35.10	104.81	-
	Carried at fair value through profit and loss, Quoted				
	Investments in debt securities	56.64	81.10	-	-
	Investments in mutual funds	211.48	99.88	91.83	-
	Carried at cost, unquoted				
	Term deposits with original maturity less than 12 months	326.40	391.65	140.51	-
		700.94	**607.73**	**337.15**	**-**
	Less: Aggregate provision for impairment in value of investments	-	-	(0.03)	
		700.94	**607.73**	**337.12**	**-**
	Aggregate amount of quoted investments and market value thereof	374.54	216.08	196.64	-
	Aggregate amount of unquoted investments	326.40	391.65	140.51	-
	Aggregate amount of impairment in value of investments	-	-	(0.03)	-
	Total current investments	**700.94**	**607.73**	**337.12**	**-**

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
16B	**Investments of insurance business: Shareholders**				
	Carried at fair value through profit and loss, Quoted				
	Investments in government securities	6.53	7.58	-	-
	Investments in mutual funds	96.33	92.75	194.29	-
	Carried at cost, unquoted				
	Term deposits with original maturity less than 12 months	164.87	217.20	248.09	-
	Carried at fair value through other comprehensive income, Quoted				
	Investments in debentures and bonds	112.13	108.39	308.46	-
		379.86	**425.92**	**750.84**	**-**
	Less: Aggregate provision for impairment in value of investments	(99.63)	(99.63)	(99.69)	
		280.23	**326.29**	**651.15**	**-**
	Aggregate amount of quoted investments and market value thereof	214.99	208.72	502.75	-
	Aggregate amount of unquoted investments	164.87	217.20	248.09	-
	Aggregate amount of impairment in value of investments	(99.63)	(99.63)	(99.69)	-
	Total current investments	**280.23**	**326.29**	**651.15**	**-**
17	**Trade receivables**				
	Receivable from related parties	2.64	12.29	-	-
	Unsecured, considered good	-	-	-	-
	Receivable from others	3.32	5.08	0.63	-
		5.96	**17.37**	**0.63**	**-**
	Less: Allowance for expected credit loss on trade receivables	-	-	-	
		5.96	**17.37**	**0.63**	**-**

Notes:
(i) The carrying values of trade receivables are considered to be a reasonable approximation of fair value.
(ii) Refer note 63 Financial instruments - Financial risk management for assessment of expected credit losses/impairment loss allowance.
(iii) Additional disclosure in respect of Trade receivables Ageing as per Schedule III, Companies Act 2013

Particulars	**As at 31 December 2021** Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 December 2021						
(i) Undisputed trade receivables	-	-	-	-	-	-
- considered good	5.96	-	-	-	-	**5.96**
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
(ii) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
As at 31 March 2021						
(i) Undisputed trade receivables						
- considered good	17.37	-	-	-	-	**17.37**
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
(ii) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
As at 31 March 2020						
(i) Undisputed trade receivables	0.63	-	-	-	-	**0.63**
- considered good	-	-	-	-	-	-
- significant increase in credit risk						
- credit impaired	-	-	-	-	-	-
(ii) Disputed trade receivables	-	-	-	-	-	-
- considered good	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired						
As at 31 March 2019						
(i) Undisputed trade receivables						
- considered good	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
(ii) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
18	**Cash and cash equivalents**				
	Balances with banks:				
	- with scheduled banks in current accounts	3,333.79	1,652.25	313.71	-
	Cash in hand	3.83	12.27	2.34	0.01
	Term deposits (with maturity up to 3 months)	10.13	408.52	-	-
		3,347.75	**2,073.04**	**316.05**	**0.01**
19	**Other bank balances**				
	Balances with banks:				
	- Deposits with remaining maturity more than 3 months but less than 12 months [refer note (i) below]	1,533.61	2,641.81	118.36	-
	Interest accrued but not due on term deposits	16.75	103.27	-	-
	Margin money deposits [refer note (ii) below]	98.89	-	-	-
	Interest accrued on margin money deposits	0.12	0.11	-	-
		1,649.37	**2,745.19**	**118.36**	**-**

Notes:

(i) ₹ 1,192.43 million (31 March 2021: ₹ 100 million; 31 March 2020: Nil; 31 March 2019: Nil) included in the deposits represents deposits with original maturity for more than 3 months but less than 12 months, held by the entity and are not available for use by the Company, as these are lien marked.

a. ₹ 835.22 million against margin money against Government securities trade.
b. ₹ 357.21 million against Working Capital loans/Overdraft facilities.

(ii) Margin money deposits are held as security against borrowings, as these are lien marked.
(iii) Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year.

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
20	**Loans (current financial assets)** **Unsecured, considered good**				
(a)	**Portfolio loans (Lending business): Current portion**				
	Carried at amortised cost, Secured, considered good				
	Term loans	91.51	41.73	344.75	-
	Carried at amortised cost, Unsecured, considered good				-
	Joint liability loans	10,369.28	5,286.72	6,213.06	-
	Term loans	10,706.38	4,037.33	-	-
	Total - gross loans	**21,167.17**	**9,365.78**	**6,557.81**	**-**
	Less: Impairment loss allowance on term loans (at amortised cost)	(607.97)	-	-	-
	Less: Impairment loss allowance on joint liability loans (at amortised cost)	(465.50)	(43.81)	-	-
	Total - net loans (A)	**20,093.70**	**9,321.97**	**6,557.81**	**-**
	Carried at fair value through Other Comprehensive Income, unsecured, considered good				
	Joint liability loans	947.38	2,092.32	-	-
	Total - gross loans	**947.38**	**2,092.32**	**-**	**-**
	Less: Impairment loss allowance on term loans (at FVOCI)	(16.12)	(37.60)	-	-
	Total - net loans (B)	**931.26**	**2,054.72**	**-**	**-**
	Gross loans	**22,114.55**	**11,458.10**	**6,557.81**	**-**
	Less: Impairment loss allowance on loans	**(1,089.59)**	**(81.41)**	**-**	**-**
	Net loans (A) + (B)	**21,024.96**	**11,376.69**	**6,557.81**	**-**
(b)	**Others**				
	Loans and advances to others	-	0.32	-	-
	Employee advances and loans	0.08	-	-	
		0.08	**0.32**	**-**	**-**
	Total loans (a) + (b)	**21,025.04**	**11,377.01**	**6,557.81**	**-**

		As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
21	**Other financial assets (current)**				
	Security deposits				
	Carried at amortised cost: Unsecured, considered good				
	Security deposits given	1.29	27.40	-	-
	Insurance business assets				
	Insurance recoverable	41.16	24.95	22.82	-
	Less : Impairment on insurance recoverable	-	-	-	-
		42.45	**52.35**	**22.82**	**-**
	Other insurance receivables				
	Insurance claims receivable	38.27	23.43	10.49	-
	Less : Impairment on Insurance claims receivable	(27.97)	(7.97)	(0.34)	-
		10.30	**15.46**	**10.15**	**-**
	Loans to employees				
	Considered good	5.66	4.45	3.18	-
	Considered doubtful	0.76	0.16	0.51	-
	Less : Impairment loss allowance on employee loans	(0.76)	(0.16)	(0.51)	-
		5.66	**4.45**	**3.18**	**-**
	Other recoverables				
	Considered good	34.58	29.24	7.49	-
	Considered doubtful	38.69	8.62	8.63	-
	Less : Impairment on other recoverables	(38.69)	(8.62)	(8.63)	-
		34.58	**29.24**	**7.49**	**-**
	Others				
	Receivable towards investments settlement	1,540.55	-	-	-
	EIS receivable on assignment	113.58	100.67	11.67	-
	Payment gateway receivables	99.76	30.56	-	-
	Advances recoverable	33.77	33.77	43.40	-
	Unbilled revenue	1.50	1.60	-	-
	Other receivable	1.50	0.40	0.08	-
	Accrued CCIL charges	0.04	-	-	-
	Accrued redemption premium	-	-	0.79	-
	Unclaimed fund of policyholders	0.50	0.48	-	-
		1,791.20	**167.48**	**55.94**	**-**
		1,884.19	**268.98**	**99.58**	**-**

Notes:
(i) The carrying values of financial assets are considered to be a reasonable approximation of fair value.
(ii) Refer note 63 - Financial risk management for assessment of expected credit losses.

22	**Other current assets**				
	Balances with statutory and government authorities	328.92	148.41	128.74	-
	Prepaid expenses	64.54	31.05	26.35	2.17
	Advances to suppliers	123.92	137.29	7.25	0.70
	Advances to employees	7.93	1.41	8.12	0.89
	Other assets	1,079.69	8.81	4.06	-
		1,605.00	**326.97**	**174.52**	**3.76**

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	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
23 Equity share capital				
Authorised share capital				
750,000,000 equity shares of ₹ 100 each	75,000.00	75,000.00	75,000.00	75,000.00
	75,000.00	**75,000.00**	**75,000.00**	**75,000.00**
Issued, subscribed and paid up equity share capital				
288,138,978 equity shares of ₹ 100 each	28,813.90	28,813.90	28,749.34	510.00
(31 March 2021: 288,138,978 shares; 31 March 2020: 287,493,349 shares; 31 March 2019: 5,100,000 shares)				
	28,813.90	**28,813.90**	**28,749.34**	**510.00**

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

The Holding Company has only one class of equity shares having par value of ₹ 100 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 December 2021		31 March 2021		31 March 2020		31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Balance at the beginning of the period/year	28,81,38,978	28,813.90	28,74,93,349	28,749.34	51,00,000	510.00	-	-
Add: Issued during the period/year	-	-	6,45,629	64.56	28,23,93,349	28,239.34	51,00,000	510.00
Balance at the end of the period/year	**28,81,38,978**	**28,813.90**	**28,81,38,978**	**28,813.90**	**28,74,93,349**	**28,749.34**	**51,00,000**	**510.00**

iii) Shareholding of promoters are as follows:

	31 December 2021		31 March 2021		31 March 2020		31 March 2019	
Equity shares of ₹ 100 each fully paid up held by:	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Sachin Bansal	28,17,25,980	97.77%	28,18,50,534	97.82%	28,18,50,534	98.04%	50,99,010	99.98%
	Change in number of shares	% change during the period	Change in number of shares	% change during the period	Change in number of shares	% change during the period	Change in number of shares	% change during the period
Sachin Bansal	(1,24,554)	-0.04%	-	0.00%	27,67,51,524	5427.55%	-	0.00%

iv) The Company has issued equity shares for consideration other than cash, i.e. in lieu of certain bonds and debentures amounting to ₹ Nil during the year (31 March 2021: ₹ Nil; 31 March 2020: ₹ 24,720.50 millions; 31 March 2019: ₹ Nil). Further, there has been no buy back of shares either in the aforesaid periods.

v) For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Holding Company, refer note 53. These options are granted to the employees subject to cancellation under circumstance of his cessation of employment with the Group on or before the vesting date.

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
24 Other equity				
Retained earnings:				
As at the beginning of the period/year	(610.89)	(108.77)	20.69	-
Add: Profit / (loss) for the year	(2,064.27)	711.88	(80.71)	20.69
Add: OCI for the year	(73.53)	18.27	21.52	-
Adjustments to retained earnings account of Change in UEPR reserving methodology (Refer note 54.2 Insurance Business Disclosures)	-	(981.72)	-	-
Dividend distribution tax	-	-	(50.80)	-
Transfer to statutory reserve	-	(240.55)	(19.47)	-
Transfer to debenture redemption reserve	-	(10.00)	-	-
As at the end of the period/year	**(2,748.69)**	**(610.89)**	**(108.77)**	**20.69**
Other reserves:				
Securities premium	10,757.14	10,757.14	10,763.36	-
Share application money pending allotment	-	-	21.45	-
Statutory reserve under section 45IA RBI Act	304.12	304.12	63.57	-
Share based payments reserve	174.52	58.24	23.99	-
Capital reserve	4.46	4.46	3.29	-
Debenture redemption reserve	10.00	10.00	-	-
	11,250.24	**11,133.96**	**10,875.66**	**-**
Total other equity	**8,501.55**	**10,523.07**	**10,766.89**	**20.69**

Notes: Description of nature and purpose of each reserve:

Securities premium
Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share application money pending allotment
Share application money includes advances towards allotment of share capital to the extent not refundable.

Statutory reserve under section 45IA of the RBI Act, 1934
Every year the NBFCs under the Group transfer a sum of not less than twenty per cent of net profit of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IA of the RBI Act, 1934. This reserve is carried forward in consolidated financial statements.

Share based payments reserve
The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.
The reserve is utilised upon issue of shares to compensate the payout obligation in respect of shares issued to employees.

Capital Reserve
Capital reserve was created on acquisition of subsidiaries (net of goodwill) on consolidation.

Debenture redemption reserve (DRR)
The NBFCs under the Group have created DRR of ₹ 10 million during the year ended 31 March 2021. The Group subsequent to the year end has deposited a sum of ₹ 10 million in the form of fixed deposits with scheduled banks, representing 2% of the debenture issued to State Bank of India under TLTRO Scheme. This reserve will be transferred to retained earnings on redemption of the above mentioned non convertible debentures.

Retained earnings
Retained earnings are created from the profit of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

Other comprehensive income
Other comprehensive income reserve consists of the following
i. Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses.
ii. Fair value gain/loss pertaining through debt instruments classified through Other Comprehensive Income.
ii. Tax effects relating the items classified under Other Comprehensive Income.

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
25 Borrowings (non-current)				
Secured				
Redeemable non-convertible debentures:				
- Listed	8,314.33	4,919.07	685.83	-
- Unlisted	480.71	494.61	330.00	-
Term loans:				
- from banks	12,228.51	4,723.57	2,640.22	-
- from others	3,486.94	6,027.56	3,572.95	-
Unsecured				
Redeemable non-convertible debentures				
- Listed	249.31	248.77	248.35	-
- Unlisted	-	199.82	200.00	-
Commercial paper	1,465.98	-	-	-
Term loans:				
- from banks	199.57	199.47	199.36	-
- from others	99.44	99.34	99.25	-
Asset retirement obligation	-	-	1.97	-
	26,524.79	**16,912.21**	**7,977.93**	**-**
Less: Current maturities of long-term borrowings**	(14,770.70)	(8,066.95)	(5,608.52)	-
	11,754.09	**8,845.26**	**2,369.41**	**-**

Note:
(i) Refer note 25.1 (a) Term loans from financial institutions and banks, for terms and conditions.
(ii) Refer note 25.1 (b) for Redeemable non-convertible debentures, for terms and conditions.
(iii) Refer note 25.1 (c) for Term loans from banks, for terms and conditions.
(iv) ** Refer note 31 Borrowings - current, for current maturities of long-term borrowings

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
26 Lease liabilities (non-current)				
Lease liabilities*	616.83	581.70	210.14	24.10
	616.83	**581.70**	**210.14**	**24.10**

* Refer note 55 for Ind AS 116 - Leases, related disclosures.

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
27 Other financial liabilities (non-current)				
Interest accrued on borrowings	-	5.01	-	-
Security deposits received	-	5.50	-	-
	-	**10.51**	**-**	**-**
28 Insurance contract liabilities (non-current)^				
Incurred but not reported (IBNR) provision	600.26	548.69	478.83	-
Premium deficiency reserve	-	-	448.37	-
Unexpired premium reserve	1,335.76	2,051.77	-	-
	1,936.02	**2,600.46**	**927.20**	**-**

^Refer note 54 for disclosures related to insurance business.

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25.1 Term of borrowings (non-current)

a. Term loans from financial institutions and banks

Sl no.	Repayment terms	No. of instalments	Repayment commencement month	Interest rate terms (% p.a.)	Nature of the security	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1	Principal: Bullet Repayment. Interest: Monthly	84	Feb-18	15.00%	Unsecured	100.00	100.00	100.00	-
2	Monthly	36	Aug-17	13.44%	Exclusive first charge (floating) on portfolio of receivables	-	-	2.64	-
3	Monthly	36	Jan-18	14.00%	Hypothecation of book debts (105%), postdated cheques/NACH mandate with 3 security cheques for the entire repayment	-	-	13.61	-
4	Monthly	24	Apr-19	15.00%	Hypothecation of book debts (110%), postdated cheques/NACH mandate with 3 security cheques for the entire repayment	-	-	10.00	-
5	Monthly	36	Apr-18	13.50%	Exclusive hypothecation charges over receivables/ portfolio/book debts with cover of 110% of outstanding principal amount.	-	-	16.50	-
6	Monthly	24	Dec-18	14.00%	Loan cover of 110% of the amount financed, security of post dated cheques.	-	-	8.16	-
7	Monthly	24	Jun-19	14.35%	Demand promissory notes, Letter of Continuity, Deed of Hypothecation.	-	-	21.38	-
8	Semi annually	1	Jul-20	8.25%	Pass Through Certificates, Units of Mutual Fund, Marketable Securities.	-	-	1,150.00	-
9	Semi annually	1	Aug-20	8.25%	Pass Through Certificates, Units of Mutual Fund, Marketable Securities.	-	-	1,150.00	-
10	Bullet repayment	1	Apr-21	3.50%	Bonds	-	977.47	-	-
11	Bullet repayment	1	Apr-21	3.50%	Bonds	-	1,071.47	-	-
12	Bullet repayment	1	Apr-21	3.50%	Bonds	-	1,012.50	-	-
13	Monthly	15	Apr-21	8.50%	Exclusive charge on standard receivables (upto 30 days DPD) with a minimum cover of 1.20x.	100.00	248.45	-	-
14	Monthly	18	Apr-21	9.60%	Exclusive charge on specific loan receivables arising out of Term loan from our bank excluding amount over due more than 3 months, keeping a minimum asset cover of 1.2x.	125.00	149.38	-	-
15	Monthly	24	Apr-21	9.40%	First & exclusive charge on Book Debts to the extent of 1.20x with PAR (less than 30 days) of loan limit.	187.50	298.50	-	-
16	Monthly	18	Feb-21	9.60%	Exclusive hypothecation of present and future Loan Receivables. Security margin-120% of the loan principal outstanding during the currency of the loan.	97.22	221.77	-	-

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure V - Summary of significant accounting policies and other explanatory information to the restated consolidated financial information
(All amount in ₹ Millions, unless otherwise stated)

25.1 Term of borrowings (non-current) (cont'd)

a. Term loans from financial institutions and banks (cont'd)

Sl no.	Repayment terms	No. of instalments	Repayment commencement month	Interest rate terms (% p.a.)	Nature of the security	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
17	Monthly	15	Apr-21	9.75%	Exclusive charge on specific loan receivables arising out of Loan lending.	40.00	19.90	-	-
18	Monthly	Upto 2 years	-	8%-10%	Secured by loan assets	362.50	250.00	-	-
19	Monthly	Upto 2 years	-	10%-12%	Secured by loan assets	410.26	475.24	-	-
20	Monthly	2 to 4 years	-	10%-12%	Secured by loan assets	18.67	250.00	450.00	-
21	Monthly	Upto 2 years	-	12%-15%	Secured by loan assets	-	-	50.00	-
22	Monthly	2 to 4 years	-	12%-15%	Secured by loan assets	-	-	312.05	-
23	Monthly	Upto 2 years	-	above 15%	Secured by loan assets	-	-	26.25	-
24	Monthly	2 to 4 years	-	above 15%	Secured by loan assets	-	-	70.56	-
25	Quarterly	Upto 2 years	-	12%-15%	Secured by loan assets	266.67	-	-	-
26	Quarterly	2 to 4 years	-	12%-15%	Secured by loan assets	133.33	-	-	-
27	Quarterly	4 to 6 years	-	8%-10%	Secured by loan assets	-	1,200.00	-	-
28	Quarterly	2 to 4 years	-	12%-15%	Secured by loan assets	-	62.50	295.85	-
29	Half yearly	Upto 2 years	-	Below 8%	Secured by loan assets	62.50		-	-
30	Half yearly	Upto 2 years	-	8%-10%	Secured by loan assets	672.00	187.50	-	-
31	Half yearly	2 to 4 years	-	8%-10%	Secured by loan assets	252.00		-	-
32	Half yearly	4 to 6 years	-	8%-10%	Secured by loan assets	24.00		-	-
33	Half yearly	2 to 4 years	-	10%-12%	Secured by loan assets	153.00	247.50	-	-
34	Half yearly	4 to 6 years	-	10%-12%	Secured by loan assets	27.00		-	-
35	Yearly	NA	-	Below 8%	Secured by loan assets	550.00		-	-
36	At the end of tenure / On demand	Upto 2 years	-	12%-15%	Secured by loan assets	150.00		-	-
37	At the end of tenure / On demand	More than 6 years	-	12%-15%	Secured by loan assets	-	150.00	-	-
38	At the end of tenure / On demand	Upto 2 years	-	above 15%		100.00			
39	At the end of tenure / On demand	2 to 4 years	-	above 15%		150.00			
40	At the end of tenure / On demand	4 to 6 years	-	above 15%	Secured by loan assets	-	50.00	-	-
41	At the end of tenure / On demand	More than 6 years	-	above 15%	Secured by loan assets	-	200.00	-	-
42	Monthly	24	Apr-21	9.20%	Exclusive Charge on receivables of standard asset portfolio and all current assets, present and future, with a minimum asset cover of 1.2 times. Receivables with DPD of more than 90 days not to be considered for asset cover. UDC for the facility amount.	150.00	-	-	-
43	Monthly	18	Jun-21	9.70%	First and exclusive charge on book debts to the extent of 1.2X with PAR (less than 30 Days) to be less than 5% of facility amount.	125.82	-	-	-
44	Monthly	18	Nov-21	9.60%	Exclusive hypothecation of present and future loan receivables (net of financial charges, NPA, other charges, etc.). Security margin is 120% for the loan principal outstanding during the currency of loan.	208.33	-	-	-

25.1 Term of borrowings (non-current) (cont'd)

a. Term loans from financial institutions and banks (cont'd)

Sl no.	Repayment terms	No. of instalments	Repayment commencement month	Interest rate terms (% p.a.)	Nature of the security	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
45	Monthly	18	May-21	8.80%	Primary security is current assets both future and present (inclusive of loan receivable). Proportionate charge on current assets at 1.2X times for term loan facility.	126.98	-	-	-
46	Monthly	24	Nov-21	9.80%	Exclusive first charge by the way of hypothecation of 110% on book debts. Two SPDC of Rs. 25 Cr each.	452.33	-	-	-
47	Monthly	18	Oct-21	8.90%	Exclusive charge by way of hypothecation of book debts arising out of the facility. The hypothecated assets must cover at least 1.25 times of the amount outstanding under the facility. The book debts not to include the amount overdue beyond 30 days.	83.33	-	-	-
48	Monthly	21	Sep-21	9.75%	First and exclusive charge on book debts/loan assets to the extent of 120% of the exposure created out of the bank's funding.	161.90	-	-	-
49	Monthly	36	Jan-21	8.25%	Exclusive charge by way of hypothecation of specific standard receivables with security cover of 110% of the loan amount during entire tenure of the loan.	500.00	-	-	-
50	Monthly	24	Jan-21	9.25%	First, exclusive and Continuing charge on identified loan receivable. Throughout the period security coverage of 110% of the amount outstanding shall be required to be maintained.	150.00	-	-	-
51	Monthly	24	Feb-21	9.25%	First and exclusive charge on book debts to the extent of 1.10X with PAR (less than 30 Days) of loan limit.	200.00	-	-	-
52	Monthly	24	Jan-21	9.25%	First and exclusive charge on specific receivables of the company arising out of on lending.	150.00	-	-	-
53	Bullet repayment - Two times		Apr-22	7.35%	First and exclusive charge on current assets	150.00	-	-	-
54	Monthly	30 Months after initial moratorium of 6 Months	Jul-22	10.50%	1.1X exclusive cover of standard book debts and receivables. Max DPD 60 Days.	1,000.00	-	-	-

25.1 Term of borrowings (non-current) (cont'd)

b. Redeemable non-convertible debentures

Sl no.	Terms of debentures	Interest rate terms (% p.a.)	Number of debentures	Face value in ₹	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1	Secured listed rated redeemable principal protected market linked non-convertible debentures. Maturity Date is 17 Jun 2022. Redemption premium is 9.25%.	Floating rate 9% - 10%	1,500	10,00,000	1,500	1,500.00	-	-
2	Secured listed rated redeemable principal protected market linked non-convertible debentures. Maturity Date is 16 Jun 2022. Redemption premium is 10%.	Floating rate 9% - 10%	469	10,00,000	469	469.00	-	-
3	Secured listed rated redeemable principal protected market linked non-convertible debentures. Maturity Date is 26 May 2022. Redemption premium is 10%.	Floating rate 9% - 10%	750	10,00,000	750	750.00	-	-
4	Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 21 September 2023. Redemption premium is 8.75%	Floating rate 9% - 10%	650	10,00,000	650	-	-	-
5	Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 24 May 2023. Redemption premium is 8.783%	Floating rate 9% - 10%	2,000	10,00,000	2,000	-	-	-
6	Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 August 2023. Redemption premium is 9.15%	Floating rate 9% - 10%	800	10,00,000	800	-	-	-
7	Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 31 August 2023. Redemption premium is 9.6%	Floating rate 9% - 10%	300	10,00,000	300	-	-	-
8	12.40% secured, rated, listed, redeemable, transferable, non-convertible debentures dated 22 June 2017 with Call / Put option with exercise date on 29 June 2021. Redeemable on maturity if Redeemable on maturity if option not exercised or communication for roll-over received from lender.	12.40%	250	10,00,000	250.00	250.00	250.00	-
9	12.90% secured, rated, unlisted, redeemable, non-convertible debentures dated 01 August 2017	12.90%	330	10,00,000	-	-	330.00	-
10	14.50% rated, senior, unsecured, unlisted, redeemable, transferable, principal protected market linked non-convertible debentures dated 10 May 2018	14.50%	2,000	1,00,000	-	200.00	200.00	-
11	13.09% secured, rated, listed, redeemable, transferable, non-convertible debentures dated 29 October 2018 with call / put option at the end of 24 months from the exercise date. Redeemable on maturity if option not exercised or communication for roll-over received from lender.	13.09%	220	10,00,000	-	-	220.00	-

25.1 Term of borrowings (non-current) (cont'd)

b. Redeemable non-convertible debentures

Sl no.	Terms of debentures	Interest rate terms (% p.a.)	Number of debentures	Face value in ₹	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
12	13.09% secured, rated, listed, redeemable, transferable, non-convertible debentures dated 29 October 2018 with call / put option at the end of 24 months from the exercise date. Redeemable on maturity if option not exercised or communication for roll-over received from lender.	13.09%	220	10,00,000	-	-	220.00	-
13	14.50% senior, unsecured, rated, listed, transferable, redeemable, non-convertible debentures dated 11 February 2016	14.50%	50	10,00,000	50.00	50.00	50.00	-
14	17.00% subordinated, rated, listed, unsecured, redeemable, transferable, non-convertible debentures dated 11 February 2016	17.00%	50	10,00,000	50.00	50.00	50.00	-
15	14.50% subordinated, rated, listed, unsecured, redeemable, taxable, non-convertible debentures dated 29 December 2016.	14.50%	15,00,00,000	1	150.00	150.00	150.00	-
16	11.80% secured senior, rated, listed, redeemable non-convertible debentures dated 08 June 2020	11.80%	150	10,00,000	150.00	150.00	-	-
17	11.04% secured senior, rated, listed, redeemable, non-convertible debentures dated 01 July 2020	11.04%	500	10,00,000	500.00	500.00	-	-
18	9.90% secured senior, rated, listed, redeemable non-convertible debentures dated 30 September 2020	9.90%	300	2,30,000	69.00	276.90	-	-
19	10.25% Secured, Rated, Listed, Redeemable non-convertible debentures dated 19 November 2020	10.25%	500	10,00,000	500.00	500.00	-	-
20	9.35% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 15 December 2020	9.35%	2,500	46,157	115.39	250.00	-	-
21	10.00% Senior, Secured, Rated, Listed, Redeemable, Transferable, Principal Protected Market Linked Non-Convertible dated 01 February 2021	10.00%	3,100	1,00,000	310.00	310.00	-	-
22	9.32% Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Transferable, non-convertible debentures dated 30 March 2021	9.32%	500	9,70,000	485.00	500.00	-	

c. Commercial papers

Sl no.	Terms of Commercial papers	Redemption Value	Face value in ₹	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1	Unsecured Rated Redeemable Commercial Paper	500	95.03	480.17	-	-	-
2	Unsecured Rated Redeemable Commercial Paper	350	99.58	348.52	-	-	-
3	Unsecured Rated Redeemable Commercial Paper	650	98.04	637.28	-	-	-

25.1 Term of borrowings (non-current) (cont'd)

d. Term loans from banks

Sl no.	Maturity terms of borrowings	Interest rate terms (% p.a.)	Original maturity period	Nature of Security	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1	Monthly repayment	Below 8%	Upto 2 years	Secured by loan assets	334.09	-	-	-
2	Monthly repayment	Below 8%	2 to 4 years	Secured by loan assets	36.36	-	-	-
3	Monthly repayment	8%-10%	Upto 2 years	Secured by loan assets	5,187.32	1,018.73	-	-
4	Monthly repayment	8%-10%	2 to 4 years	Secured by loan assets	704.69	303.20	0.22	-
5	Monthly repayment	10%-12%	Upto 2 years	Secured by loan assets	1,161.77	2,395.73	-	-
6	Monthly repayment	10%-12%	2 to 4 years	Secured by loan assets	-	6.70	1,209.17	-
7	Monthly repayment	12%-15%	Upto 2 years	Secured by loan assets	119.32	6.82	-	-
8	Monthly repayment	12%-15%	2 to 4 years	Secured by loan assets	-	304.53	1,019.29	-
9	Quarterly repayment schedule	8%-10%	Upto 2 years	Secured by loan assets	300.00	-	-	-
10	Quarterly repayment schedule	10%-12%	2 to 4 years	Secured by loan assets	-	66.66	44.44	-
11	Half yearly repayment schedule	10%-12%	4 to 6 years	Secured by loan assets	-	-	382.50	-
12	Half yearly repayment schedule	10%-12%	4 to 6 years	Secured by loan assets	-	-	-	-
13	At the end of tenure / On demand	8%-10%	Upto 2 years	Secured by loan assets	1,000.00	-	-	-

#All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

e. There are no material discrepancies between the quarterly statements containing details filed with the lenders and the books of account of the respective Companies in the Group. For the purpose of these statements, current assets includes loan portfolio held by the respective Companies in the Group.

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25.2 Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Borrowings	Total
Cash flows:			
- Proceeds	-	9,000.00	9,000.00
- Repayments	-	(9,000.00)	(9,000.00)
- Interest paid	(1.17)	-	(1.17)
- Interest expense	(0.58)	-	(0.58)
Non-cash:	0.58	-	0.58
- Upfront fees and amortisation	31.99	-	31.99
Balance as at 31 March 2019	**30.82**	**-**	**30.82**
Balances acquired upon Business Combination	172.27	5,301.73	5,474.00
Cash flows:			
- Proceeds	-	7,637.15	7,637.15
- Repayments	(10.81)	(3,772.44)	(3,783.25)
- Interest paid	(7.46)	(0.98)	(8.44)
- Interest expense	7.46	0.98	8.44
Non-cash:			
- Addition during the year	95.03	-	95.03
- Upfront fees and amortisation	-	3.26	3.26
- Interest on liability component of CCDs	-	2.05	2.05
- Equity component of CCDs	-	(1,124.87)	(1,124.87)
- Others	(4.76)	0.02	(4.74)
Balance as at 31 March 2020	**282.55**	**8,046.90**	**8,329.45**
Cash flows:			
- Proceeds	-	38,205.19	38,205.19
- Repayments	(64.74)	(29,296.64)	(29,361.38)
- Interest paid	(24.57)	(2.60)	(27.17)
- Interest expense	23.72	2.60	26.32
Non-cash:			
- Addition during the year	609.36	-	609.36
- Deletions during the year	(110.76)	-	(110.76)
- Upfront fees and amortisation	-	(43.24)	(43.24)
- Others	(6.85)	-	(6.85)
Balance as at 31 March 2021	**708.71**	**16,912.21**	**17,620.92**
Cash flows:			
- Proceeds	-	56,770.95	56,770.95
- Repayments	(50.62)	(42,781.76)	(42,832.38)
- Interest paid	43.60	-	43.60
- Interest expense	(43.60)	(4,333.44)	(4,377.04)
Non-cash:			
- Addition during the period	193.23	-	193.23
- Deletions during the period	(21.03)	-	(21.03)
- Upfront fees and amortisation	-	(43.17)	(43.17)
- Others	(11.87)	-	(11.87)
Balance as at 31 December 2021	**818.42**	**26,524.79**	**27,343.21**

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
29 Provisions (non current)				
Provision for employee benefits				
Provision for gratuity (*)	56.09	41.67	29.47	-
Provision for compensated absences	57.40	47.02	48.16	-
Provision for others				
Provision for employee incentives	81.34	27.43	10.18	-
Others	-	0.11	-	-
	194.83	**116.23**	**87.81**	**-**

(*) Refer note 56 for disclosures related to Employee benefit obligations

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
30 Other non-current liabilities				
Deferred liability on deposits received	1.56	3.67	-	-
Premium received in advance	133.26	125.82	110.78	-
	134.82	**129.49**	**110.78**	**-**
31 Borrowings (Current) (*)				
Current maturities of non current borrowings	14,770.70	8,066.95	5,608.52	-
Unsecured				
Corporate loan [refer note (i) below]	-	-	34.00	-
Bank overdraft [refer note (ii) below]	-	-	36.94	31.59
	14,770.70	**8,066.95**	**5,679.46**	**31.59**

(*) Refer note 25 Borrowings (non-current) and 25.1 Term of borrowings (Non-current) for borrowing related disclosures.

Notes:

(i) The Company had taken a corporate loan amounting to ₹ 55 million in December 2019 from a corporate at an interest rate of 13% for working capital purposes. (31 December 2021 - ₹ Nil; 31 March 2021 - ₹ Nil; 31 March 2020 - ₹ 34 millions; 31 March 2019 - ₹ Nil)

(ii) The Holding Company has a bank overdraft facility with an overall limit up to ₹ 100 million which is secured by way of lien against investments in Kotak Savings Fund Direct Plan Growth. The overdraft is obtained to augment working capital requirements of the Holding Company.

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
32 Lease liabilities (Current)				
Current maturities of lease liabilities**	201.59	127.01	72.41	6.72
	201.59	**127.01**	**72.41**	**6.72**

**Refer note 55 for disclosures related to leases.

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	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
33 Trade payables				
Dues to micro enterprises and small enterprises [refer note (a) below]	1.39	13.03	0.04	0.12
Dues to creditors other than micro enterprises and small enterprises	294.08	208.98	189.26	3.25
Disputed dues to micro enterprises and small enterprises (MSMEs)	-	-	-	-
Disputed dues to creditors other than micro enterprises and small enterprises	-	-	-	-
	295.47	**222.01**	**189.30**	**3.37**

(a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	1.39	13.03	0.04	0.12
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; Interest accrued and due thereon remaining unpaid	-	-	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	-	-	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-	-	-
v) the amount of further interest remaining due and payable even in the succeeding periods, 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.	-	-	-	-

b. Additional disclosure in respect of Trade payables Ageing as per Schedule III, Companies Act 2013

Particulars	**As at 31 December 2021**				
	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	1.39	-	-	-	1.39
(ii) Others	294.08	-	-	-	294.08
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Particulars	**As at 31 March 2021**				
	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	13.03	-	-	-	13.03
(ii) Others	208.98	-	-	-	208.98
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Particulars	**As at 31 March 2020**				
	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	0.04	-	-	-	0.04
(ii) Others	189.26	-	-	-	189.26
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Particulars	**As at 31 March 2019**				
	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	0.12	-	-	-	0.12
(ii) Others	3.25	-	-	-	3.25
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
34 Other financial liabilities (current)				
Interest accrued and due on borrowings	69.74	151.13	106.33	-
Interest accrued but not due on borrowings	16.34	48.05	31.13	-
Interest accrued on debentures	10.10	-	-	-
Dues to employees	14.16	11.77	3.93	-
Accrued expenses	1,024.55	131.52	46.36	0.90
Insurance payables	4.40	4.42	14.61	-
Brokerage payable	-	0.18	-	-
Commission payable	0.18	-	-	-
Accrued CCIL charges	-	-	-	-
Other payables	29.42	5.94	73.44	-
Payable towards assignment transactions	93.35	80.02	84.75	-
Redemption premium Accrued on Market linked Debentures	274.29	-	-	-
Balances due to Agents and other Intermediaries	98.57	97.70	-	-
Payable towards investments settlement*	-	602.55	-	-
Claims payable	0.01	1.49	1.22	-
Coinsurance/reinsurance payable	14.38	36.32	23.55	-
Unclaimed amount of policyholders	0.50	0.48	0.46	-
Unsettled Investment contract payables	1,060.84	-	-	-
	2,710.83	**1,171.57**	**385.78**	**0.90**
35 Insurance contract liabilities (current) (**)				
Incurred but not reported (IBNR) provision	345.89	355.85	212.92	-
Premium deficiency reserve	-	-	145.13	-
Unexpired premium reserve	1,379.35	857.60	751.52	-
Other insurance contract liabilities	400.54	270.50	165.27	-
	2,125.78	**1,483.95**	**1,274.84**	**-**
**Refer note 54 for disclosures related to insurance business				
36 Other current liabilities				
Advances from customers	104.96	-	-	-
Dividend distribution tax payable	-	-	50.79	-
Statutory dues	107.19	107.64	63.01	5.25
Deferred income	24.75	24.12	3.92	-
Premium received in advance	7.00	83.54	0.89	-
Unallocated premium	10.36	15.56	10.29	-
Other liabilities	4.30	2.61	-	-
	258.56	**233.47**	**128.90**	**5.25**
37 Provisions (current)				
Provision for employee benefits				
Provision for gratuity *	3.94	0.33	0.03	-
Provision for compensated absences	9.73	6.99	0.13	-
Provision for others				
Provision for employee incentives	104.84	37.59	31.72	-
Provision for employee benefits	0.21	16.03	-	-
Other losses	0.58	0.68	1.26	-
Provision for expenses	0.90	-	-	-
Provision for statutory bonus	52.91	37.13	17.21	-
Others	0.08	0.89	-	-
	173.19	**99.64**	**50.35**	**-**
*Refer note 56 for disclosures related to Employee benefit obligations				
38 Current tax liabilities (net)				
Provision for taxation	79.41	47.17	7.15	22.02
Less: Advance tax and income tax paid	(0.04)	(9.73)	-	(18.59)
	79.37	**37.44**	**7.15**	**3.43**

		For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
39	**Revenue from operations**				
	Sale of services				
	Revenue from advisory services	244.61	324.15	369.83	125.70
	Fees and commission income	5.15	74.64	-	-
	Management fees	16.59	6.44	-	-
	Sale of services (related to insurance business)				
	Insurance premium (net of premium ceded)	630.97	875.42	133.97	-
	Commission income	9.23	48.77	22.94	-
	Other operating income (related to lending business)				
	Income from business correspondent operations	-	0.71	5.68	-
	Fee received on collections	46.10	23.86	7.19	-
	Service fee on securitised/assigned loans	-	-	15.35	-
	Commission Income	13.10	12.64	4.52	-
		965.75	**1,366.63**	**559.48**	**125.70**
40	**Interest income**				
A	**Lending business**				
	- On financial assets measured at amortised cost				
	Interest on loans	3,293.69	2,833.04	925.16	-
	Interest Income on debt securities amortised cost	335.02	854.33	261.03	-
	Interest Income on Repo instruments placed with CCIL	0.02	-	-	-
	Interest income on deposits	58.79	35.57	9.58	-
	- On financial assets measured at fair value through profit or loss				
	Interest Income on debt securities	141.27	281.85	-	-
	Unwinding of discount on security deposits paid	-	0.02	-	-
	- On financial assets measured at fair value through other comprehensive income:				
	Interest Income on debt securities FVOCI	-	-	234.51	-
	Interest on loans	170.10	-	-	-
		3,998.89	**4,004.81**	**1,430.28**	**-**
B	**Insurance business**				
	- On financial assets measured at amortised cost				
	Interest Income on fixed deposits:				
	- for shareholders	62.02	10.78	0.60	-
	- for policyholders	22.86	5.29	2.04	-
	- On financial assets measured at fair value through OCI				
	Interest Income on bonds, debentures and others:				
	- for shareholders	55.36	137.58	17.52	-
	- for policyholders	101.19	161.11	4.11	-
		241.43	**314.76**	**24.27**	**-**
C	**Others**				
	Interest income:				
	- On financial assets measured at amortised cost				
	Interest income on loan assets	-	6.39	-	
	Interest income on bonds, debentures and others	80.80	76.14	179.49	1.19
	Interest income on deposits	47.41	105.21	4.80	0.16
	Interest income on income taxes	2.78	0.62	0.06	-
	Unwinding of discount on security deposits paid	5.02	1.60	0.43	0.12
		136.01	**189.96**	**184.78**	**1.47**
		4,376.33	**4,509.53**	**1,639.33**	**1.47**
41	**Other income**				
	Gain on sale of bills purchased	-	-	7.51	-
	Gain on sale of property, plant and equipment	0.76	-	0.05	-
	Bad debt recovery	3.25	-	1.48	-
	Gain on derecognition of right of use for sub-leasing	-	3.51	-	-
	Gain on cancellation of lease	2.18	-	-	-
	Miscellaneous income	29.89	5.61	2.50	
		36.08	**9.12**	**11.54**	**-**

		For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
42	**Net gain/(loss) on fair value changes**				
	(A) Net gain/(loss) on financial instruments through fair value through profit or loss				
	i. On trading portfolio				
	- Mutual funds	108.94	215.67	28.67	42.35
	- Debt securities	898.20	1,356.63	40.22	-
	- Future trading	270.51	(172.74)	(6.99)	-
	ii. On financial instruments designated at FVTPL				
	- Equity instruments	139.55	110.14	(273.86)	-
	- Debt securities	224.46	179.98	64.88	-
	(B) Net gain/(loss) on financial instruments at amortised cost				
	- Debt securities	8.85	15.87	-	-
	- Pass through certificates	33.69	19.53	(1.68)	-
	Fair Value Gain/(Loss)	**1,684.20**	**1,725.08**	**(148.76)**	**42.35**
	Fair value changes:				
	- Realised gain / (loss)	852.46	1,579.70	88.27	40.05
	- Unrealised gain / (loss)	834.00	318.11	45.53	2.30
	- Realised gain / (loss)	(2.26)	(172.74)	-	-
	- Unrealised gain / (loss)	-	-	(282.53)	-
		1,684.20	**1,725.07**	**(148.73)**	**42.35**
43	**Net gain on derecognition of financial instruments under amortised cost category**				
	Gain on sale of loan portfolio through assignment	131.43	189.81	8.57	-
		131.43	**189.81**	**8.57**	**-**
44	**Employee benefits expense**				
	Salaries, wages and bonus	1,761.57	1,475.76	511.07	57.16
	LTIP expenses	31.39	15.56	10.11	-
	Contribution to provident and other funds	76.82	68.27	28.43	0.95
	Gratuity expenses*	20.43	23.18	9.52	-
	Leave encashment expenses*	30.30	18.69	18.29	-
	Share based payments to employees^	116.28	58.44	24.11	-
	Staff welfare expenses	70.63	36.84	14.61	-
		2,107.42	**1,696.74**	**616.14**	**58.11**

Note:
*Refer note 56 for disclosures relating to employee benefit obligations.
^Refer note 53 for disclosures relating to share based payments to employees

		For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
45	**Finance costs**				
	Interest on borrowings (other than debt securities)	764.27	521.27	238.16	0.16
	Interest on debt securities	542.20	265.14	95.13	-
	Interest on subordinated liabilities	11.30	15.00	15.12	-
	Interest on preference shares	-	-	5.13	-
	Interest on bank overdraft	0.03	1.00	0.98	-
	Interest on inter corporate loans	0.35	-	-	-
	Unwinding of discount on security deposits received	0.21	0.29	0.27	-
	Interest on others				-
	Interest on lease liabilities	43.79	22.88	7.43	0.58
	Interest on taxes	0.14	9.37	1.25	0.13
	Other borrowing cost	8.76	47.15	6.79	-
		1,371.05	**882.10**	**370.26**	**0.87**

		For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
46	**Depreciation and amortisation expense**				
	Depreciation on property, plant and equipment	76.02	75.10	18.23	0.09
	Depreciation on right of use asset	121.45	83.04	23.06	1.60
	Amortisation on intangible assets	159.85	213.93	48.04	-
	Impairment on intangible assets	-	34.52	-	-
		357.32	**406.59**	**89.33**	**1.69**
47	**Impairment on financial instruments**				
(i)	Impairment loss allowance:				
	Impairment allowance on portfolio loans (*)	251.20	1,393.85	163.69	-
	Impairment loss on other receivables	27.82	7.62	10.22	-
	Impairment loss on investments	(39.68)	182.59	26.40	-
(ii)	Amounts written off:				
	Portfolio loans written off	801.14	288.38	37.89	-
	Receivables written off	2.26	-	0.01	-
		1,042.74	**1,872.44**	**238.21**	**-**

Note:
(*) During the period ended 31 December 2021, the Company has entered into a settlement and termination agreement with respect to old digital loans which had an impairment allowance of INR 40.48 millions as on the date of transfer. The same has been considered for arriving at the net loss on derecognition of financial instruments under amortised cost category in Note 43.

		For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
48	**Other expenses**				
	Advertisement, marketing and publicity expenses	3,055.71	387.08	9.98	-
	Legal and professional expenses	258.24	246.46	298.94	29.78
	Information technology maintenance cost	304.83	158.48	10.62	0.01
	Travelling expenses	110.68	77.76	43.12	0.30
	Rates and taxes	93.84	58.66	92.04	33.57
	Customer onboarding and verification	123.64	42.27	-	-
	Rental charges	49.56	33.12	14.20	0.08
	Directors' fee	27.60	29.32	8.34	-
	Office expenses	26.22	28.11	6.83	0.08
	Membership fees and subscription	17.38	25.15	6.81	-
	Communication expenses	22.20	21.57	8.71	0.09
	Bank charges	10.93	14.64	7.50	-
	Repairs and maintenance	41.64	11.38	15.52	0.08
	Power, water and utility expenses	12.73	11.36	3.92	0.14
	Fee paid to business correspondents	9.69	10.34	18.48	-
	Printing and stationery	14.34	10.23	6.30	-
	Recruitment expenses	66.80	9.14	6.03	0.50
	Meeting and training expenses	36.78	7.62	8.82	-
	Loss on sale of property, plant and equipment	0.04	5.30	-	-
	Auditor's remuneration	7.54	5.17	6.87	0.35
	Corporate social responsibility expenses	5.90	5.02	0.06	-
	Fees and commission	49.93	6.11	-	-
	Vehicle running and maintenance	-	2.49	-	-
	Mutual fund expenses	7.23	1.07	-	-
	Miscellaneous expenses	2.72	3.67	5.34	0.75
		4,356.17	**1,211.52**	**578.43**	**65.73**

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		For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
49	**Tax expense**				
	(i) Current tax expense	129.49	641.71	215.14	21.89
	(ii) Deferred tax (credit)/expense	(535.71)	(290.98)	(105.16)	0.54
		(406.22)	**350.73**	**109.98**	**22.43**
	Note: The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate is as below:				
	Accounting profit before income tax	**(2,470.49)**	**1,062.61**	**29.27**	**43.12**
	At statutory income tax rate of 25.17% (Year ended 31 March 2021: 25.17%; 31 March 2020: 25.17%; 31 March 2019: 27.82%)	(621.82)	267.46	7.37	12.00
	Adjustments in respect of taxes earlier years:				
	(i) Expenses disallowed under the provisions of Income tax Act, 1961	2.86	8.53	42.64	11.59
	(ii) Tax impact on deductions allowed under income tax	(10.18)	(11.88)	-	-
	(iii) Capital gains taxed at different rate	-	-	-	(1.19)
	(iv) Tax expense relating to previous years	-	(12.16)	3.34	-
	(v) Reversal of deferred tax on account of change in tax rates	-	-	(7.64)	-
	(vi) Amortization of intangibles acquired upon business combination	18.75	28.96	-	-
	(vii) Subsidiaries incurring losses on which no tax expense created	167.34	93.06	59.99	-
	(viii) Others	36.83	(23.24)	4.28	0.03
		(406.22)	**350.73**	**109.98**	**22.43**
50	**Other Comprehensive Income**				
A	**Items that will not be reclassified to profit or loss**				
(a)	Re-measurement gains/(losses) on defined benefit plans	(3.99)	2.16	(1.83)	-
(b)	Income tax relating to these items	1.98	0.43	0.32	-
		(2.01)	**2.59**	**(1.51)**	**-**
B	**Items that will be reclassified to profit or loss**				
(a)	Items that will be reclassified to profit or loss:				
	Fair valuation of debt Securities	27.89	129.56	24.28	-
	Fair valuation of equity instruments	-	0.05	-	-
	Fair valuation of loan assets	(24.68)	-	-	-
	Expected credit losses	(80.94)	(106.85)	(1.25)	-
(b)	Income tax relating to these items	6.21	(7.08)	-	-
		(71.52)	**15.68**	**23.03**	**-**
		(73.53)	**18.27**	**21.52**	**-**
51	**Earnings per equity share**				
	Net (loss) / profit for the period / year	(2,064.27)	711.88	(80.71)	20.69
	Face value per share	100.00	100.00	100.00	100.00
	Weighted average number of equity shares for EPS	28,81,38,978	28,80,94,597	3,85,75,024	28,30,357
	Effect of dilution:				
	- Weighted average Equity Shares arising on stock option plan	37,55,948	25,01,156	4,96,899	-
	Weighted average number of Equity shares adjusted for the effect of dilution	**29,18,94,926**	**29,05,95,753**	**3,90,71,923**	**28,30,357**
	Earnings per share				
	Basic (in ₹)	(7.16)	2.47	(2.09)	7.31
	Diluted (in ₹) (refer note below)	(7.16)	2.45	(2.09)	7.31

Note:
The Holding Company has issued employee stock options (refer note 53) and the conversion of these ESOPs into equity shares has an anti-dilutive impact on EPS. Hence, the disclosure of diluted EPS is restricted to basic EPS in the Statement of Profit and Loss for these period/years.

52 Revenue from contracts with customers under Ind AS 115

a. In accordance with Ind AS 115, set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of goods/services	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services				
Revenue from advisory services	244.61	324.15	369.83	125.70
Fees and Commission Income	5.15	74.64	-	-
Management fees	16.59	6.44	-	-
Sale of services (related to Insurance business)				
Insurance premium (net of premium ceded)	630.97	875.42	133.97	-
Commission income	9.23	48.77	22.94	-
Other operating income (related to NBFC business)				
Income from business correspondent operations	-	0.71	5.68	-
Fee received on collections	46.10	23.86	7.19	-
Service fee on securitised/assigned loans	-	-	15.35	-
Commission income	13.10	12.64	4.52	-
Total revenue from contracts with customers	**965.75**	**1,366.63**	**559.48**	**125.70**
Revenue by geography				
India	965.75	1,366.63	559.48	125.70
Outside India	-	-	-	
Total revenue from contracts with customers	**965.75**	**1,366.63**	**559.48**	**125.70**
Revenue by time				
Revenue recognised at point in time	965.75	1,366.63	463.32	125.70
Revenue recognised over time	-	-	96.16	-
Total revenue from contracts with customers	**965.75**	**1,366.63**	**559.48**	**125.70**

b. Reconciliation of revenue recognised with contract price:

Contract price	965.75	1,366.63	559.48	125.70
	965.75	**1,366.63**	**559.48**	**125.70**

52.1 Contract balances related to contracts with customers

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Trade receivables	5.96	17.37	0.63	
	5.96	**17.37**	**0.63**	**-**

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
(ii) Contract assets relates to revenue earned from ongoing services. As such, the balances of this account vary and depend on the services at the end of the yea
(iii) Contract liabilities include advances received from customers to deliver services.

52.2 Performance Obligations
There are no remaining performance obligations (unsatisfied or partially unsatisfied) as at reporting date.

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53 Share-based payments

(i) ESOP Plan under Navi Technologies Limited *(formerly known as Navi Technologies Private Limited)*

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019, the Holding Company, at its discretion, may grant share options of the Holding Company, to any of the employees of the Group. The Holding Company introduced the Plan for the benefit of its own employees and the employees of its group companies. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion. Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise Period	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a period of 4 years.	Employees must remain in service for a period of 3 years from the date of grant.	₹ 100/- Options : Shares = 1:1	Options are exercisable in one or more tranches within a period of 10 years from the date of vesting, failing which the options shall lapse.

Of the total share options granted, 277,362 options would vest after 1 year and of the balance share options, 25% of the share options shall vest after 1 year from date of grant. Further, remaining share options shall vest at 2% per month for the remaining period of three years.

The details for stock options granted and lapsed during the year, pursuant to the plan, has been provided below. The Stock compensation cost is computed under the fair value method and has been recognised over the vesting period up to 31 December 2021.

For the period ended 31 December 2021, the Group has recorded stock compensation expenses of ₹ 116.28 Millions (year ended 31 March 2021: ₹ 58.44 Millions; 31 March 2020: ₹ 24.11 Millions and 31 March 2019: Nil).

Particulars	No. of options as at 31 December 2021	No. of options as at 31 March 2021	No. of options as at 31 March 2020	No. of options as at 31 March 2019
A. Employees of the Holding Company				
Options outstanding at the beginning of the period/year	12,38,642	19,45,923	-	-
Granted during the period/year	24,92,985	10,17,998	19,84,385	-
Lapsed during the period/year	(2,49,574)	(11,08,888)	(38,462)	-
Transferred during the period/year within the Group	2,22,844	(6,16,391)	-	-
Options outstanding at the end of the period/year	**37,04,897**	**12,38,642**	**19,45,923**	**-**
B. Employees of the subsidiary Companies				
Options outstanding at the beginning of the period/year	14,40,566	-	-	-
Granted during the period/year	6,24,845	11,26,561	-	-
Lapsed during the period/year	(2,08,556)	(3,02,386)	-	-
Transferred during the period/year within the Group	(2,22,844)	6,16,391	-	-
Options outstanding at the end of the period/year	**16,34,011**	**14,40,566**	**-**	**-**

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 Group generally does not have a practice of cash settlement for these awards.

Particulars (*)	1 October 2021 - 31 December 2021	1 April 2021 - 30 September 2021	31 March 2021	31 March 2020
Weighted average fair values at the measurement date	₹ 382.00	₹ 143.40	₹ 143.40	₹ 140.50
Expected life of share options (years)	5.00	7.50	7.50	7.50
Expected volatility (%)	29.6%	27.6%	27.5%	23.7%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%
Risk–free interest rate (%)	5.9%	6.6%	6.3%	6.9%
Weighted average share price (INR)	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00
Model used	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 period equivalent to the expected life of the option.

(*) No disclosure has been provided for the year ended 31 March 2019, since the employee stock options were granted during year ended 31 March 2020 for the first time.

53 Share-based payments (continued)

(ii) ESOP Plan under Navi Finserv Private Limited *(referred to as "NFPL")* **[Plan discontinued w.e.f 13 October 2020]**

The subsidiary (i.e. NFPL) had implemented an Employee Stock Option Plan called as Chaitanya Employee Stock Option Scheme 2017 ("ESOP 2017"). The Chaitanya Employee Stock Option Scheme 2017' (the 'Plan 2017') was approved in the Extraordinary General Meeting of the members held on 24 April 2017.

NFPL introduced the ESOP 2017 to reward employees for their association with the subsidiary Company (i.e. NFPL), their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the NFPL and its subsidiary company, i.e. CIFCPL. The plan provided for the creation and issue of 739,500 options that would eventually convert into equity shares of ₹ 10 each in the hands of the employees.

The options were to be granted to the eligible employees as per the eligibility criteria as recommended by the Board of Directors. The share options vested in a graded manner over a period of three years and were exercisable in one or more tranches within a period of ten years from the date of vesting, failing which the options would lapse.

Pursuant to the Plan, NFPL had granted 621,000 options until 31 March 2020. There were no options granted subsequent to 31 March 2020. The stock compensation cost was computed under the fair value method and was recognised as an additional investment in CIFCPL on a proportionate basis over the vesting period until 31 March 2020. For the year ended 31 March 2021, the Company had recorded an additional investment of ₹ 9.411 million (31 March 2020: ₹ 3.33 million; 31 March 2019: Nil) in the CIFCPL.

Details of ESOP trust and plan:

ESOP trust	Grant – 1 of ESOP 2017	Grant – 2 of ESOP 2017
Date of grant	13 October 2017	26 March 2019
Date of Board Meeting, where ESOP was approved	12 October 2017	25 March 2019
Date of Committee Meeting where grant of options were approved	13 October 2017	26 March 2019
No. of options granted	5,59,000.00	62,000.00

Method of settlement	The employees have to pay the exercise price to the Trust for acquiring the shares of the Company. The exercise price is ₹ 38 each.
Vesting conditions	The options shall vest over a period of 3 (three) years of continuous completed service from the date of grant of options.
Vesting period	The options shall vest at the rate of 33% on each anniversary of the grant, continuously for 3 years.
Exercise period	After completion of vesting period within 10 years of vesting of the options.
Pricing formula	The Company had issued shares to the Trust at ₹ 38 per share (valuation report was obtained).

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOP 2017	Grant – 2 of ESOP 2017
No. of options granted	5,59,000.00	62,000.00
Date of grant of options	13 October 2017	26 March 2019
No. of employee to whom such options were granted	62.00	2.00
Exercise price*	₹ 38	₹ 38
No. of employees who have exercised the option	62.00	2.00
No. of options exercised	4,82,000.00	62,000.00

*Based on the valuation by a registered valuer.

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53 Share-based payments (continued)

(ii) ESOP Plan under Navi FinServ Private Limited *(referred to as "NFPL")* **[Plan discontinued w.e.f 13 October 2020] (cont'd)**

Details of vesting of options Chaitanya Employee Stock Option Scheme 2017:

Grant-1		Grant-2	
Vesting date	**Vested options**	**Vesting date**	**Vested options**
13 October 2018	1,75,333	26 March 2020	20,667.00
13 October 2019	1,60,000	13 October 2020	41,333.00
13 October 2020	1,46,667		

Summary of options granted under the plan:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of options	Weighted average	No. of options	Weighted average
Outstanding options at the beginning of the year	5,54,000	₹ 38	5,67,333.00	₹ 38
Granted during the year	-	-	-	
Forfeited during the year	-	-	-	
Exercised during the year	(5,44,000)	₹ 38	-	
Expired/lapsed during the year	(10,000)	₹ 38	(13,333.33)	₹ 38
Outstanding options	**-**	-	**5,53,999.67**	₹ 38
Exercisable at the end of the year	-	-	-	
Number of equity shares of ₹ 10 each fully paid up to be issued on exercise of option	-	-	5,53,999.67	₹ 38
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	10.71
Weighted average fair value of the options exercisable at grant date:	Grant-1	-	Grant-1	16.20
	Grant-2	-	Grant-2	36.60

Share options outstanding at the end of the year having the following expiry date and exercise price: Nil

The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant

Grant date	13 October 2017	26 March 2019
Vesting period	10 years from the vesting date	10 years from the vesting date
Exercise price (₹ per share)	38.00	38.00
Expected volatility (%)	0.21	0.19
Expected option life (in years)	7.00	7.00
Fair market value of the option on the grant date (₹ per share)	16.20	36.60
Expected dividends yield	-	-
Risk free interest rate	0.07	0.07

Employee wise details (name of employee, designation, number of options granted during the year, exercise price) - Nil

There are no identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the subsidiary Company at the time of grant.

Note:

During the year ended 31 March 2021, there was an accelerated vesting of options granted on 13 October 2020, where in the holding company (Navi Technologies Limited *(formerly Navi Technologies Private Limited)*] paid ₹75 per share to the Chaitanya Employee Welfare Trust being the consideration for exercising ESOPs on behalf of employees and for subsequent transfer of such shares to the Holding Company. Accordingly, the ESOPs were exercised and transferred to the Holding Company and the outstanding loan was repaid by Chaitanya Employee Welfare Trust. Therefore, such transfer of shares from Chaitanya Employee Welfare Trust to Navi Technologies Private Limited has been captured as a additional movement in the current year.

54 Insurance business disclosures

Reinsurance is one of the most important risk management tools used by insurers. An insurer can use reinsurance to reduce its insurance risks and the volatility of its financial results, stabilize its solvency, use its available capital more efficiently, improve its ability to withstand disasters, increase its underwriting capacity and draw on the reinsurer's expertise with respect to product development. However, reinsurance exposes an insurer to other risks, including residual insurance risks, legal risks, counterparty risks, liquidity risks and operational risks.

Reinsurance

Reinsurance is insurance that an insurance company purchases from another insurance company to insulate itself (at least in part) from the risk of a major claims event. With reinsurance, the company passes on ("cedes") some part of its own insurance liabilities to the other insurance company. The company that purchases the reinsurance policy is called a "ceding company" or "cedent" or "cedant" under most arrangements. The company issuing the reinsurance policy is referred simply as the "reinsurer". In the classic case, reinsurance allows insurance companies to remain solvent after major claims events, such as major disasters like hurricanes and wildfires. In addition to its basic role in risk management, reinsurance is sometimes used to reduce the ceding company's capital requirements, or for tax mitigation or other purposes.

A company that purchases reinsurance pays a premium to the reinsurance company, who in exchange would pay a share of the claims incurred by the purchasing company. The reinsurer may be either a specialist reinsurance company, which only undertakes reinsurance business, or another insurance company. Insurance companies that accept reinsurance refer to the business as 'assumed reinsurance'.

There are two basic methods of reinsurance:

1) Facultative reinsurance, which is negotiated separately for each insurance policy that is reinsured.

Facultative reinsurance is normally purchased by ceding companies for individual risks not covered, or insufficiently covered, by their reinsurance treaties, for amounts in excess of the monetary limits of their reinsurance treaties and for unusual risks. Underwriting expenses, and in particular personnel costs, are higher for such business because each risk is individually underwritten and administered. However, as they can separately evaluate each risk reinsured, the reinsurer's underwriter can price the contract more accurately to reflect the risks involved. Ultimately, a facultative certificate is issued by the reinsurance company to the ceding company reinsuring that one policy.

2) Treaty reinsurance means that the ceding company and the reinsurer negotiate and execute a reinsurance contract under which the reinsurer covers the specified share of all the insurance policies issued by the ceding company which come within the scope of that contract. The reinsurance contract may obligate the reinsurer to accept reinsurance of all contracts within the scope (known as "obligatory" reinsurance), or it may allow the insurer to choose which risks it wants to cede, with the reinsurer obligated to accept such risks (known as "facultative-obligatory" or "fac oblige" reinsurance).

There are two main types of treaty reinsurance, proportional and non-proportional, which are detailed below. Under proportional reinsurance, the reinsurer's share of the risk is defined for each separate policy, while under non-proportional reinsurance the reinsurer's liability is based on the aggregate claims incurred by the ceding office.

Re-insurance Ceded:

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.
Extent of risks retained and reinsured with respect to gross written premium is set out below (excluding excess of loss and catastrophe reinsurance):

Reinsurance risks:

Notwithstanding the advantages reinsurance provides insurers, it can expose them, at varying degrees, to various risks inherent in its use. For example, a new or continuing reinsurance contract could give rise to one or more of the following risks:
- residual insurance risk may arise from discrepancies between reinsurance needs and the actual coverage provided for in the contract, resulting in the insurer retaining greater risk than anticipated. Similarly, an insurer may face a basis risk related to alternative risk transfer mechanisms where the amounts obtained by the insurer through the mechanisms do not match the losses incurred by the insurer;
- legal risk may arise when the terms of the contract do not accurately reflect the intent of the insurer or when the contract cannot be legally enforced;
- counterparty risk may result from the inability or potential refusal of the reinsurer, or a stakeholder in the case of an alternative risk transfer mechanism, to honour its obligations towards the ceding insurer;
- liquidity risk may arise from the possible lag time between the payment of a claim by the insurer to its insured and receipt of the reinsurance recoverable;
- operational risk may result from inadequate contractual arrangements or from insufficient technological or administrative capacity to manage and collect sums owed by reinsurers.

54 Insurance business disclosures (cont'd)

54.1 Summary of risks under Insurance business:

Particulars	For the period/year ended					
	31 December 2021		31 March 2021		31 March 2020	
	Retention	Ceded	Retention	Ceded	Retention	Ceded
Fire *(Basis: Total sum insured)*	84%	16%	100%	0%	49%	52%
Miscellaneous *(Basis: Value at risk):*						
Motor - Own Damage	95%	5%	95%	5%	35%	65%
Motor - Third Party	95%	5%	95%	5%	95%	5%
Personal accident	48%	52%	45%	55%	45%	55%
Health Insurance	96%	4%	69%	31%	76%	24%
Engineering	100%	0%	100%	0%	100%	0%
Others	95%	5%	95%	5%	95%	5%

A Reinsurance assets

Particulars	31 December 2021	31 March 2021	31 March 2020
Balance as on the date of acquisition	-	-	563.47
Balance in the beginning of the period/year	1,080.72	492.65	-
Recoveries for the year			
Outstanding claims	2.45	10.13	(12.45)
Incurred but not reported	2.83	15.85	16.93
Unearned premium	(142.49)	825.59	(85.81)
Premium deficiency reserve	-	(263.50)	10.51
Recoverable at the end of the period/year	**943.51**	**1,080.72**	**492.65**

Reinsurance Assets	31 December 2021	31 March 2021	31 March 2020
Current	242.12	383.73	262.62
Non-current	701.39	696.99	230.03

B Insurance contract liabilities

Particulars	31 December 2021	31 March 2021	31 March 2020
Balance as on the date of acquisition	**-**	**-**	**2,171.03**
Balance in the beginning of the period/year	**4,084.41**	**2,202.04**	**-**
Change in outstanding claims reserve	130.04	108.21	15.65
Change incurred but not reported (IBNR) claims	41.60	212.78	106.53
Changes in unearned premium	(194.25)	2,154.88	(76.42)
Changes in provision for premium deficiency	-	(593.50)	(14.75)
Gross Liability at the end of the period/year	**4,061.80**	**4,084.41**	**2,202.04**

Insurance contract liabilities	31 December 2021	31 March 2021	31 March 2020
Current	2,125.78	1,483.95	1,274.84
Non-current	1,936.02	2,600.46	927.20

54.2 Change in accounting policy in Un-Earned Premium Reserve ('UEPR') reserving methodology

During the year ended 31 March 2021, the company had changed its accounting policy for Unearned Premium Reserve ('UEPR') accounting method from 50% of net written premium in preceding 12 months to 1/365 basis after obtaining requisite approval from the IRDAI vide letter no 457/F&A(NL)/RE-MIN/2020-21/155 dated 28th Aug 2020.

In view of this, it was impracticable for the Company to take impact of the above change in the accounting policy to all prior periods. In accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, if it is impracticable to determine the cumulative effect of applying the policy to all prior periods, the cumulative impact of this change can be adjusted prospectively from the earliest date practicable. Subsequent to approval from IRDAI, the cumulative impact of this change in accounting policy since inception till March 31, 2020 amounting to ₹ 981.72 Millions has been adjusted with the opening balance of retained earnings of the financial year 2020-21, as at 1 April 2020.

Unearned Premium Reserve and Premium deficiency duly certified by an Appointed Actuary is recognized as below:

Segment	Unearned Premium Reserve	Premium Deficiency Reserve	Total Impact up to 31 March 2020
Fire	952.81	(153.70)	799.11
Motor - Own Damage	(6.88)	(0.73)	(7.61)
Motor - Third Party	(82.50)	(2.13)	(84.63)
Personal accident	104.49	(59.61)	44.88
Health insurance	349.37	(99.72)	249.65
Engineering	0.10	(0.07)	0.03
Others	(5.68)	(14.04)	(19.72)
Total	**1,311.71**	**(330.00)**	**981.71**

55 Leases

Group as a lessee

The Group has leases for buildings used as office premises in its business operations. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets.

The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

A Right of use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period/years:

Particulars	Buildings	Total
Additions	31.99	31.99
Adjustments/Disposals	-	-
Depreciation charge	(1.60)	(1.60)
As at 31 March 2019	**30.39**	**30.39**
Acquired upon Consolidation	170.04	170.04
Additions	95.03	95.03
Adjustments/Disposals	1.04	1.04
Depreciation	(23.06)	(23.06)
As at 31 March 2020	**273.44**	**273.44**
Acquired upon Consolidation	1.56	1.56
Additions	637.21	637.21
Adjustments/Disposals	(111.49)	(111.49)
Transferred to lease receivable	(31.38)	(31.38)
Depreciation	(83.04)	(83.04)
As at 31 March 2021	**686.30**	**686.30**
Additions	288.00	288.00
Adjustments/Disposals	(125.42)	(125.42)
Derecognition due to sub-lease	-	-
Depreciation	(121.45)	(121.45)
As at 31 December 2021	**727.43**	**727.43**

B Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period/years.

Particulars	Lease liabilities
Additions	31.99
Interest accrued	0.58
Payments	(1.75)
As at 31 March 2019	**30.82**
Acquired in business combination (refer note 60)	170.31
Additions	93.60
Interest accrued	7.43
Payments (Refer note C)	(16.58)
Adjustments	-
Payable as on year end	(3.03)
As at 31 March 2020	**282.55**
Acquired in business combination (refer note 60)	1.65
Additions	607.71
Interest accrued	22.88
Gain/loss on lease receivable	(3.50)
Payments (Refer note C)	(88.46)
Disposals	(113.67)
Adjustments	(0.41)
Payable as on year end	(0.04)
As at 31 March 2021	**708.71**
Acquired in business combination (refer note 60)	-
Additions	193.23
Interest accrued	43.61
Gain/loss on lease receivable	(2.18)
Payments (Refer note C)	(95.92)
Disposals	(21.03)
Adjustments	(8.00)
Payable as on year end	-
As at 31 December 2021	**818.42**

Lease liabilities	31 December 2021	31 March 2021	31 March 2020	31 March 2019
Current	201.59	127.01	72.41	6.72
Non-current	616.83	581.70	210.14	24.10

55 Leases (cont'd)

C Total cash outflow for leases for the year ended 31 December 2021 was ₹ 95.92 Millions (year ended 31 March 2021: ₹ 88.46, 31 March 2020: ₹ 16.58, 31 March 2019: ₹ 1.75)

D Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability are as follows:

Particulars	31 December 2021	31 March 2021	31 March 2020	31 March 2019
Short-term leases	Nil	Nil	Nil	Nil
Leases of low value assets	0.04	Nil	Nil	Nil
Variable lease payments	5.42	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil

E The Group has total commitment for short-term leases of ₹ nil as at 31 December 2021 (31 March 2021: Nil, 31 March 2020: Nil, 31 March 2019: Nil)

F Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments are as follows:

Particulars	Minimum lease payments due as at 31 December 2021			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	236.90	720.60	-	**957.50**
Interest expense	(56.19)	(82.89)	-	**(139.08)**
Net present values	**180.71**	**637.71**	**-**	**818.42**

Particulars	Minimum lease payments due as at 31 March 2021			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	150.02	707.82	-	**857.84**
Interest expense	(53.47)	(95.66)	-	**(149.13)**
Net present values	**96.55**	**612.16**	**-**	**708.71**

Particulars	Minimum lease payments due as at 31 March 2020			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	92.49	232.41	-	**324.90**
Interest expense	(18.96)	(23.39)	-	**(42.35)**
Net present values	**73.53**	**209.02**	**-**	**282.55**

Particulars	Minimum lease payments due as at 31 March 2019			
	Within 1 year	1-5 years	More than 5 years	Total
Lease payments	7.09	29.86	-	**36.95**
Interest expense	(2.14)	(3.99)	-	**(6.13)**
Net present values	**4.95**	**25.87**	**-**	**30.82**

G Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term (years)	Average remaining lease term (years)	Number of leases with extension option	Number of leases with termination option
Buildings	18.00	0.17 - 4.88	2.25	4.00	Nil

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56 Employee benefit obligations

Defined contribution plans

The Group makes contributions to the Provident Fund for all eligible employees. Under the plan, the Group is required to contribute a specified percentage of payroll costs. Accordingly, the Group has recognised as expense in the statement of profit and loss as follows:

	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
Employer's contribution to provident and other funds (*)	76.82	68.27	28.43	0.95

Note:

(*) Included in contribution to provident and other funds

Defined benefit plans

The Group has defined benefit plan in terms of gratuity.

Gratuity

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 recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements:

(i) Amount recognised in the balance sheet is as under:

Particulars	Holding Company	Subsidiaries	As at 31 December 2021
Present value of obligation	13.66	49.45	63.11
Fair value of plan assets	-	6.22	6.22
Net liability recognised in balance sheet	**13.66**	**43.23**	**56.89**

Particulars	Holding Company	Subsidiaries	Acquired on business combination (refer note 60)	As at 31 March 2021
Present value of obligation	7.18	37.18	3.17	47.53
Fair value of plan assets	-	5.95	-	5.95
Net liability recognised in balance sheet	**7.18**	**31.23**	**3.17**	**41.58**

Particulars	Holding Company	Subsidiaries	Acquired on business combination (refer note 60)	As at 31 March 2020
Present value of obligation	2.96	-	32.05	35.01
Fair value of plan assets	-	-	5.53	5.53
Net liability recognised in balance sheet	**2.96**	**-**	**26.52**	**29.48**

56 Employee benefit obligations (cont'd)

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	Holding Company	Subsidiaries	For the nine-months period ended 31 December 2021
Current service cost	5.23	13.01	18.24
Past service cost including curtailment gains/losses	-	-	-
Interest cost on defined benefit obligation	0.34	1.73	2.07
Expected return on plan assets	-	-	-
Transfers during the period	-	0.13	0.13
Expense recognised in current period	-	-	-
Net impact on profit (before tax)	**5.57**	**14.87**	**20.44**
Actuarial (gain)/loss recognised during the period	**(0.38)**	**1.50**	**1.12**
Amount recognised in the statement of profit and loss and other comprehensive income	**5.19**	**16.37**	**21.56**

Particulars	Holding Company	Subsidiaries	Acquired on business combination (refer note 60)	For the year ended 31 March 2021
Current service cost	3.20	12.42	0.15	15.77
Past service cost including curtailment gains/losses	2.51	-	-	2.51
Interest cost on defined benefit obligation	0.21	2.10	1.04	3.35
Expected return on plan assets	-	(0.33)	-	(0.33)
Transfers during the year	-	2.47	-	2.47
Expense recognised in current year	-	-	-	-
Net impact on profit (before tax)	**5.92**	**16.66**	**1.19**	**23.77**
Actuarial (gain)/loss recognised during the year	**(1.70)**	**(9.35)**	**0.18**	**(10.87)**
Amount recognised in the statement of profit and loss and other comprehensive income	**4.22**	**7.31**	**1.37**	**12.90**

Particulars	Holding Company	Subsidiaries	Acquired on business combination (refer note 60)	For the year ended 31 March 2020
Current service cost	2.96	-	7.40	10.36
Past service cost including curtailment gains/losses				-
Interest cost on defined benefit obligation	-	-	0.82	0.82
Expected return on plan assets	-	-	-	-
Net impact on profit (before tax)	**2.96**	**-**	**8.22**	**11.18**
Actuarial (gain)/loss recognised during the year	-	-	1.98	1.98
Amount recognised in the statement of profit and loss and other comprehensive income	**2.96**	**-**	**10.20**	**13.16**

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56 Employee benefit obligations (cont'd)

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	Holding Company	Subsidiaries	For the nine-months period ended 31 December 2021
Present value of defined benefit obligation as at the beginning of period	7.20	40.35	47.55
Current service cost	5.23	13.01	18.24
Past service cost including curtailment gains/losses	-	-	-
Interest cost	0.34	2.03	2.37
Transfers during the period	3.27	-	3.27
Benefits paid	(2.00)	(3.22)	(5.22)
Actuarial gain/(loss) on obligation	-	-	-
Actuarial gain/(loss) on arising from change in demographic assumption	-	-	-
Actuarial gain/(loss) on arising from change in financial assumption	(0.28)	(0.31)	(0.59)
Actuarial gain/(loss) on arising from experience adjustment	(0.10)	1.82	1.72
Acquisition/Business Combination/Divestiture	-	(4.23)	(4.23)
Present value of defined benefit obligation as at the end of the period	**13.66**	**49.45**	**63.11**

Particulars	Holding Company	Subsidiaries	Acquired on business combination (refer note 60)	For the year ended 31 March 2021
Present value of defined benefit obligation as at the beginning of year	2.96	32.06	2.49	37.51
Current service cost	3.20	12.42	0.15	15.77
Past service cost including curtailment gains/losses	2.51	-	-	2.51
Interest cost	0.21	2.10	1.04	3.35
Transfers during the year	-	2.47	-	2.47
Benefits paid	-	(2.61)	(0.69)	(3.30)
Actuarial gain/(loss) on obligation	-	-	-	-
Actuarial gain/(loss) on arising from change in demographic assumption	-	1.10	-	1.10
Actuarial gain/(loss) on arising from change in financial assumption	(0.35)	(0.88)	(0.14)	(1.37)
Actuarial gain/(loss) on arising from experience adjustment	(1.35)	(9.48)	0.32	(10.51)
Present value of defined benefit obligation as at the end of the year	**7.18**	**37.18**	**3.17**	**47.53**

56 Employee benefit obligations (cont'd)

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under: (cont'd)

Particulars	Holding Company	Subsidiaries	Acquired on business combination (refer note 60)	For the year ended 31 March 2020
Present value of defined benefit obligation as at the beginning of year	-	-	21.85	21.85
Current service cost	2.96	-	7.40	10.36
Past service cost including curtailment gains/losses	-	-	-	-
Interest cost	-	-	0.82	0.82
Benefits paid	-	-	-	-
Actuarial gain/(loss) on obligation	-	-	-	-
Actuarial gain/(loss) on arising from change in demographic assumption	-	-	(8.19)	(8.19)
Actuarial gain/(loss) on arising from change in financial assumption	-	-	11.69	11.69
Actuarial gain/(loss) on arising from experience adjustment	-	-	(1.52)	(1.52)
Present value of defined benefit obligation as at the end of the year	**2.96**	**-**	**32.05**	**35.01**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Particulars	Holding Company#	Subsidiaries^	For the nine-months period ended 31 December 2021
Fair value of plan assets at beginning of period	-	5.95	5.95
Actual return on plan assets	-	0.29	0.29
Employer's contribution	-	-	-
Benefits paid	-	-	-
Expected return on plan assets	-	-	-
Actuarial loss/(gain) on plan assets	-	(0.02)	(0.02)
Fair value of plan assets at the end of the period	**-**	**6.22**	**6.22**

Particulars	Holding Company#	Subsidiaries^	Acquired on business combination (refer note 60)	For the year ended 31 March 2021
Fair value of plan assets at beginning of year	-	5.53	-	5.53
Actual return on plan assets	-	0.33	-	0.33
Employer's contribution	-	-	-	-
Benefits paid	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial loss/(gain) on plan assets	-	0.09	-	0.09
Fair value of plan assets at the end of the year	**-**	**5.95**	**-**	**5.95**

^pertains to NGIL only and company has maintained fund with Birla Sun Life Insurance Company Limited for gratuity fund.
None of the plan assets are managed by insurer.

Movement in the plan assets recognised in the balance sheet is as under:

Particulars	Holding Company #	Subsidiaries	Acquired on business combination (refer note 60)*	For the year ended 31 March 2020
Fair value of plan assets at beginning of year	-	-	3.95	3.95
Actual return on plan assets	-	-	0.25	0.25
Employer's contribution	-	-	2.16	2.16
Benefits paid	-	-	(0.66)	(0.66)
Expected return on plan assets	-	-	-	-
Actuarial loss/(gain) on plan assets	-	-	(0.17)	(0.17)
Fair value of plan assets at the end of the year	**-**	**-**	**5.53**	**5.53**

*pertains to NGIL only (acquired on business combination).
None of the plan assets are managed by insurer.

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56 Employee benefit obligations (cont'd)

(iv) Actuarial assumptions #

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020
Discounting rate	6.60% - 7.43%	6.68% - 7.22%	6.03% - 7.2%
Future salary increase	6% - 10%	6% - 8%	6% - 8%
Rate of return on plan assets	6.57%	6.57%	6.03%
Retirement age (years)	60 years	58 - 60 years	58 - 60 years
Mortality rate	0% - 5%	0% - 23%	0% - 10%
Withdrawal rate	5% - 23%	3.95% - 20%	2.4% - 30%

Since different actuarial assumptions have been used by subsidiaries, a range of assumptions has been provided.
Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)
Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

(v) Sensitivity analysis for gratuity liability

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020
Impact of the change in discount rate			
Present value of obligation at the end of the year			
- Impact due to increase of 1.00 %	(2.71)	0.67	(0.48)
- Impact due to decrease of 1.00 %	6.95	0.76	5.22
Impact of the change in salary			
Present value of obligation at the end of the year			
- Impact due to increase of 1.00 %	6.10	6.94	4.62
- Impact due to decrease of 1.00 %	(2.34)	(4.77)	(0.58)
Impact of the change in withdrawal rate			
Present value of obligation at the end of the year			
- Impact due to increase of 1.00 %	(0.42)	2.62	1.12
- Impact due to decrease of 1.00 %	1.41	(2.63)	2.60
Impact of the change in mortality rate			
Present value of obligation at the end of the year			
- Impact due to increase of 10.0 %	-	0.00	1.85

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vi) Maturity profile of defined benefit obligation

Years	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020
0 to 1 year	4.06	2.89	2.18
1 to 2 year	3.32	3.33	1.70
2 to 3 year	2.75	2.60	2.76
3 to 4 year	2.26	2.24	2.28
4 to 5 year	1.75	1.90	2.38
6 to 10 years	6.19	6.36	4.04
10 year onwards	42.76	28.24	19.69
Total	**63.09**	**47.56**	**35.03**

(*) Note: Considering the Group did not have any employee benefit obligations as at 31 March 2019, accordingly, no disclosures have been given above, for the period ended 31 March 2019.

57 Related party disclosures

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

i. Details of related parties:

Description of relationship	Names of related parties
Related parties where control exists	
- Subsidiaries	Navi Finserv Private Limited [w.e.f. 23 October 2019] (formerly known as Chaitanya Rural Intermediation Development Services Private Limited) Navi General Insurance Limited [w.e.f. 6 February 2020] (formerly known as DHFL General Insurance Limited) Mavenhive Technologies Private Limited [w.e.f. 17 December 2019] BACQ Acquisitions Private Limited [w.e.f .17 October 2019] Navi Investment Advisors Private Limited [w.e.f. 31 July 2019] Navi Securities Private Limited [w.e.f. 2 August 2019] Anmol Como Broking Private Limited [w.e.f. 8 July 2020]
- Step-down subsidiaries	Chaitanya India Fin Credit Private Limited [w.e.f 23 October 2019] (subsidiary of Navi Finserv Private Limited) Navi AMC Limited (formerly known as Essel Finance AMC Limited) [w.e.f. 10 February 2021] (subsidiary of Anmol Como Broking Private Limited) Navi Trustee Limited (formerly known as Essel Trustee Limited) [w.e.f. 10 February 2021] (subsidiary of Anmol Como Broking Private Limited)
Entities where KMP have significant influence	Ather Energy Private Limited Flipkart Online Services Private Limited
Post-employment benefit plan	Navi General Insurance Limited Employees Gratuity Trust Chaitanya Employee Welfare Trust Peerless Funds Management Co. Limited Employees' Gratuity Fund
Key management personnel (KMP)	Mr. Sachin Bansal, Managing Director and Chief Executive Officer Mr. Ankit Agarwal, Executive Director and Chief Financial Officer Mr. Nachiket Madhusudan Mor, Independent Director [from 7 November 2019 to 29 July 2021] Mr. Natarajan Ranganathan, Director [from 3 June 2020 to 14 January 2022] Mr. Anand Sarveshwar Sinha, Director [from 20 August 2021 - present] Ms. Pratima Ram [from 7 November 2019 to 30 November 2019] Mr. Shubham Srivastava, Company Secretary [from 23 April 2019 to 30 May 2020] Mr. Thomas Joseph, Company Secretary [from 27 November 2020 - present] Ms. Usha Narayanan, Independent Director [from 4 March 2022 - present] Mr. Shripad Nadkarni, Independent Director [from 4 March 2022 - present] Mr. Abhijit Bose, Independent Director [from 4 March 2022 - present]

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57 Related party disclosures (cont'd)

ii. Transactions with related parties are as under:

	Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
a)	**Loans and advances**				
	Mr. Sachin Bansal:				
	Unsecured loan received	-	-	780.00	8,600.00
	Repayment of unsecured loan	-	-	(780.00)	(8,600.00)
	Mr. Ankit Agarwal:				
	Unsecured loan received	-	-	-	400.00
	Repayment of unsecured loan	-	-	-	(400.00)
b)	**Buy back of shares #**				
	KMP of Navi FinServ Private Limited				
	Mr. Samit Shankar Shetty	-	-	232.49	-
	Mr. Anand Rao	-	-	39.35	-
	Relatives of KMP of Navi FinServ Private Limited				
	Mr. U Raghurama Rao	-	-	23.17	-
	Ms. Shashikala Rao	-	-	10.41	-
	Ms. Smitha Rao	-	-	0.93	-

Note #:
As at 31 March 2020, the employees of Navi FinServ Private Limited (formerly known as Chaitanya Rural Intermediation Development Services Private Limited) were holding 4,405,281 shares of Navi Finserv. The Company purchased these shares from the employees at a price of INR 69.50/share, through a secondary sale. The share based payment scheme in the Company was discontinued post this buy back of shares.

	Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
c)	**Issue of Equity Share Capital (including securities premium)**				
	Equity Shares issued				
	Mr. Natarajan Ranganathan	-	2.50	-	
	Mr. Sachin Bansal	-	-	38,165.96	509.90
	Mr. Ankit Agarwal	-	-	399.86	0.10
d)	**Share application money refunded**				
	Mr. Sachin Bansal	-	3.59	-	-
e)	**Reimbursement of expenses incurred on behalf of related parties**				
	Mr. Sachin Bansal	-	-	-	0.21
	Mr. Ankit Agarwal	-	-	0.17	0.03
f)	**Director's fee**				
	Mr. Nachiket Madhusudan Mor	2.50	7.50	3.13	-
	Mr. Natarajan Ranganathan	3.60	3.25	-	-
	Ms. Pratima Ram	-	-	0.33	-
	Mr. Anand Sinha	3.31	-	-	-
g)	**Service fee received**				
	Mr. Sachin Bansal	-	-	7.50	-
h)	**Key management personnel**				
	Salary and employee benefits *				
	Mr. Ankit Agarwal	46.04	63.48	47.87	51.57
	Mr. Shubham Srivastava	-	0.17	0.48	-
	Mr. Thomas Joseph	1.06	0.65	-	-

* The above figures do not include the provision for gratuity payable since the same are determined by an actuarial valuation for the respective entities as a whole.

iii. Key management personnel remuneration includes the following expenses:
With respect to the key management personnel, disclosure has been given for those with whom the Company has made transactions during the period/year.

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
Short-term employee benefits (refer note below)	35.71	43.55	45.89	51.57
Long term employee benefits (LTIP accrued)	4.54	9.85	1.02	-
Share based payments (ESOP accrued)	6.85	10.90	1.44	-
Total remuneration	**47.10**	**64.30**	**48.35**	**51.57**

Note:
The above figures do not include the provision for gratuity payable since the same are determined by an actuarial valuation for the Group as a whole.

57 Related party disclosures (cont'd)

iv. Details of Eliminated Transactions:

The following are the details of the transactions eliminated during the period nine months ended 31 December 2021 and years ended March 31, 2021, March 31, 2020 and for the period ended March 31, 2019:

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
a) Investments in Subsidiaries during the period / year				
<u>Investments by Navi Technologies Limited</u>				
Navi Finserv Private Limited	1,000.00	1,044.21	8,657.92	-
Navi General Insurance Limited	-	1,857.40	1,200.00	-
Anmol Como Broking Private Limited	474.00	1,013.86	-	-
Mavenhive Technologies Private Limited	-	8.53	-	-
BACQ Acquisitions Private Limited	-	10.00	5.00	-
Navi Securities Private Limited	-	-	40.00	-
Navi Investment Advisors Private Limited	1.00	-	5.00	-
<u>Investments by Navi Finserv Private Limited</u>				
Chaitanya India Fin Credit Private Limited	-	1,140.00	1,468.54	-
<u>Investments by Anmol Como Broking Private Limited</u>				
Navi AMC Limited	-	150.00	-	-
b) Share based payments recoverable				
- Navi General Insurance Limited	1.34	6.90	-	-
- Navi Finserv Private Limited	38.11	5.30	-	-
- Chaitanya India Fin Credit Private Limited	5.58	2.56	-	-
- Navi AMC Limited	6.01	-	-	-
- Navi Trustee Limited	0.08	-	-	-
- Navi Securities Private Limited	0.05	-	-	-
c) Revenue from technology cost share				
Navi Finserv Private Limited	236.19	110.13	-	-
Navi General Insurance Limited	59.32	38.05	-	-
Navi AMC Limited	2.84	-	-	-
d) Service Income for Prestige Office Seats Cross charge				
Navi AMC Limited	2.94	-	-	-
Navi FinServ Private Limited	5.88	-	-	-
Navi General Insurance Limited	8.32	-	-	-
e) Fee and commission income collected by related party				
Navi Finserv Private Limited	-	71.35	-	-
f) Service maintenance fee income				
Navi Finserv Private Limited	-	0.35	-	-
g) Rental income from sub leasing				
Navi Finserv Private Limited	5.95	1.18	-	-
Navi General Insurance Limited	4.71	2.07	-	-
h) ESOP Cost expense transferred to subsidiaries				
Navi General Insurance Limited	5.04	6.90	-	-
Navi AMC Limited	0.52	-	-	-
Navi Finserv Private Limited	-	5.30	-	-
Chaitanya India Fin Credit Private Limited	-	2.56	-	-

57 Related party disclosures (cont'd)

iv. Details of Eliminated Transactions:

The following are the details of the transactions eliminated during the period nine months ended 31 December 2021 and years ended March 31, 2021, March 31, 2020 and for the period ended March 31, 2019:

	Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
i)	**ESOP Cost expense transferred by subsidiaries**				
	Navi Finserv Private Limited	4.86	-	-	-
	Navi Securities Private Limited	0.05	-	-	-
j)	**LTIP cost transferred by subsidiaries**				
	Navi Finserv Private Limited	6.03	-	-	-
k)	**Gratuity expense transferred to subsidiaries**				
	Navi General Insurance Limited	2.49	-	-	-
	Navi AMC Limited	0.01	-	-	-
	Navi Finserv Private Limited	0.77			
l)	**LTIP cost transferred to subsidiaries**				
	Navi AMC Limited	0.17			
	Navi General Insurance Limited	1.60	-	-	-
m)	**Earned leave cost transferred to subsidiaries**				
	Navi General Insurance Limited	1.36	-	-	-
	Navi AMC Limited	0.13	-	-	-
	Navi Finserv Private Limited	1.33			
n)	**Performance bonus cost transferred to subsidiaries**				
	Navi General Insurance Limited	11.57	-	-	-
	Navi AMC Limited	0.42	-	-	-
	Navi Finserv Private Limited	5.41	-	-	-
o)	**Purchase of PPE and intangible assets**				
	Navi General Insurance Limited	-	446.23	-	-
	Navi Finserv Private Limited	-	1.40	-	-
	Navi AMC Limited	1.59	-		
p)	**Capital Advance paid on behalf of NTPL**				
	Navi AMC Limited	0.23	-	-	-
q)	**Prepaid assets transfer for IT related assets**				
	Navi General Insurance Limited	-	16.17	-	-
	Navi AMC Limited	1.26	-	-	-
r)	**Redemption of Non-Convertible Debentures**				
	Navi Finserv Private Limited	1,000.00	10,719.72	-	-
s)	**Issue of Non-Convertible Debentures**				
	Navi Finserv Private Limited	-	999.09	24,740.29	-
t)	**Security deposit received for sub leasing**				
	Navi General Insurance Limited	9.47	4.30	-	-
	Navi Finserv Private Limited	17.40	-	-	-
	Navi AMC Limited	3.35	-	-	-
u)	**Expenses incurred for related parties**				
	Navi Finserv Private Limited	125.27	13.11	-	-
	Navi General Insurance Limited	1.26	4.53	-	-
	Chaitanya India Fin Credit Private Limited	2.40	0.77	-	-
	Anmol Como Broking Private Limited	0.02	-	-	-
	Navi AMC Limited	0.00	-	-	-
	BACQ Acquisitions Private Limited	-	-	0.17	-
	Mavenhive Technologies Private Limited	-	-	0.00	-
	Navi Securities Private Limited	-	-	0.25	-
	Navi Investment Advisors Private Limited	-	-	0.23	-
v)	**Reimbursement of expenses incurred on behalf of related parties**				
	Chaitanya India Fin Credit Private Limited	0.48	0.48	-	-
	Navi Securities Private Limited	3.23	4.03	1.81	-
	Navi Finserv Private Limited	0.18	4.67	-	-
	BACQ Acquisitions Private Limited	0.00	2.96	3.61	-
	Mavenhive Technologies Private Limited	-	0.00	0.20	-
	Navi Investment Advisors Private Limited	0.00	0.06	0.03	-
	Anmol Como Broking Private Limited	-	6.38	-	-
	Navi AMC Limited	-	2.00	-	-

57 Related party disclosures (cont'd)

v. Details of Eliminated Balances outsanding:

The following are the details of the Balances outsanding eliminated as at 31 December 2021, March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
a) Trade receivable from enterprises over which shareholders/key management personnel have significant influence:				
Navi AMC Limited	2.87	2.36	-	-
Navi General Insurance Limited	23.71	10.47	-	-
Navi Finserv Private Limited	93.24	39.02	-	-
Chaitanya India Fin Credit Private Limited	0.31	1.19	-	-
BACQ Acquisitions Private Limited	-	0.04	3.78	-
Navi Investment Advisors Private Limited	-	0.04	0.25	-
Navi Securities Private Limited	-	0.04	2.06	-
Mavenhive Technologies Private Limited	-	-	0.02	
	120.13	**53.16**	**6.11**	**-**
b) Loans and advances receivable from enterprises over which shareholders/key management personnel have significant influence:				
Mavenhive Technologies Private Limited	0.03	0.03	-	-
Anmol Como Broking Private Limited	6.38	6.38	-	-
Navi Finserv Private Limited	171.85	-	-	-
Navi General Insurance Limited	25.93	-	-	-
BACQ Acquisitions Private Limited	2.99	2.96	-	-
Navi Investment Advisors Private Limited	0.09	0.06	-	-
Navi Securities Private Limited	7.31	4.04	-	-
Navi AMC Limited	6.68	2.00	-	-
	221.26	**15.47**	**-**	**-**
c) Loans and advances payable to enterprises over which shareholders/key management personnel have significant influence				
Navi General Insurance Limited:				
- Payable for Prepaid assets transferred	-	16.17	-	-
- Security Deposit for rent	13.77	4.30	-	-
Navi Finserv Private Limited	10.88	0.77	-	-
Navi Securities Private Limited	0.05	-	-	-
Chaitanya India Fin Credit Private Limited	-	0.48	-	-
	24.70	**21.72**	**-**	**-**
d) Non-Convertible Debentures outstanding issued by Navi Finserv Private Limited to Navi Technologies Limited				
Non-Convertible Debentures	13,020.57	14,020.57	24,740.29	-

57 Related party disclosures (cont'd)

vi. Details of Investments in Subsidiaries:

The following are the details of the Investments outsanding eliminated as at 31 December 2021, March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
a) Investments by Navi Technologies Limited				
Navi Finserv Private Limited	12,566.77	11,566.77	10,522.56	-
Navi General Insurance Limited	4,870.20	4,870.20	3,012.80	-
BACQ Acquisitions Private Limited	15.00	15.00	5.00	-
Navi Securities Private Limited	40.00	40.00	40.00	-
Navi Investment Advisors Private Limited	6.00	5.00	5.00	-
Anmol Como Broking Private Limited	1,500.69	1,026.69	-	-
Mavenhive Technologies Private Limited	29.25	29.25	20.72	-
Less: Provision for dimunition in value of equity				
Mavenhive Technologies Private Limited	(7.57)	(7.57)	-	-
b) Investments by Navi Finserv Private Limied				
Chaitanya India Fin Credit Private Limited	3,244.60	3,244.60	2,104.60	-
c) Investments by Anmol Como Broking Private Limited				
Navi AMC Limited	1,458.70	984.70	-	-
Navi Trustee Limited	20.87	20.87	-	-

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58 Financial ratios

a. Current ratio = Current assets divided by current liabilities

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current assets	45,618.52	46,273.05	34,524.81	561.80
Current liabilities	20,615.49	11,442.04	7,788.19	51.26
Ratio (times)	**2.21**	**4.04**	**4.43**	**10.96**
% Change from previous period	**-45%**	**-9%**	**-60%**	

Reason for change more than 25%:

As at 31 December 2021:

Change in current liabilities due to increase in borrowings, insurance contract liabilities, trade payables, lease liabilities and other liabilities on account of increase in the volume of business

As at 31 March 2020:

Change in current assets and current liabilities was primarily on account of the multiple acquisitions towards the lending and general insurance business during the year.

b. Debt Equity ratio = Total debt divided by total equity where total debt refers to sum of current and non current borrowings

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Total debt	26,524.79	16,912.21	8,048.87	31.59
Total equity	37,315.45	39,336.97	39,516.23	530.69
Ratio (times)	**0.71**	**0.43**	**0.20**	**0.06**
% Change from previous period	**65%**	**111%**	**242%**	

Reason for change more than 25%:

As at 31 December 2021:

Increase in total debt due to increase in term loans and issuance of non-convertible debentures and commercial papers, on account of increased volume of the business.

As at 31 March 2021:

Increase in total debt due to increase in term loans and issuance of non-convertible debentures and commercial papers, on account of acquisition of asset management business and planned growth in our lending and general insurance businesses. Increase in total equity was primarily due to an increase in the capital contributed by the shareholders.

As at 31 March 2020:

Increase in total debt due to increase in term loans and issuance of non-convertible debentures, on account of acquisition of lending and general insurance businesses during the year. Increase in total equity was primarily due to an increase in the capital contributed by the shareholders.

c. Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Net profit/(loss) after tax	(2,064.27)	711.88	(80.71)	20.69
Add: Non cash operating expenses and finance cost				
- Finance Cost	1,371.05	882.10	370.26	0.87
- Depreciation and Amortisation Cost	357.32	406.59	89.33	1.69
Earnings available for debt services (A)	**(335.90)**	**2,000.57**	**378.88**	**23.25**
Current Borrowings	14,770.70	8,066.95	5,679.46	31.59
Add - Interest accrued but not due on borrowings	86.08	199.18	137.46	-
Total Debt (B)	**14,856.78**	**8,266.13**	**5,816.92**	**31.59**
Ratio (times) [(A) / (B)]	**(0.02)**	**0.24**	**0.07**	**0.74**
% Change from previous period	**-109%**	**272%**	**-91%**	

Reason for change more than 25%:

As at 31 December 2021:

Change in Profit/(Loss) due to decrease in revenue from operations, with a simultaneous increase in advertisement, marketing and publicity expenses. Increase in borrowings due to increase in term loans and issuance of non-convertible debentures and commercial papers, on account of increased volume of the business.

As at 31 March 2021:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, impairment expense and policy holders' expenses.
Change in total debt due to increase in term loans, redeemable non-convertible debentures which was primarily on account of acquisition of asset management business and planned growth in our lending and general insurance businesses.

As at 31 March 2020:

Change in Profit/(Loss) due to Increase in revenue from operations, finance costs, employee benefits expenses, impairment expenses, policy holders expenses and change in total debt due to increase in term loans, redeemable non-convertible debentures which was primarily on account of acquisition of lending and general insurance businesses during the year.

58 Financial ratios (cont'd)

d. Return on equity ratio / Return on investment ratio = Net profit after tax divided by Total Equity

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Net profit/(loss) after tax	(2,064.27)	711.88	(80.71)	20.69
Total equity	37,315.45	39,336.97	39,516.23	530.69
Ratio (%)	**-5.53%**	**1.81%**	**-0.20%**	**3.90%**
% Change from previous period	**-406%**	**-986%**	**-105%**	

Reason for change more than 25%:

As at 31 December 2021:

Change in Profit/(Loss) due to decrease in revenue from operations, with a simultaneous increase in advertisement, marketing and publicity expenses. The change in total equity was primarily on account of current period's operations.

As at 31 March 2021:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, impairment expense and policy holders' expenses and which was primarily on account of acquisition of asset management business, growth in our lending, general insurance businesses and change in total equity was primarily due to an increase in capital contributed by the shareholders and decrease in our retained earnings.

As at 31 March 2020:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, impairment expenses, policy holders' expenses and which was primarily on account of growth in our lending and general insurance businesses and change in total equity was primarily due to an increase in capital contributed by the shareholders, an increase in securities premium on allotment of shares and an increase in our retained earnings.

e. Net capital turnover ratio = Total income divided by net working capital whereas net working capital = current assets - current liabilities

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Revenue from operations	965.75	1,366.63	559.48	125.70
Interest income	4,376.33	4,509.53	1,639.33	1.47
Net gain/(loss) on fair value changes	1,684.20	1,725.08	(148.76)	42.35
Net gain on derecognition of financial instruments under amortised cost category	131.43	189.81	8.57	-
Total income (A)	**7,157.71**	**7,791.05**	**2,058.62**	**169.52**
Net Working Capital (B)	**25,003.03**	**34,831.01**	**26,736.62**	**510.54**
Ratio (times) [(A) / (B)]	**0.29**	**0.22**	**0.08**	**0.33**
% Change from previous period	**28%**	**191%**	**-77%**	

Reason for change more than 25%:

As at 31 December 2021:

Change in Net working capital was primarily due to increase in borrowings, insurance contract liabilities, trade payables, lease liabilities and other liabilities.

As at 31 March 2021:

Change in Total Income was primarily due to increase in revenue from our general insurance business which was driven by a full year of operations in the year resulting in an increase in insurance premium, asset management business in form of management fees and investment income along with an increase in advisory fees and investment income.

As at 31 March 2020:

Change in total income was primarily due to increase in revenue from our general insurance business which resulted in addition of insurance premium, an increase in advisory fees, arranger income and interest income primarily driven by the commencement of our lending business.

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58 Financial ratios (cont'd)

f. Net profit ratio = Net profit after tax divided by total income

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Net profit after tax (A)	**(2,064.27)**	**711.88**	**(80.71)**	**20.69**
Revenue from operations	965.75	1,366.63	559.48	125.70
Interest income	4,376.33	4,509.53	1,639.33	1.47
Net gain/(loss) on fair value changes	1,684.20	1,725.08	(148.76)	42.35
Net gain on derecognition of financial instruments under amortised cost category	131.43	189.81	8.57	-
Total income (B)	**7,157.71**	**7,791.05**	**2,058.62**	**169.52**
Ratio (times)	**(0.29)**	**0.09**	**(0.04)**	**0.12**
% Change from previous period	**-416%**	**-333%**	**-132%**	

Reason for change more than 25%:

As at 31 December 2021:

Change in profit/(loss) is due to increase in advertisement, marketing and publicity expenses which was primarily due to increased marketing and brand promotion activities during the period.

As at 31 March 2021:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, impairment expense, policy holders' expenses. This was primarily on account of acquisition of asset management business and growth in our lending & general insurance businesses. Change in total income was primarily due to increase in revenue from the general insurance business which was driven by a full year of operations resulting in an increase in insurance premium, asset management business in form of management fees and investment income along with an increase in advisory fees and investment income.

As at 31 March 2020:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, impairment expenses and policy holders' expenses. This was primarily on account of growth in the lending and general insurance businesses and change in total Income was primarily due to increase in revenue from our general insurance business which resulted in additional insurance premium. Further, increase in advisory fees, arranger income and interest income primarily driven by the commencement of our lending business.

g. Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Profit before tax (A)	(2,470.49)	1,062.61	29.27	43.12
Finance costs (B)	1,371.05	882.10	370.26	0.87
Other income (C)	36.08	9.12	11.54	-
EBIT (D) = [(A) + (B) - (C)]	(1,135.52)	1,935.59	387.99	43.99
Capital Employed (E)	37,315.45	39,336.97	39,516.23	530.69
Ratio (%)	**-3.04%**	**4.92%**	**0.98%**	**8.29%**
% Change from previous period	**-162%**	**401%**	**-88%**	

Reason for change more than 25%:

As at 31 December 2021:

Change in profit/(loss) due to decrease in revenue from operations and an increase in marketing expenses which was primarily due to growth in the asset management business. Change in capital employed was primarily due to decrease in the retained earnings, due to the losses sustained during the year.

As at 31 March 2021:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, Impairment expense and policy holders' expenses. This was primarily on account of acquisition of asset management business during the year and growth in the lending & general insurance businesses. The change in capital employed was primarily due to an increase in capital contributed by the shareholders and decrease in our retained earnings.

As at 31 March 2020:

Change in profit/(loss) due to increase in revenue from operations, finance costs, employee benefits expenses, impairment expenses, policy holders' expenses. This was primarily on account of growth in the lending & general insurance businesses. The change in capital employed was primarily due to an increase in capital contributed by the shareholders, an increase in securities premium on allotment of shares and an increase in the retained earnings.

59 Group information
Information about subsidiaries
The consolidated financial statements of the Group include subsidiaries listed in the table below:

S.No	Company Name	Principal activities	Country of incorporation	% equity interest			Date of incorporation / acquisition
				31 December 2021	31 March 2021	31 March 2020	
i)	Navi Finserv Private Limited *(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)*	NBFC: Lending	India	100.00%	100.00%	99.62%	23 October 2019
ii)	Chaitanya India Fin Credit Private Limited*	NBFC: Lending	India	100.00%	100.00%	99.62%	23 October 2019
iii)	Navi General Insurance Limited *(formerly known as DHFL General Insurance Limited)*	Insurance	India	100.00%	100.00%	100.00%	6 February 2020
iv)	Mavenhive Technologies Private Limited	Software support services	India	100.00%	100.00%	100.00%	17 December 2019
v)	BACQ Acquisitions Private Limited	Investments in corporate bodies	India	100.00%	100.00%	100.00%	17 October 2019
vi)	Navi Securities Private Limited	Securities Broking	India	100.00%	100.00%	100.00%	2 August 2019
vii)	Navi Investment Advisors Private Limited	Investment advisory	India	100.00%	100.00%	100.00%	31 July 2019
viii)	Anmol Como Broking Private Limited	Financial inter-mediation	India	100.00%	100.00%	-	8 July 2020
ix)	Navi AMC Limited^ *(formerly known as Essel Finance AMC Limited)*	Asset Management	India	100.00%	100.00%	-	10 February 2021
x)	Navi Trustee Limited^ *(formerly known as Essel Trustee Limited)*	Mutual Fund Trust	India	100.00%	100.00%	-	10 February 2021

* Chaitanya India Fin Credit Private Limited is the subsidiary of Navi Finserv Private Limited.
^ Navi AMC Limited and Navi Trustee Limited are subsidiaries of Anmol Como Broking Private Limited.

60 Business combinations

(A) Acquisitions during the year ended 31 March 2021

1) Acquisition of Anmol Como Broking Private Limited

On 8 July 2020, the Group acquired 100% of the shares of Anmol Como Broking Private Limited, (referred to as "Anmol") a non-listed private limited financial intermediary company based in India. Anmol is engaged in the business of providing financial intermediary services and broking to body corporates across India.

The consideration for the above acquisition was settled in cash.

Assets acquired and liabilities assumed:
The fair values of the identifiable assets and liabilities of Anmol Como Broking Private Limited as at the date of acquisition were:

Particulars	Amount
Assets and liabilities	
Property, plant and equipment, Right-of-use assets and Intangible assets	0.04
Net Current assets	13.02
Total identifiable net assets at fair value	**13.06**
Less: Capital reserve	(0.21)
Purchase consideration transferred	**12.85**

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60 Business combinations (cont'd)

(A) Acquisitions during the year ended 31 March 2021

2) Acquisition of Navi AMC Limited *(formerly known as Essel AMC Finance Limited)* **and Navi Trustee Limited** *(formerly known as Essel Trustee Limited)* ***[Subsidiaries of Anmol Como Broking Private Limited]***

On 10 February 2021, the Group acquired 100% of the shares of the companies: Navi AMC Limited *(formerly known as Essel Finance AMC Limited)* , (referred to as "Navi AMC"), a non-listed private limited asset management company based in India and Navi Trustee Limited *(formerly known as Essel Trustee Limited),* (referred to as "Navi Trustee"), a non-listed mutual fund trustee company based in India.

The acquisitions were made by Anmol Como Broking Limited for the Group.

Navi AMC is engaged in the business of providing financial intermediary services and managing investments across India.
Navi Trustee is engaged in the business of holding and managing mutual funds in India.

a. Navi AMC Limited *(formerly known as Essel Finance AMC Limited)*

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Navi AMC Limited *(formerly known as Essel Finance AMC Limited)* as at the date of acquisition were:

Particulars	Amount
Assets and liabilities	
Property, plant and equipment, Right-of-use assets and Intangible assets	2.33
Net current assets	1.56
Investments	457.57
Intangibles acquired	142.40
Total identifiable net assets at fair value	**603.86**
Add: Goodwill arising on acquisition	230.84
Purchase consideration transferred	**834.70**

The goodwill of ₹ 230.84 Millions comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised.

Goodwill is allocated entirely to the asset management segment. Therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38.
None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, Navi AMC Limited has contributed ₹ 60.25 Millions of revenue and ₹ 178.36 Millions loss to the profit before tax from continuing operations of the Group.

Particulars	Amount
Purchase consideration	
Shares issued, at fair value	-
Cash consideration	834.70
Total consideration	**834.70**

b. Navi Trustee Limited *(formerly known as Essel Trustee Limited)*

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Navi Trustee Limited *(formerly known as Essel Trustee Limited)* as at the date of acquisition were:

Particulars	Amount
Assets and liabilities	
Property, plant and equipment, Right-of-use assets and Intangible assets	-
Net current assets	21.75
Total identifiable net assets at fair value	**21.75**
Capital reserve	(0.95)
Purchase consideration transferred	**20.80**

The capital reserve of ₹ 0.95 Millions comprises the value of expected benefit arising from the acquisition.

From the date of acquisition, Navi Trustee Limited has contributed ₹ 0.77 Millions of revenue and ₹ 1.01 Millions as loss before tax from continuing operations of the

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60 Business combinations (cont'd)

(B) Acquisitions during the year ended 31 March 2020

1) Acquisition of Navi General Insurance Limited *(formerly known as DHFL General Insurance Limited)*

On 6 February 2020, the Group acquired 99.99% of the shares of Navi General Insurance Limited *(formerly known as DHFL General Insurance Limited)* , (referred to as "NGIL") a non-listed private limited general insurance company based in India. NGIL is engaged in the business of providing general insurance such as accident, fire, etc. to individuals and body corporates across India.

The consideration for the above acquisition has been settled in cash.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Navi General Insurance Limited *(formerly known as DHFL General Insurance Limited)* as at the date of acquisition were:

Particulars	Amount
Assets and liabilities	
Property, plant and equipment, Right-of-use assets and Intangible assets	711.38
Investments: Shareholders	375.30
Net current assets	(162.14)
Intangibles acquired	528.70
Total identifiable net assets at fair value	**1,453.24**
Non-controlling interests measured at fair value	-
Add: Goodwill arising on acquisition	359.56
Purchase consideration transferred	**1,812.80**

The goodwill of ₹ 359.56 Millions comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised. Goodwill is allocated entirely to the insurance segment. Therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38.
None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, NGIL has contributed ₹ 183.06 Millions of revenue and ₹ 196.9 Millions loss to the profit before tax from continuing operations of the Group.

Particulars	Amount
Purchase consideration	
Shares issued, at fair value	-
Cash consideration	1,812.80
Total consideration	**1,812.80**

2) Acquisition of Navi Finserv Private Limited *(formerly known as Chaitanya Rural Intermediation Development Services Limited)* **and Chaitanya India Fin Credit Private Limited (subsidiary of Navi Finserv Private Limited)**

On 23 October 2019, the Group acquired 99.62% of the shares of Navi Finserv Private Limited *(formerly known as CRIDS)* , (referred to as "NFPL") a non-listed private limited non banking financial company based in India along with its subsidiary Chaitanya India Fin Credit Private Limited (referred to as "CIFCPL") *(subsidiary of Navi Finserv Private Limited)* , also a non banking financial company.

The above-mentioned acquisition was accounted for in accordance with Ind AS 103, Business Combinations. The control over NFPL was initially acquired by Sachin Bansal on 23 October 2019, which was ultimately transferred to the Company in March 2020. Since such acquisition of NFPL by Sachin Bansal was considered as transitory in nature, it was established that the Company effectively acquired the control over NFPL on 23 October 2019 itself.

NFPL and CIFCPL are engaged in 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 a non-banking financial company.

The consideration for the above acquisition have been settled in cash.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of NFPL and CIFCPL as at the date of acquisition were:

Particulars	Amount
Property, plant and equipment, Right-of-use assets and Intangible assets	32.62
Investments	37.22
Net current assets	6,522.80
Borrowings	(5,762.98)
Intangibles acquired	175.00
Total identifiable net assets at fair value (A)	**1,004.66**
Non-controlling interests measured at fair value	-
Goodwill arising on acquisition (including Statutory reserve)	911.54
- Statutory reserve as per RBI regulations	46.20
- Goodwill arising on acquisition (B)	865.34
Purchase consideration transferred in Cash (A+B)	**1,870.00**

The goodwill of ₹ 865.34 Millions comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised. Goodwill is allocated entirely to the lending segment. Therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, NFPL has contributed ₹ 6,955.9 Millions of revenue and ₹ 633.32 Millions profit to the profit before tax from continuing operations of the Group. And, CIFCPL has contributed ₹ 5,577.7 Millions of revenue and ₹ (591.91) millions loss to the profit before tax from continuing operations of the Group.

Particulars	Amount
Purchase consideration	
Shares issued, at fair value	-
Cash consideration	1,870.00
Total consideration	**1,870.00**

60 Business combinations (continued)

3) Acquisition of Mavenhive Technologies Private Limited

On 17 December 2019, the Group acquired 99.99% of the shares of Mavenhive Technologies Private Limited, (referred to as "Mavenhive") a non-listed private limited software company based in India.

Mavenhive is engaged in the business of providing software support services to individuals and body corporates across India.

The consideration for the above acquisition have been settled in cash.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Mavenhive Technologies Private Limited as at the date of acquisition were:

Particulars	Amount
Assets and liabilities	
Property, plant and equipment, Right-of-use assets and Intangible as	2.18
Investments	2.42
Net current assets	18.20
Other assets	1.21
Total identifiable net assets at fair value	**24.01**
Capital reserve	(3.29)
Purchase consideration transferred	**20.72**

The capital reserve of ₹ 3.29 Millions comprises the value of expected benefit arising from the acquisition.

From the date of acquisition, Mavenhive Technologies Private Limited has contributed ₹ 2.09 Millions of revenue and ₹ 2.54 Millions as loss before tax from continuing operations of the Group.

Particulars	Amount
Purchase consideration	
Shares issued, at fair value	-
Cash consideration	20.72
Total consideration	**20.72**

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61 Segment information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' (as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has five principal operating and reporting segments; viz. Insurance, Personal Housing and other loans, Microfinance, Asset Management (Mutual Funds) and Others.
a. The insurance segment, which carries on the general insurance business, such as health, accident, fire, etc.
b. The personal, housing and other loans lending segment, which provides loans to customers sourced through the Navi app and other channels.
c. The microfinance loans lending segment, which provides loans to rural sector and unorganised sector primarily.
d. The asset management segment, which primarily deals with management of mutual fund schemes offered/issued by Navi Mutual Fund.
e. And other activities segment, which includes providing advisory services and software support services related to technology.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

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61 Segment information (cont'd)

61.1 Primary Segment Information

For the nine-months period ended 31 December 2021

Particulars	Insurance	Personal, Housing and Other Loans	Microfinance Loans	Asset Management (Mutual Fund)	Others	Total	Inter Segment/ Eliminations	Consolidated
(I) Segment Revenue								
External sales	640.20	46.10	13.10	21.74	244.61	**965.75**	-	**965.75**
External interest income	241.44	1,829.65	2,169.16	16.00	120.08	**4,376.33**	-	**4,376.33**
Net gain/(loss) on fair value changes	94.21	1,287.13	156.85	20.03	257.41	**1,815.63**	-	**1,815.63**
Inter-segment revenue	-	-	-	-	298.36	**298.36**	(298.36)	**-**
Inter-segment interest income	-	-	-	-	1.70	**1.70**	(1.70)	**-**
Total Revenue	**975.85**	**3,162.88**	**2,339.11**	**57.77**	**922.16**	**7,457.77**	(300.06)	**7,157.71**
(II) Segment Expenses								
Finance costs *(related to lending businesses)*	-	438.06	888.47	-	-	**1,326.53**	-	**1,326.53**
Employee benefits expenses	220.91	340.61	637.59	80.02	828.29	**2,107.42**	-	**2,107.42**
Depreciation and amortisation	9.56	12.56	17.11	1.33	242.27	**282.83**	74.49	**357.32**
Impairment on financial instruments	(19.88)	916.54	146.08	-	-	**1,042.74**	-	**1,042.74**
Policyholders expense *(related to insurance operations)*	429.58	-	-	-	-	**429.58**	-	**429.58**
Other expenses	845.38	2,306.83	286.23	125.91	1,105.59	**4,669.94**	(313.76)	**4,356.18**
Total Expenses	**1,485.55**	**4,014.60**	**1,975.48**	**207.26**	**2,176.15**	**9,859.04**	**(239.27)**	**9,619.77**
(III) Segment Results								
Profit before interest, other income and taxes (I - II)	(509.70)	(851.72)	363.63	(149.49)	(1,253.99)	**(2,401.27)**	(60.79)	**(2,462.06)**
Less: Finance costs	(1.70)	(3.79)	(0.42)	(0.06)	(40.25)	**(46.22)**	1.70	**(44.52)**
Add: Other Income	1.00	24.39	3.29	1.29	152.20	**182.17**	(146.09)	**36.08**
Profit / (loss) before taxes	**(510.40)**	**(831.12)**	**366.50**	**(148.26)**	**(1,142.04)**	**(2,265.32)**	**(205.18)**	**(2,470.50)**
Add/Less : Current tax	-	(4.43)	(124.75)	(0.31)	-	**(129.49)**	-	**(129.49)**
Less : Deferred tax expense / *Add* : Deferred tax credit	-	209.67	39.86	(0.01)	286.19	**535.71**	-	**535.71**
Profit / (loss) after tax	**(510.40)**	**(625.88)**	**281.61**	**(148.58)**	**(855.85)**	**(1,859.10)**	**(205.18)**	**(2,064.28)**
(IV) Other Information								
Operating segment assets and liabilities								
Segment assets	7,352.04	37,128.98	18,006.26	2,322.19	38,709.09	**1,03,518.56**	(35,902.40)	**67,616.16**
Segment liabilities	5,659.07	26,002.15	15,211.44	108.97	853.20	**47,834.83**	(13,480.54)	**34,354.29**

Notes:
(i) Inter-segment revenues and expenses are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations.
(ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

61 Segment information (cont'd)

61.1 Primary Segment Information (cont'd)

For the year ended 31 March 2021

Particulars	Insurance	Personal, Housing and Other Loans	Microfinance Loans	Asset Management (Mutual Fund)^	Others	Total	Inter Segment/ Eliminations	Consolidated
(I) Segment Revenue								
External sales	924.19	23.86	13.35	23.97	381.26	**1,366.63**	-	**1,366.63**
External interest income	314.77	1,916.19	2,088.63	32.38	157.56	**4,509.53**	-	**4,509.53**
Net gain/(loss) on fair value changes	123.33	1,395.73	213.26	1.06	181.51	**1,914.89**	-	**1,914.89**
Inter-segment revenue	8.17	-	20.32	-	148.18	**176.67**	(176.67)	**-**
Inter-segment interest income	-	31.08	1.00	-	0.85	**32.93**	(32.93)	**-**
Total Revenue	**1,370.46**	**3,366.86**	**2,336.56**	**57.41**	**869.36**	**8,000.65**	(209.60)	**7,791.05**
(II) Segment Expenses								
Finance costs *(related to lending businesses)*	-	120.63	757.43	-	-	**878.06**	(31.44)	**846.62**
Employee benefits expenses	411.39	162.52	582.18	36.37	504.28	**1,696.74**	-	**1,696.74**
Depreciation and amortisation	140.44	3.36	14.73	1.36	131.64	**291.53**	115.06	**406.59**
Impairment on financial instruments	27.72	1,313.28	522.86	-	7.62	**1,871.48**	0.96	**1,872.44**
Policyholders expense *(related to insurance operations)*	668.17			-	-	**668.17**	-	**668.17**
Other expenses	314.44	453.06	199.19	12.51	427.71	**1,406.91**	(195.39)	**1,211.52**
Total Expenses	**1,562.16**	**2,052.85**	**2,076.39**	**50.24**	**1,071.25**	**6,812.89**	**(110.81)**	**6,702.08**
(III) Segment Results								
Profit before interest, other income and taxes (I - II)	(191.70)	1,314.01	260.17	7.17	(201.89)	**1,187.76**	(98.79)	**1,088.97**
Less: Finance costs	(11.21)	(0.60)	(10.09)	(0.61)	(13.81)	**(36.32)**	0.84	**(35.48)**
Add: Other Income	3.10	0.50	0.85	0.28	32.34	**37.07**	(27.94)	**9.13**
Profit / (loss) before taxes	**(199.81)**	**1,313.91**	**250.93**	**6.84**	**(183.36)**	**1,188.51**	**(125.89)**	**1,062.62**
Add/Less: Current tax	-	(517.36)	(119.65)	(10.36)	5.66	**(641.71)**	-	**(641.71)**
Less : Deferred tax expense / *Add* : Deferred tax credit	-	178.90	74.29	(0.19)	37.98	**290.98**	-	**290.98**
Profit / (loss) after tax	**(199.81)**	**975.45**	**205.57**	**(3.71)**	**(139.72)**	**837.78**	**(125.89)**	**711.89**
(IV) Other Information								
Operating segment assets and liabilities								
Segment assets	6,879.53	32,771.39	13,377.94	1,449.97	39,191.66	**93,670.49**	(34,719.59)	**58,950.90**
Segment liabilities	4,623.87	21,669.94	10,808.64	53.51	195.18	**37,351.14**	(14,371.61)	**22,979.53**

Notes:

(i) In respect of comparative years figures for FY 20-21, ^Profit and loss period for Asset Management segment is from acquisition date till reporting date, i.e. 9 July 2020 to 31 March 2021.

(i) Inter-segment revenues and expenses are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations.

(iii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure V - Summary of significant accounting policies and other explanatory information to the restated consolidated financial information
(All amount in ₹ Millions, unless otherwise stated)

61 Segment information (cont'd)

61.1 Primary Segment Information (cont'd)

For the year ended 31 March 2020

Particulars	Insurance*	Personal, Housing and Other Loans	Microfinance Loans	Asset Management (Mutual Fund)^	Others	Total	Inter Segment/ Eliminations	Consolidated
(I) Segment Revenue								
External sales	156.91	13.64	19.10	-	369.83	**559.48**	-	**559.48**
Interest income	24.27	603.27	827.01	-	184.78	**1,639.33**	-	**1,639.33**
Net gain/(loss) on fair value changes	0.93	(237.21)	17.80	-	78.32	**(140.16)**	-	**(140.16)**
Inter-segment revenue	-	-	33.05	-	-	**33.05**	(33.05)	**-**
Inter-segment interest	-	21.54		-	-	**21.54**	(21.57)	**(0.03)**
Total Revenue	**182.11**	**401.24**	**896.96**	**-**	**632.93**	**2,113.24**	(54.62)	**2,058.62**
(II) Segment Expenses								
Finance costs *(related to lending businesses)*	-	54.88	321.02	-	-	**375.90**	-	**375.90**
Policyholders expense *(related to insurance operations)*	148.52	-	-	-	-	**148.52**	-	**148.52**
Employee benefits expenses	50.35	14.94	305.49	-	245.36	**616.14**	-	**616.14**
Depreciation and amortisation	26.57	1.07	8.27	-	17.76	**53.67**	35.66	**89.33**
Impairment on financial instruments	0.06	69.92	168.21	-	0.02	**238.21**	-	**238.21**
Other expenses	152.34	109.67	116.09	-	232.19	**610.29**	(31.86)	**578.43**
Total Expenses	**377.84**	**250.48**	**919.08**	**-**	**495.33**	**2,042.73**	**3.80**	**2,046.53**
(III) Segment Results								
Profit/(loss) before interest, other income and taxes (I - II)	(195.73)	150.76	(22.12)	-	137.60	**70.51**	(58.42)	**12.09**
Less: Finance costs	(2.12)	(0.02)	(5.64)	-	(8.15)	**(15.93)**	21.57	**5.64**
Add: Other Income	0.95	0.16	1.56	-	8.87	**11.54**	-	**11.54**
Profit / (loss) before tax	**(196.90)**	**150.90**	**(26.20)**	**-**	**138.32**	**66.12**	**(36.85)**	**29.27**
Add/Less : Current tax	-	(124.39)	(31.97)	-	(58.78)	**(215.14)**	-	**(215.14)**
Less : Deferred tax expense / *Add* : Deferred tax credit	-	63.93	36.01	-	5.22	**105.16**	-	**105.16**
Profit / (loss) after tax	**(196.90)**	**90.44**	**(22.16)**	**-**	**84.76**	**(43.86)**	**(36.85)**	**(80.71)**
(IV) Other Information								
Operating segment assets and liabilities								
Segment assets	3,693.20	36,620.73	8,266.91	-	39,614.88	**88,195.72**	(40,377.85)	**47,817.87**
Segment liabilities	2,643.02	27,329.34	5,967.52	-	159.99	**36,099.87**	(24,896.04)	**11,203.83**

Notes:
(i) In respect of comparative year figures for financial year ended 31 March 2020, *Profit and loss period for Insurance segment, Personal Housing & Other loans and Microfinance lending segments is from acquisition date till reporting date:
- Insurance segment: 6 February 2020 to 31 March 2020.
- Personal Housing & Other loans and Microfinance lending segments: 23 October 2019 to 31 March 2020.
(ii) There are no comparative year figures for AMC segment as the business was acquired during the financial year ended 31 March 2021.
^Profit and loss period for Asset Management segment is from acquisition date till reporting date, i.e. 9 July 2020 to 31 March 2021.
(iii) Inter-segment revenues and expenses are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations.
(iv) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

61 Segment information (cont'd)

61.2 Reconciliations to amounts reflected in the financial statements
(I) Reconciliation of assets

Particulars	Insurance	Personal, Housing and Other Loans	Microfinance Loans	Asset Management (Mutual Fund)	Others	Total	Inter Segment/ Eliminations	Consolidated
As at 31 December 2021								
Segment operating assets	7,352.04	37,128.98	18,006.26	2,322.19	38,709.09	**1,03,518.56**	(35,902.40)	**67,616.16**
Property, plant and equipment, ROU and intangibles	20.92	137.56	474.68	143.06	1,405.32	**2,181.54**	-	**2,181.54**
Goodwill on consolidation	359.56	155.33	756.22	230.84	-	**1,501.95**	-	**1,501.95**
Deferred tax asset (net)	-	462.67	202.79	0.06	329.38	**994.90**	-	**994.90**
Current tax assets (net)	3.22	150.97	-	8.26	110.52	**272.97**	-	**272.97**
Total assets	**7,735.74**	**38,035.51**	**19,439.95**	**2,704.41**	**40,554.31**	**1,08,469.92**	**(35,902.40)**	**72,567.52**
As at 31 March 2021								
Segment operating assets	6,879.53	32,771.39	13,377.94	1,449.97	39,191.66	**93,670.49**	(34,719.59)	**58,950.90**
Property, plant and equipment, ROU and intangibles	31.72	18.79	38.76	2.57	1,264.98	**1,356.82**	694.37	**2,051.19**
Goodwill on consolidation	359.57	155.32	756.22	230.84	-	**1,501.95**	-	**1,501.95**
Deferred tax asset (net)	-	251.52	156.33	0.06	43.09	**451.00**	-	**451.00**
Current tax assets (net)	0.40	14.04	-	21.62	71.54	**107.60**	-	**107.60**
Total assets	**7,271.22**	**33,211.06**	**14,329.25**	**1,705.06**	**40,571.27**	**97,087.86**	**(34,025.22)**	**63,062.64**

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61 Segment information (cont'd)

61.2 Reconciliations to amounts reflected in the financial statements (cont'd)

(I) Reconciliation of assets (cont'd)

Particulars	Insurance	Personal, Housing and Other Loans	Microfinance and Other Loans*	Asset Management (Mutual Fund)^	Others	Total	Inter Segment/ Eliminations	Consolidated
As at 31 March 2020								
Segment operating assets	3,693.20	36,620.73	8,266.91	-	39,614.88	**88,195.72**	(40,377.85)	**47,817.87**
Property, plant and equipment, ROU and intangible assets	700.82	4.11	31.33	-	325.32	**1,061.58**	667.19	**1,728.77**
Goodwill on consolidation	359.56	911.54		-	-	**1,271.10**	-	**1,271.10**
Deferred tax asset (net)	-	72.18	89.55	-	4.68	**166.41**	-	**166.41**
Current tax assets (net)	-	-		-	25.56	**25.56**	-	**25.56**
Total assets	**4,753.58**	**37,608.56**	**8,387.79**	**-**	**39,970.44**	**90,720.37**	**(39,710.66)**	**51,009.71**

(II) Reconciliation of liabilities

Particulars	Insurance	Personal and Housing Loans	Microfinance and Other Loans*	Asset Management (Mutual Fund)^	Others	Total	Inter Segment/ Eliminations	Consolidated
As at 31 December 2021								
Segment operating liabilities	5,659.07	26,002.15	15,211.44	108.97	853.20	**47,834.83**	(13,480.54)	**34,354.29**
Lease liabilities	17.73	64.02	0.87	-	762.61	**845.23**	(26.81)	**818.42**
Liabilities for current tax (net)	-	-	78.42	0.95	-	**79.37**	-	**79.37**
Total liabilities	**5,676.80**	**26,066.17**	**15,290.73**	**109.92**	**1,615.81**	**48,759.43**	**(13,507.35)**	**35,252.08**
As at 31 March 2021								
Segment operating liabilities	4,623.87	21,669.94	10,808.64	53.51	195.18	**37,351.14**	(14,371.61)	**22,979.53**
Lease liabilities	25.64	16.65	-	0.55	698.35	**741.19**	(32.48)	**708.71**
Liabilities for current tax (net)	-	36.75	-	0.69	-	**37.44**	-	**37.44**
Total liabilities	**4,649.51**	**21,723.34**	**10,808.64**	**54.75**	**893.53**	**38,129.77**	**(14,404.09)**	**23,725.68**
As at 31 March 2020								
Segment operating liabilities	2,643.02	27,329.34	5,967.52	-	159.99	**36,099.87**	(24,896.04)	**11,203.83**
Lease liabilities	161.32	2.89	-	-	118.34	**282.55**	-	**282.55**
Liabilities for current tax (net)	-	7.15	-	-	-	**7.15**	-	**7.15**
Total liabilities	**2,804.34**	**27,339.38**	**5,967.52**	**-**	**278.33**	**36,389.57**	**(24,896.04)**	**11,493.53**

61.3 Geographic information

(I) Revenue from external customers

All the revenue recognised during the year is domestic, i.e. from within India only.

(II) Non-current operating assets:

All the non current operating assets are located in India only. Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

61.4 Other Notes

No reportable segments existed for the period ended 31 March 2019, as the businesses - Personal, Housing & Other loans lending, Microfinance lending and Insurance were acquired during the year ended 31 March 2020, and the asset management business was acquired during the year ended 31 March 2021.

61 Segment information

61.5 Additional Disclosure: Segment-wise Revenue

Particulars	For the nine-months period ended 31 December 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
I) Insurance Business				
Insurance premium (net of premium ceded)	630.97	883.59	133.97	-
Commission Income	9.23	48.77	22.94	-
Interest Income: Shareholders	117.38	148.36	18.12	-
Interest Income: Policyholders	124.05	166.40	6.15	-
Net gain/(loss) on fair value changes	94.22	123.34	0.93	-
	975.85	**1,370.46**	**182.11**	**-**
Less: Inter Segment/Eliminations	-	(8.17)	-	-
	975.85	**1,362.29**	**182.11**	**-**
II) Personal, Housing and Other Loans				
Interest income on loan assets	1,350.49	767.21	111.84	-
Interest income on debt securities and deposits	479.16	1,180.06	513.00	-
Fee received on collections	46.10	23.86	7.16	-
Service fee on securitised/assigned loans	-	-	6.45	-
Net gain/(loss) on fair value changes	1,287.13	1,395.73	(237.21)	-
	3,162.88	**3,366.86**	**401.24**	**-**
Less: Inter Segment/Eliminations	-	(31.08)	(21.57)	-
	3,162.88	**3,335.78**	**379.67**	**-**
III) Microfinance Loans				
Interest income on loan assets: Microfinance loans	2,113.25	2,066.86	817.71	-
Interest income on debt securities and deposits	55.92	22.77	9.30	-
Income from business correspondent operations	-	20.79	38.73	-
Service fee on securitised/assigned loans	-	-	8.89	-
Commission Income	13.10	12.89	4.54	-
Net gain/(loss) on fair value changes	156.84	213.25	17.79	-
	2,339.11	**2,336.56**	**896.96**	**-**
Less: Inter Segment/Eliminations	-	(21.32)	(33.05)	-
	2,339.11	**2,315.24**	**863.91**	**-**
IV) Asset Management (Mutual Fund) business				
Revenue from advisory services	-	14.23	-	-
Management Fees	16.59	6.36	-	-
Fees and Commission Income	5.15	3.29	-	-
Brokerage income	-	0.33	-	-
Interest income on debt securities and deposits	15.94	25.75	-	-
Interest income on loan assets	-	6.39	-	-
Net gain/(loss) on fair value changes	20.09	1.06	-	-
	57.77	**57.41**	**-**	**-**
Less: Inter Segment/Eliminations	-	-	-	-
	57.77	**57.41**	**-**	**-**
V) Others				
Fees and Commission Income	-	72.35	-	-
Revenue from advisory services	244.61	309.93	370.09	125.70
Revenue from technology cost share	298.36	148.18	-	-
Interest income on debt securities, deposits and others	121.79	158.41	184.96	1.46
Net gain/(loss) on fair value changes	257.40	180.49	77.88	42.34
	922.16	**869.36**	**632.93**	**169.50**
Less: Inter Segment/Eliminations	(300.06)	(149.03)	-	-
	622.10	**720.33**	**632.93**	**169.50**

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure V - Summary of significant accounting policies and other explanatory information to the restated consolidated financial information
(All amount in ₹ Millions, unless otherwise stated)

62 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

For the nine-months period ended 31 December 2021

S.No.	Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount	As % of Other comprehensive income	Amount	As % of total comprehensive income	Amount
	Holding company								
1	Navi Technologies Private Limited	104.18%	38,875.22	41.17%	(849.77)	-0.63%	0.46	39.73%	(849.31)
	Subsidiaries								
2	Navi Finserv Private Limited	31.88%	11,895.73	30.32%	(625.88)	5.97%	(4.39)	29.48%	(630.27)
3	Chaitanya India Fin Credit Private Limited	10.03%	3,744.31	-13.64%	281.65	26.76%	(19.68)	-12.25%	261.97
4	Navi General Insurance Limited	5.52%	2,058.96	24.72%	(510.38)	71.22%	(52.37)	26.32%	(562.75)
5	Anmol Como Broking Private Limited	4.08%	1,521.97	0.16%	(3.33)	0.00%	-	0.16%	(3.33)
6	Navi AMC Limited	2.44%	909.55	6.99%	(144.34)	-3.33%	2.45	6.64%	(141.89)
7	Navi Trustee Limited	0.06%	20.61	0.05%	(0.93)	0.00%	-	0.04%	(0.93)
8	Mavenhive Technologies Private Limited	0.06%	21.46	0.01%	(0.22)	0.00%	-	0.01%	(0.22)
9	BACQ Acquisitions Private Limited	0.01%	5.52	0.06%	(1.33)	0.00%	-	0.06%	(1.33)
10	Navi Investment Advisors Private Limited	0.02%	5.63	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
11	Navi Securities Private Limited	0.08%	31.66	0.22%	(4.52)	0.00%	-	0.21%	(4.52)
	Intercompany elimination and consolidation	-58.35%	(21,775.17)	9.94%	(205.12)	0.00%	-	9.59%	(205.12)
	Total	**100.00%**	**37,315.45**	**100.00%**	**(2,064.27)**	**100.00%**	**(73.53)**	**100.00%**	**(2,137.80)**

For the year ended 31 March 2021

S.No.	Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount	As % of Other comprehensive income	Amount	As % of total comprehensive income	Amount
	Holding company								
1	Navi Technologies Private Limited	100.69%	39,608.30	-18.49%	(131.62)	-6.95%	(1.27)	-18.20%	(132.89)
	Subsidiaries								
2	Navi Finserv Private Limited	29.30%	11,526.01	137.02%	975.43	-7.12%	(1.30)	133.42%	974.13
3	Chaitanya India Fin Credit Private Limited	8.85%	3,482.33	28.97%	206.24	122.39%	22.36	31.31%	228.60
4	Navi General Insurance Limited	6.66%	2,621.68	-28.07%	(199.83)	-8.37%	(1.53)	-27.58%	(201.36)
5	Anmol Como Broking Private Limited	2.67%	1,051.33	4.33%	30.80	0.00%	-	4.22%	30.80
6	Navi AMC Limited	1.47%	577.45	-4.78%	(34.02)	0.05%	0.01	-4.66%	(34.01)
7	Navi Trustee Limited	0.05%	21.54	-0.04%	(0.29)	0.00%	-	-0.04%	(0.29)
8	Mavenhive Technologies Private Limited	0.06%	21.71	-0.16%	(1.17)	0.00%	-	-0.16%	(1.17)
9	BACQ Acquisitions Private Limited	0.02%	6.85	-0.68%	(4.87)	0.00%	-	-0.67%	(4.87)
10	Navi Investment Advisors Private Limited	0.01%	4.75	-0.39%	(2.77)	0.00%	-	-0.38%	(2.77)
11	Navi Securities Private Limited	0.09%	36.20	-0.01%	(0.07)	0.00%	-	-0.01%	(0.07)
	Intercompany elimination and consolidation	-49.88%	(19,621.18)	-17.69%	(125.95)	0.00%	-	-17.25%	(125.95)
	Total	**100.00%**	**39,336.97**	**100.00%**	**711.88**	**100.00%**	**18.27**	**100.00%**	**730.15**

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure V - Summary of significant accounting policies and other explanatory information to the restated consolidated financial information
(All amount in ₹ Millions, unless otherwise stated)

62 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013. (cont'd)

For the year ended 31 March 2020

S.No.	Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount	As % of Other comprehensive income	Amount	As % of total comprehensive income	Amount
	Holding company								
1	Navi Technologies Private Limited	100%	39,622.99	-113%	90.81	0%	-	-153%	90.81
	Subsidiaries								
2	Navi Finserv Private Limited	24%	9,520.48	-112%	90.09	0%	(0.05)	-152%	90.04
3	Chaitanya India Fin Credit Private Limited	8%	3,168.97	27%	(22.19)	-6%	(1.21)	40%	(23.40)
4	Navi General Insurance Limited	5%	1,949.23	244%	(196.90)	106%	22.78	294%	(174.12)
5	Mavenhive Technologies Private Limited	0%	22.87	1%	(1.15)	0%	-	2%	(1.15)
6	BACQ Acquisitions Private Limited	0%	1.72	4%	(3.28)	0%	-	6%	(3.28)
7	Navi Securities Private Limited	0%	4.80	1%	(1.04)	0%	-	2%	(1.04)
8	Navi Investment Advisors Private Limited	0%	38.96	0%	(0.20)	0%	-	0%	(0.20)
	Intercompany elimination and consolidation	-37%	(14,813.79)	46%	(36.85)	0%	-	62%	(36.85)
	Total	**100%**	**39,516.23**	**100%**	**(80.71)**	**100%**	**21.52**	**100%**	**(59.19)**

For the period ended 31 March 2019

S.No.	Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount	As % of Other comprehensive income	Amount	As % of total comprehensive income	Amount
	Holding company								
	Navi Technologies Private Limited	100%	530.69	100%	20.69	-	-	100%	20.69
	Total	**100%**	**530.69**	**100%**	**20.69**	**-**	**-**	**100%**	**20.69**

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63 Financial instruments

63.1 Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Notes	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Financial assets measured at fair value through other comprehensive income					
Investments	10A, 10B, 16A and 16B	4,803.00	5,079.47	2,575.47	-
Loans	20	1,205.36	2,054.72	-	-
Financial assets measured at fair value through profit and loss					-
Investments	16, 16A and 16B	12,401.63	24,731.50	20,709.89	558.03
Financial assets measured at amortised cost					-
Investments	10, 10A, 10B, 16, 16A and 16B	6,881.58	5,671.34	13,819.30	-
Trade receivables	17	5.96	17.37	0.63	-
Cash and cash equivalents	18	3,347.75	2,073.04	316.05	0.01
Bank balance other than cash and cash equivalents	19	1,649.37	2,745.19	118.36	-
Loans	11 and 20	32,451.05	14,554.04	9,375.29	-
Other financial assets	21	1,884.19	268.98	99.58	3.51
Total		**64,629.89**	**57,195.65**	**47,014.57**	**561.55**
Financial liabilities measured at amortised cost					
Borrowings	25 and 31	26,524.79	16,912.21	8,048.87	31.59
Lease liabilities	26 and 32	818.42	708.71	282.55	30.82
Trade payables	33	295.47	222.01	189.30	3.37
Other financial liabilities	27 and 34	2,710.83	1,182.08	385.78	0.90
Total		**30,349.51**	**19,025.01**	**8,906.50**	**66.68**

63 Financial instruments (Cont'd)

63.2 Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique.
The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through other comprehensive income				
Investments: Insurance business				
- Government securities, bonds and debentures	4,803.00	-	-	**4,803.00**
Loans: Lending business	-	1,205.36	-	**1,205.36**
Financial assets measured at fair value through profit and loss				
Investments: Insurance business				
- Government securities, bonds and debentures	63.17	-	-	**63.17**
- Mutual Funds	307.81	-	-	**307.81**
Investments: Lending business				
- Government securities, Bonds and debentures, pass through certificates and derivative contracts	6,234.42	-	-	**6,234.42**
- Mutual funds	696.11	-	-	**696.11**
- Equity instruments	-	-	-	**-**
Investments: Other businesses				
- Government securities, Bonds and debentures, pass through certificates and derivative contracts	3,828.46	-	-	**3,828.46**
- Mutual funds	1,271.66	-	-	**1,271.66**
- Equity instruments	-	-	-	**-**

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through other comprehensive income				
Investments: Insurance business				
- Government securities, bonds and debentures	5,079.47	-	-	**5,079.47**
Loans: Lending business		2,054.72	-	**2,054.72**
Financial assets measured at fair value through profit and loss				
Investments: Insurance business				
- Government securities, bonds and debentures	88.68	-	-	**88.68**
- Mutual Funds	192.63	-	-	**192.63**
Investments: Lending business				
- Government securities, Bonds and debentures, pass through certificates and derivative contracts	17,645.08	-	-	**17,645.08**
- Mutual funds	1,592.77	-	-	**1,592.77**
- Equity instruments	-			**-**
Investments: Other businesses				
- Government securities, Bonds and debentures, pass through certificates and derivative contracts	4,483.92	-	-	**4,483.92**
- Mutual funds	728.42	-	-	**728.42**
- Equity instruments	-	-	-	**-**

63 Financial instruments (Cont'd)

63.2 Fair values hierarchy (cont'd)

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investments: Insurance business				
- Government Securities, Bonds and debentures	2,575.47	-	-	**2,575.47**
Financial assets measured at fair value through profit and loss				
Investments: Insurance business				
- Mutual funds	286.09	-	-	**286.09**
Investments: Lending business				
- Certificate of deposits	1,606.13	-	-	**1,606.13**
- Bonds and debentures, pass through certificates and derivative contracts	12,660.47	-	-	**12,660.47**
- Mutual funds	3,933.13	-	-	**3,933.13**
- Equity instruments	1,094.21	-	-	**1,094.21**
Investments: Other businesses				
- Certificate of deposits	0.00			**0.00**
- Bonds and debentures	931.36	-	-	**931.36**
- Mutual funds	197.50	-	-	**197.50**
- Equity instruments and derivative contracts	1.00	-	-	**1.00**

63 Financial instruments (Cont'd)

63.2 Fair values hierarchy (cont'd)

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investments: Insurance business				
- Government Securities, Bonds and debentures	-	-	-	**-**
Financial assets measured at fair value through profit and loss				
Investments: Insurance business				
- Mutual funds	-	-	-	**-**
Investments: NBFC business				
- Certificate of deposits	-	-	-	**-**
- Bonds and debentures, pass through certificates and derivative contracts	-	-	-	**-**
- Mutual funds	-	-	-	**-**
- Equity instruments	-	-	-	**-**
Investments: Other businesses				
- Certificate of deposits				**0.00**
- Bonds and debentures	151.19	-	-	**151.19**
- Mutual funds	406.84	-	-	**406.84**
- Equity instruments and derivative contracts	-	-	-	**-**

63 Financial Instruments (cont'd)

63.3 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 December 2021		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Investments	6,881.58	6,881.58	5,671.34	5,671.34
Trade receivables	5.96	5.96	17.37	17.37
Cash and cash equivalents	3,347.75	3,347.75	2,073.04	2,073.04
Bank balance other than cash and cash equivalents	1,649.37	1,649.37	2,745.19	2,745.19
Loans	32,451.05	32,451.05	14,554.04	14,554.04
Other financial assets	1,884.19	1,884.19	268.98	268.98
Total	**46,219.90**	**46,219.90**	**25,329.96**	**25,329.96**
Financial liabilities				
Borrowings	26,524.79	26,524.79	16,912.21	16,912.21
Lease liabilities	818.42	818.42	708.71	708.71
Trade payables	295.47	295.47	222.01	222.01
Other financial liabilities	2,710.83	2,710.83	1,182.08	1,182.08
Total	**30,349.51**	**30,349.51**	**19,025.01**	**19,025.01**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Investments	13,819.30	13,819.30	-	-
Trade receivables	0.63	0.63	-	-
Cash and cash equivalents	316.05	316.05	0.01	0.01
Bank balance other than cash and cash equivalents	118.36	118.36	-	-
Loans	9,375.29	9,375.29	-	-
Other financial assets	99.58	99.58	3.51	3.51
Total	**23,729.21**	**23,729.21**	**3.52**	**3.52**
Financial liabilities				
Borrowings	8,048.87	8,048.87	31.59	31.59
Lease liabilities	282.55	282.55	30.82	30.82
Trade payables	189.30	189.30	3.37	3.37
Other financial liabilities	385.78	385.78	0.90	0.90
Total	**8,906.50**	**8,906.50**	**66.68**	**66.68**

The management assessed that fair values of investments, cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, borrowings, lease liabilities, trade payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Group's fixed interest bearing loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at each of the date above was assessed to be insignificant.

(ii) The fair values of the Group fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

63 Financial Instruments (cont'd)

63.4 Financial risk management for other businesses (other than Lending, insurance and AMC)

The Group is exposed to variety of risks as the Group is involved into different businesses such as Insurance business, NBFC (lending) business, asset management business and software support services. The Group's activities expose it to market risk, liquidity risk and credit risk. The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. 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 consolidated financial statements.

Risk	Exposure arising from	Risk Management
Credit risk	Cash and cash equivalents (other than cash), loans, financial assets measured at amortised cost.	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings and other financial liabilities	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Variable rates borrowings	Negotiation of terms that reflect the market factors

The risk management of entities within the group is carried out by a central treasury department the respective companies under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

i) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assists, and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk on financial reporting date
(ii) Moderate credit risk
(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (other than cash), other bank balances, investments, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Nil	Life time expected credit loss or 12 month expected credit loss
High credit risk	Nil	Life time expected credit loss fully provided for.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

63 Financial instruments (cont'd)

63.4 Financial risk management for other businesses (other than Lending, insurance and AMC) (cont'd)

i) Credit risk (cont'd)

Financial assets that expose the Other businesses (other than Lending, Insurance and AMC) to credit risk*

	Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i)	**Low credit risk - Stage 1**				
	Investments	55.26	72.07	9.73	-
	Trade receivables	3.32	1.78	0.65	-
	Cash and cash equivalents	439.96	345.82	8.95	0.01
	Bank balance other than cash and cash equivalents	676.46	2,106.53	40.92	-
	Loans**	-	-	-	-
	Other financial assets	124.08	115.52	58.40	3.51
(ii)	**Moderate credit risk - Stage 2**	4,699.60	4,608.99	1,117.71	558.03
(iii)	**High credit risk - Stage 3**				
	Investments	-	-		-

* These represent net carrying values of financial assets, after deduction for expected credit losses.
**Loans represent amounts excluding than portfolio loans. For portfolio loans, Refer note 63.5 - Financial risk management for NBFC business".

The Group does not have any significant or material history of credit losses hence the credit risk for all the financial assets has been considered to be negligible by the management as at the closing date.

Expected credit losses for financial assets (other than Lending, Insurance and AMC businesses)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
As at 31 December 2021			
Cash and cash equivalents	439.96	-	439.96
Bank balance other than cash and cash equivalents	676.46	-	676.46
Trade receivables	3.32	-	3.32
Investments	4,754.86	-	4,754.86
Loans	-	-	-
Other financial assets	124.08	-	124.08
As at 31 March 2021			
Cash and cash equivalents	345.82	-	345.82
Bank balance other than cash and cash equivalents	2,106.53	-	2,106.53
Trade receivables	1.78	-	1.78
Investments	4,681.11	(0.05)	4,681.06
Loans	-	-	-
Other financial assets	115.52	-	115.52

63 Financial instruments (cont'd)

63.4 Financial risk management for other businesses (other than Lending, insurance and AMC) (cont'd)

i) Credit risk (cont'd)

Credit risk exposure:

Expected credit losses for financial assets (other than Lending, insurance and AMC businesses)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
As at 31 March 2020			
Cash and cash equivalents	8.95	-	8.95
Bank balance other than cash and cash equivalents	40.92	-	40.92
Trade receivables	0.65	-	0.65
Investments	1,127.44	-	1,127.44
Loans	-	-	-
Other financial assets	58.40	-	58.40
As at 31 March 2019			
Cash and cash equivalents	0.01	-	0.01
Bank balance other than cash and cash equivalents	-	-	-
Trade receivables	-	-	-
Investments	558.03	-	558.03
Loans	-	-	-
Other financial assets	3.51	-	3.51

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.
Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The bank overdraft facilities may be drawn at any time and may be terminated by the bank with notice.

Maturities of financial liabilities (other than Lending, insurance and AMC businesses)

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.
The amounts disclosed in the table are the contractual undiscounted cash flows.

63 Financial instruments (cont'd)

63.4 Financial risk management for other businesses (other than Lending, insurance and AMC) (cont'd)

ii) Liquidity risk (cont'd)

Particulars	Less than 1 year	1-3 years	More than 3 years	Total
As at 31 December 2021				
Borrowings	-	-	-	-
Lease liabilities	136.76	523.19	75.85	735.80
Trade payables	3.90	-	-	3.90
Other financial liabilities	680.97	-	-	680.97
Total	**821.63**	**523.19**	**75.85**	**1,420.67**
As at 31 March 2021				
Borrowings	-	-	-	-
Lease liabilities	80.82	585.05	-	665.87
Trade payables	37.08	-	-	37.08
Other financial liabilities	57.13	-	-	57.13
Total	**175.03**	**585.05**	**-**	**760.08**
As at 31 March 2020				
Borrowings	70.94	-	-	70.94
Lease liabilities	27.16	91.19	-	118.35
Trade payables	0.62	-	-	0.62
Other financial liabilities	48.70	-	-	48.70
Total	**147.42**	**91.19**	**-**	**238.61**
As at 31 March 2019				
Borrowings	31.59	-	-	31.59
Lease liabilities	4.96	12.23	13.63	30.82
Trade payables	3.38	-	-	3.38
Other financial liabilities	0.90			0.90
Total	**40.83**	**12.23**	**13.63**	**66.69**

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Group does not have any significant or material foreign currency transactions hence the currency risk for all the financial assets and liabilities has been considered to be negligible by the management as at the closing date.

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.

i. Exposure

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 rate of interest and the Company is in a position to pass on the rise in interest rates to its borrowers.

The Groups investments in debt instruments and pass through certificates are all fixed interest bearing instruments. Refer the price sensitivity analysis given below.

63 Financial instruments (cont'd)

63.4 Financial risk management for other businesses (other than Lending, insurance and AMC) (cont'd)

iii) Market risk (cont'd)

b) Interest rate risk (cont'd)

ii. Sensitivity

As the specified business does not have any long term borrowings outstanding, hence it is not exposed to interest rate risk.

c) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.
It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc.

i. Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.
To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii. Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period/year:

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Mutual funds				
Net assets value – increase by 5 bps	0.36	0.07	0.09	0.20
Net assets value – decrease by 5 bps	(0.36)	(0.07)	(0.09)	(0.20)
Investments: Equity Instruments, Bonds and debentures				
Value per share – increase by 4.5 bps	(0.14)	0.10	(0.09)	0.08
Value per share – decrease by 4.5 bps	0.14	(0.10)	0.09	(0.08)

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses

Navi Finserv Private Limited hereby referred to as 'NFPL' and Chaitanya India Fin Credit Private Limited *(subsidiary of Navi Finserv Private Limited)* hereby referred to as 'CIFCPL' as financial services entities, are exposed to risks that are specific to its lending activities and the environment within which it operates and primarily includes credit, liquidity, market, and operational risks.

Lending businesses includes Personal, Digital and Others is carried out by NFPL and Microfinance business is conducted by CIFCPL.

Risk is an integral part of the Group's business and sound risk management is critical for the success. On account of it's business activities, the Group is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Group has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group's risk management objectives and policies needs prior approval of it's Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Financial assets (excluding cash in hand)	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, Field credit assessment, diversification of asset base, Group guarantee (joint liability Group loans), borrower indebtedness limits, diversification of asset base, credit limits and collaterals taken for assets, wherever applicable
Liquidity risk	Financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate	Investments, borrowings, debt securities and subordinated liabilities carrying variable interest rates	Sensitivity analysis	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.
Market risk - security price	Investments	Sensitivity analysis	Diversification of portfolio with focus on strategic investments
Systemic risk	External events impacting the system as a whole (i.e., industry, economy etc.) like COVID-19, demonetization etc.	Monitoring of external events, ageing analysis of industry data on loans, recovery trends witnessed by the sector.	Preservation of adequate liquidity to meet near term cash outflows and expense obligations, capital adequacy, diversification of portfolio across geographies and customer profiles, maintaining buffer provision to meet unexpected losses etc.

The Group has a risk management policy which covers all the risk associated with its assets and liabilities. The Group has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in tandem with internal metamorphosis and changing external environment. The process of continuous evaluation of risk also includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the Group.

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy

Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Loans

The credit risk management policy of NFPL and CIFCPL seeks to have following controls and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

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

1. Risk identification

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

- Adverse selection of members for group formation e.g. (bogus members, defaulters, negative profiles, etc.)
- Adverse selection of groups for undertaking lending activity (negative villages, migrant occupations, negative communities, , etc.)
- Gap in credit assessment of borrower’s credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (group leaders / political influence / middlemen influencing decisions of customers)
- Over-borrowing by customers
- Upper cap on loan ticket size
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc.
- Group culture and meeting discipline (e.g. timely arrival to meetings, absence of members from meetings, attendance, presence of non-members, etc.)

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

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

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

2. Risk assessment and measurement

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Loans, investments and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans, investments and other financial assets	Life time expected credit loss or fully provided for

3. Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up very seriously at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Group.

Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. The Group lends to borrowers with a good credit score and generally most of the lending is secured against assets pledged by the borrower in favour of the Group. These investments are reviewed by the Board of Directors on a regular basis.

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The Group regularly monitors borrower repayments and borrowers are accordingly categorized in low risk and high risk.

The performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Credit origination - KYC pendency, if any; deviation index from the defined policies and procedures
- Credit sanction - Disbursement to high risk rated groups/borrowers; Early delinquency due to fraud
- Credit monitoring:
- Portfolio at risk - The metrics provides an indication of potential losses that may arise from overdue accounts. (loans staging more than 90 days past due);
- Static pool analysis - Provides an indication about the portfolio performance vis-a-vis the vintage of the loans and helps compare performance of loans generated in different time periods
- Collection and recovery - collection efficiency, roll forward rates and roll backward rates.

4. Risk mitigation

Risk mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Investments

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

Loans

The following risk mitigation measures have been suggested at each stage of loan life cycle:

- Loan origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan pre and post disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- Loan monitoring - customer relation executive to attend group meeting, reminder of payment of EMIs on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances etc.
- Appropriate policy-driven loan origination and collection process.

It's the Group's policy to ensure that a robust risk awareness is embedded the organisational risk culture. Employees are expected to take ownership and be accountable for the risks to which the Group is exposed. Continuous training and development emphasizes that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits.

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

5. Impairment assessment

Investments

Group had commenced the treasury operations in investments in the previous year ended 31 March 2020 and all investments carried at amortised cost are categorised under Stage 1. The Group has assessed the impairment allowance on the basis of EAD*PD*LGD. The default rates for these investments are considered as reported by external credit rating agencies. Exposure at default (EAD) is the carrying value of the investments (net of credit enhancement).

Loans

The Group is also engaged in the business of providing loans and access to credit to the customers and Joint Liability Group (JLG). The tenure of which is ranging from 1 month to 72 months.

Definition of default and cure

The Group considers a financial instrument as defaulted and therefore in Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

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

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The Company's internal credit rating grades and staging criteria for loans are as follows:

Internal rating grade	Internal rating description	Stages
Performing		
Standard grade - no overdue	No over due	Stage I
Standard grade - past due	DPD 1 to 30	Stage I
	DPD 31 to 60	Stage II
	DPD 61 to 89	Stage II
Non-performing		
Sub-standard grade	DPD > = 90	Stage III

Frequency of recognition

Riskiness of a financial asset is recognized in the following frequency: -
- At the time of initial recognition all financial assets are recognized as low credit risk.
- Assets are evaluated on a monthly frequency till the time it is fully repaid and closed; they are evaluated basis their days past due (DPD) status at every month-end and risk classification is made accordingly.
- In case of microfinance customers, if the customer or her spouse expires, the balance repayment has to come from the Life insurer (as per RBI guidelines).
- An asset may be re-recognized if there is adverse field information regarding client default.

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement. Ind-AS does not mandate to forecast about the future conditions over the entire expected life of a financial asset, and ensures to extrapolate projection from available, detailed information. These includes:
- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers
- Changes in underwriting capacity, collection efficiency, and management strength
- Macroeconomic factors such as interest rates, industry policies, GDP growth rate, inflation, etc.
- Regulatory factors such as systemic risk events, policy changes, and statutory guidelines
- Systemic events such as demonetization, Andhra Pradesh crisis, etc. and special situations such as floods, cyclone, earthquake, etc.

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Measurement of ECL

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

ECL = PD*LGD*EAD	Each item is defined as follows: -
ECL - Expected Credit Loss	Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time
PD - Probability of Default	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
LGD - Loss Given Default	The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that CIFCPL would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
EAD- Exposure at Default	Cash flows that are at risk of default over a given time horizon. The Exposure at Default is an estimate of the exposure at a future default date.

Financial assets that expose the Lending business to credit risk (gross amounts):

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Personal, Housing and others loans business				
(i) **Low credit risk - Stage 1**				
Investments	11,969.61	22,233.24	33,299.32	-
Trade receivables	-	4.72	-	-
Cash and cash equivalents	2,507.59	1,030.00	194.45	-
Bank balance other than cash and cash equivalents	872.77	637.56	2.67	-
Loans	16,296.41	5,014.23	1,031.41	-
Other financial assets	1,892.68	3.17	2.40	-
(ii) **Moderate credit risk - Stage 2**				
(iii) **High credit risk - Stage 3**				
Investments	175.19	172.69	26.40	-
Loans	189.96	279.26	58.00	-
(b) Microfinance loans business				
(i) **Low credit risk - Stage 1**				
Investments	739.03	-	491.28	-
Trade receivables	2.57	0.48	-	-
Cash and cash equivalents	285.78	637.99	58.44	-
Bank balance other than cash and cash equivalents	192.41	33.81	73.77	-
Loans	16,612.68	11,490.34	8,423.67	-
Other financial assets	147.22	320.01	101.80	-
(ii) **Moderate credit risk - Stage 2**				
(iii) **High credit risk - Stage 3**				
Loans	692.94	491.39	69.19	-
Other financial assets	44.35	16.76	9.47	

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Measurement of ECL (cont'd)

Expected credit losses for financial assets (including loans) for Lending business:

(a) Personal, Housing and others loans business

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
As at 31 December 2021			
Investments	12,319.99	(175.19)	12,144.80
Trade receivables	-	-	-
Cash and cash equivalents	2,507.59	-	2,507.59
Bank balance other than cash and cash equivalents	872.77	-	872.77
Loans	16,486.37	-	16,486.37
Other financial assets	1,892.68	-	1,892.68
As at 31 March 2021			
Investments	22,578.62	(172.69)	22,405.93
Trade receivables	4.72	-	4.72
Cash and cash equivalents	1,030.00	-	1,030.00
Bank balance other than cash and cash equivalents	637.56	-	637.56
Loans	5,572.75	(279.26)	5,293.49
Other financial assets	3.17	-	3.17
As at 31 March 2020			
Investments	33,352.12	(26.40)	33,325.72
Trade receivables	-	-	-
Cash and cash equivalents	194.45	-	194.45
Bank balance other than cash and cash equivalents	2.67	-	2.67
Loans	1,147.41	(58.00)	1,089.41
Other financial assets	2.40	-	2.40

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)
Measurement of ECL (cont'd)
Expected credit losses for financial assets (including loans) for Lending business:
(b) Microfinance loans business

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
As at 31 December 2021			
Investments	739.03	-	739.03
Trade receivables	2.57	-	2.57
Cash and cash equivalents	285.78	-	285.78
Bank balance other than cash and cash equivalents	192.41	-	192.41
Loans	17,305.62	-	17,305.62
Other financial assets	191.57	(44.35)	147.22
As at 31 March 2021			
Investments	-	-	-
Trade receivables	0.48	-	0.48
Cash and cash equivalents	637.99	-	637.99
Bank balance other than cash and cash equivalents	33.81	-	33.81
Loans	11,981.73	(491.39)	11,490.34
Other financial assets	336.77	(16.76)	320.01
As at 31 March 2020			
Investments	491.28	-	491.28
Trade receivables	-	-	-
Cash and cash equivalents	58.44	-	58.44
Bank balance other than cash and cash equivalents	73.77	-	73.77
Loans	8,492.86	(69.19)	8,423.67
Other financial assets	111.27	(9.47)	101.80

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Credit risk quality for term 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.

(a) Personal, Housing and others loans business

Particulars	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2021:				
Performing				
High grade (No Over Due)	17,013.16	-	-	17,013.16
Standard grade (DPD 1 to 30)	189.35	-	-	189.35
Standard grade (DPD 31 to 60)	-	145.08	-	145.08
Standard grade (DPD 61 to 90)	-	47.12	-	47.12
Non - performing				
Sub-standard grade (DPD > 90)	-	-	189.98	189.98
Total	**17,202.51**	**192.20**	**189.98**	**17,584.69**
As at 31 March 2021:				
Performing				
High grade (No Over Due)	5,461.76	-	-	5,461.76
Standard grade (DPD 1 to 30)	212.79	-	-	212.79
Standard grade (DPD 31 to 60)	-	147.55	-	147.55
Standard grade (DPD 61 to 90)	-	159.26	-	159.26
Non- performing				
Sub-standard grade (DPD > 90)	-	-	279.28	279.28
Total	**5,674.55**	**306.81**	**279.28**	**6,260.64**
As at 31 March 2020:				
Performing				
High grade (No Over Due)	912.46	-	-	912.46
Standard grade (DPD 1 to 30)	156.29	-	-	156.29
Standard grade (DPD 31 to 60)	-	23.35	-	23.35
Standard grade (DPD 61 to 90)	-	6.70	-	6.70
Non- performing				
Sub-standard grade (DPD > 90)	-	-	58.00	58.00
Total	**1,068.75**	**30.05**	**58.00**	**1,156.80**

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Credit risk quality for term 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.

(b) Microfinance loans business

Particulars	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2021:				
Performing				
High grade (No Over Due)	16,795.62	-	-	16,795.62
Standard grade (DPD 1 to 30)	369.93	-	-	369.93
Standard grade (DPD 31 to 60)	-	162.72	-	162.72
Standard grade (DPD 61 to 90)	-	67.33	-	67.33
Non- performing				
Sub-standard grade (DPD > 90)	-	-	692.94	692.94
Total	**17,165.55**	**230.05**	**692.94**	**18,088.54**
As at 31 March 2021:				
Performing				
High grade (No Over Due)	10,959.61	-	-	10,959.61
Standard grade (DPD 1 to 30)	324.31	-	-	324.31
Standard grade (DPD 31 to 60)	-	119.83	-	119.83
Standard grade (DPD 61 to 90)	-	91.19	-	91.19
Non- performing				
Sub-standard grade (DPD > 90)	-	-	491.39	491.39
Total	**11,283.92**	**211.02**	**491.39**	**11,986.33**
As at 31 March 2020:				
Performing				
High grade (No Over Due)	8,285.19	-	-	8,285.19
Standard grade (DPD 1 to 30)	115.57	-	-	115.57
Standard grade (DPD 31 to 60)	-	14.14	-	14.14
Standard grade (DPD 61 to 90)	-	12.48	-	12.48
Non- performing				
Sub-standard grade (DPD > 90)	-	-	69.19	69.19
Total	**8,400.76**	**26.62**	**69.19**	**8,496.57**

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Credit risk quality for term loans (cont'd)

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

(a) Personal, Housing and others loans business

Particulars	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2021:				
Gross carrying amount opening balance	**5,674.55**	**306.84**	**279.24**	**6,260.63**
New assets originated*	15,821.71	75.40	18.74	15,915.85
Movement between stages				
Transfers to Stage 1	(465.59)	232.93	232.66	-
Transfers to Stage 2	17.18	(32.78)	15.60	-
Transfers to Stage 3	6.92	0.99	(7.91)	-
Assets repaid, derecognized and written off	(3,852.26)	(391.18)	(348.36)	(4,591.80)
Gross carrying amount closing balance	**17,202.51**	**192.20**	**189.97**	**17,584.68**
As at 31 March 2021:				
Gross carrying amount opening balance	**1,068.80**	**30.07**	**57.96**	**1,156.83**
New assets originated*	5,664.25	306.72	244.69	6,215.66
Movement between stages				
Transfers to Stage 1	(16.16)	0.99	15.17	-
Transfers to Stage 2	0.74	(3.92)	3.18	-
Transfers to Stage 3	0.07	-	(0.07)	-
Assets repaid, derecognized and written off	(1,043.15)	(27.02)	(41.69)	(1,111.86)
Gross carrying amount closing balance	**5,674.55**	**306.84**	**279.24**	**6,260.63**
As at 31 March 2020:				
Gross carrying amount opening balance	**470.20**	**17.12**	**47.56**	**534.88**
New assets originated*	933.07	18.51	3.60	955.18
Movement between stages				
Transfers to Stage 1	(27.61)	20.18	7.43	-
Transfers to Stage 2	3.55	(7.05)	3.50	-
Transfers to Stage 3	0.34	0.39	(0.73)	-
Assets repaid, derecognized and written off	(310.75)	(19.08)	(3.40)	(333.23)
Gross carrying amount closing balance	**1,068.80**	**30.07**	**57.96**	**1,156.83**

* New assets originated is presented net of collections made during the year

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Credit risk quality for term loans (cont'd)

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

(b) Microfinance loans business

Particulars	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2021:				
Gross carrying amount opening balance	**11,283.92**	**211.01**	**491.41**	**11,986.34**
New assets originated*	13,940.28	35.49	12.31	13,988.08
Movement between stages				
Transfers to Stage 1	(570.45)	337.94	232.51	-
Transfers to Stage 2	6.92	(139.08)	132.16	-
Transfers to Stage 3	1.00	1.25	(2.25)	-
Assets repaid, derecognized and written off	(7,496.12)	(216.57)	(173.19)	(7,885.88)
Gross carrying amount closing balance	**17,165.55**	**230.04**	**692.95**	**18,088.54**
As at 31 March 2021:				
Gross carrying amount opening balance	**8,400.73**	**26.61**	**69.20**	**8,496.54**
New assets originated*	9,790.53	11.44	20.07	9,822.04
Movement between stages				
Transfers to Stage 1	(910.13)	383.94	526.19	-
Transfers to Stage 2	1.57	(16.00)	14.43	-
Transfers to Stage 3	0.03	0.04	(0.07)	-
Assets repaid, derecognized and written off	(5,998.81)	(195.02)	(138.41)	(6,332.24)
Gross carrying amount closing balance	**11,283.92**	**211.01**	**491.41**	**11,986.34**
As at 31 March 2020:				
Gross carrying amount opening balance	**4,740.38**	**3.90**	**118.77**	**4,863.05**
New assets originated*	7,981.07	18.02	15.11	8,014.20
Movement between stages				
Transfers to Stage 1	(87.52)	31.79	55.73	-
Transfers to Stage 2	0.01	(1.73)	1.72	-
Transfers to Stage 3	0.02	0.06	(0.08)	-
Assets repaid, derecognized and written off	(4,233.23)	(25.43)	(122.05)	(4,380.71)
Gross carrying amount closing balance	**8,400.73**	**26.61**	**69.20**	**8,496.54**

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Credit risk quality for term loans (cont'd)

Reconciliation of ECL balance is given below:

(a) Personal, Housing and others loans business

Particulars	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2021:				
ECL allowance - opening balance	**522.01**	**189.96**	**255.52**	**967.49**
New assets originated during the year, netted off for repayments and derecognised portfolio	728.62	50.29	16.67	795.58
Movement between stages				
Transfers to Stage 1	(51.01)	23.50	27.51	-
Transfers to Stage 2	10.85	(20.62)	9.77	-
Transfers to Stage 3	6.72	0.96	(7.68)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(417.56)	(121.74)	(125.73)	(665.03)
ECL allowance - closing balance	**799.63**	**122.35**	**176.06**	**1,098.04**
As at 31 March 2021:				
ECL allowance - opening balance	**42.23**	**1.53**	**23.69**	**67.45**
New assets originated during the year, netted off for repayments and derecognised portfolio	521.72	189.55	234.34	945.61
Movement between stages				
Transfers to Stage 1	(0.21)	0.03	0.18	-
Transfers to Stage 2	0.04	(0.16)	0.12	-
Transfers to Stage 3	0.01	-	(0.01)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(41.78)	(0.99)	(2.80)	(45.57)
ECL allowance - closing balance	**522.01**	**189.96**	**255.52**	**967.49**
As at 31 March 2020:				
ECL allowance - opening balance	**3.08**	**0.96**	**15.44**	**19.48**
New assets originated during the year, netted off for repayments and derecognised portfolio	36.00	0.55	0.58	37.13
Movement between stages				
Transfers to Stage 1	(0.20)	0.14	0.06	-
Transfers to Stage 2	0.20	(0.54)	0.33	(0.01)
Transfers to Stage 3	0.09	0.13	(0.22)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	3.06	0.29	7.50	10.85
ECL allowance - closing balance	**42.23**	**1.53**	**23.69**	**67.45**

ECL provision is created on staff loan as per policy. Any amount due and not recovered from the salary beyond 30 days is fully provided for.

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

i. Credit risk policy (cont'd)

Credit risk quality for term loans (cont'd)

Reconciliation of ECL balance is given below:

(b) Microfinance loans business

Particulars	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2021:				
ECL allowance - opening balance	**208.41**	**74.34**	**383.68**	**666.43**
New assets originated during the year, netted off for repayments and derecognised portfolio	130.13	12.55	8.41	151.09
Movement between stages				
Transfers to Stage 1	(15.25)	6.88	8.37	-
Transfers to Stage 2	2.05	(48.14)	46.09	-
Transfers to Stage 3	0.65	0.95	(1.60)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(137.32)	32.50	69.72	(35.10)
ECL allowance - closing balance	**188.67**	**79.08**	**514.67**	**782.42**
As at 31 March 2021:				
ECL allowance - opening balance	**165.67**	**5.51**	**35.77**	**206.95**
New assets originated during the year, netted off for repayments and derecognised portfolio	172.64	1.87	13.20	187.71
Movement between stages				
Transfers to Stage 1	(20.57)	8.31	12.26	-
Transfers to Stage 2	0.32	(3.21)	2.89	-
Transfers to Stage 3	0.01	0.03	(0.04)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(109.66)	61.83	319.60	271.77
ECL allowance - closing balance	**208.41**	**74.34**	**383.68**	**666.43**
As at 31 March 2020:				
ECL allowance - opening balance	**33.18**	**0.76**	**73.52**	**107.46**
New assets originated during the year, netted off for repayments and derecognised portfolio	157.19	3.69	9.10	169.98
Movement between stages				
Transfers to Stage 1	(0.61)	0.22	0.39	-
Transfers to Stage 2	-	(0.31)	0.31	-
Transfers to Stage 3	-	0.01	(0.01)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(24.09)	1.14	(47.54)	(70.49)
ECL allowance - closing balance	**165.67**	**5.51**	**35.77**	**206.95**

ECL provision is created on staff loan as per policy. Any amount due and not recovered from the salary beyond 30 days is fully provided for.

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure V - Summary of significant accounting policies and other explanatory information to the restated consolidated financial information
(All amount in ₹ Millions, unless otherwise stated)

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

ii. Asset liability management maturity pattern of certain items of assets and liabilities (pertaining to NBFC business only)

(a) Personal, Housing and others loans business

Particulars	Borrowings	Loans *	Investments
As at 31 December 2021:			
Up to 7 days	166.23	320.07	5,541.16
Over 08 days up to 14 days	359.47	133.91	549.29
Over 15 days up to 1 months	99.44	504.97	547.36
Over 1 month up to 2 months	186.67	1,105.04	24.91
Over 2 months up to 3 months	1,271.03	1,247.11	25.39
Over 3 months & up to 6 months	3,247.33	2,826.18	742.98
Over 6 months & up to 1 year	988.39	4,019.20	1,056.72
Over 1 year & up to 3 years	5,642.71	4,432.36	3,522.38
Over 3 years & up to 5 years	13.33	453.55	134.63
Over 5 years	-	1,443.98	-
Total	**11,974.60**	**16,486.37**	**12,144.82**
As at 31 March 2021:			
Up to 7 days	2,065.81	136.72	15,508.23
Over 08 days up to 14 days	1,012.50	35.26	1,676.50
Over 15 days up to 1 months	35.87	59.17	48.00
Over 1 month up to 2 months	52.58	442.09	71.41
Over 2 months up to 3 months	52.80	411.14	3,143.14
Over 3 months & up to 6 months	157.96	1,186.82	310.31
Over 6 months & up to 1 year	313.01	1,766.13	515.01
Over 1 year & up to 3 years	3,015.16	1,209.27	832.13
Over 3 years & up to 5 years	90.63	21.58	283.18
Over 5 years	-	25.32	18.03
Total	**6,796.32**	**5,293.50**	**22,405.94**

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

ii. Asset liability management maturity pattern of certain items of assets and liabilities (pertaining to NBFC business only)

(a) Personal, Housing and others loans business (cont'd)

Particulars	Borrowings	Loans *	Investments
As at 31 March 2020:			
Up to 7 days	1.48	2.28	11,006.68
Over 08 days up to 14 days	0.83	2.28	467.85
Over 15 days up to 1 months	3.56	5.23	592.09
Over 1 month up to 2 months	5.93	26.86	1,230.17
Over 2 months up to 3 months	5.96	31.72	1,978.49
Over 3 months & up to 6 months	17.15	399.28	4,748.14
Over 6 months & up to 1 year	26.93	284.96	5,511.01
Over 1 year & up to 3 years	2,310.08	323.82	7,023.23
Over 3 years & up to 5 years	99.25	12.93	723.34
Over 5 years	-	0.06	44.73
Total	**2,471.17**	**1,089.42**	**33,325.73**

Note:

(i) Above mentioned portfolio (own) does not include undrawn facilities, since there are no sanctioned disbursement schedule.

(ii)*Amounts disclosed as per the behavouralised pattern after incorporating anticipated moratorium to customers on account of COVID-19 pandemic as per RBI guidelines.

(iii) Above mentioned portfolio of loans includes term loans to borrowers and employee loans.

(b) Microfinance loans business

Particulars	Borrowings	Loans *	Investments
As at 31 December 2021:			
Up to 7 days	156.34	197.15	352.61
Over 08 days up to 14 days	119.09	215.49	-
Over 15 days up to 1 months	305.69	475.26	49.57
Over 1 month up to 2 months	480.78	888.18	44.15
Over 2 months up to 3 months	590.71	1,033.10	37.61
Over 3 months & up to 6 months	2,786.59	3,071.12	95.16
Over 6 months & up to 1 year	4,013.33	5,300.29	159.93
Over 1 year & up to 3 years	5,826.09	5,939.34	-
Over 3 years & up to 5 years	272.45	135.27	-
Over 5 years	-	50.41	-
Total	**14,551.07**	**17,305.61**	**739.03**

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

ii. Asset liability management maturity pattern of certain items of assets and liabilities (pertaining to NBFC business only)

(b) Microfinance loans business (cont'd)

Particulars	Borrowings	Loans *	Investments
As at 31 March 2021:			
Up to 7 days	91.00	172.27	1,000.95
Over 08 days up to 14 days	91.00	172.27	-
Over 15 days up to 1 months	182.00	413.40	124.84
Over 1 month up to 2 months	242.71	651.83	102.98
Over 2 months up to 3 months	397.86	704.58	254.37
Over 3 months & up to 6 months	1,099.63	2,007.36	258.23
Over 6 months & up to 1 year	2,273.51	3,222.11	67.61
Over 1 year & up to 3 years	5,010.97	3,863.55	-
Over 3 years & up to 5 years	728.75	110.23	-
Over 5 years	-	1.80	-
Total	**10,117.43**	**11,319.40**	**1,808.98**
As at 31 March 2020:			
Up to 7 days	36.94	0.08	491.28
Over 08 days up to 14 days	36.94	0.08	-
Over 15 days up to 1 months	73.89	0.15	-
Over 1 month up to 2 months	183.09	0.30	-
Over 2 months up to 3 months	177.69	400.19	-
Over 3 months & up to 6 months	831.91	2,346.26	-
Over 6 months & up to 1 year	1,796.80	3,477.14	-
Over 1 year & up to 3 years	2,211.32	2,022.10	-
Over 3 years & up to 5 years	156.22	42.78	-
Over 5 years	-	-	-
Total	**5,504.80**	**8,289.08**	**491.28**

Note:
(i) Above mentioned portfolio (own) does not include undrawn facilities, since there are no sanctioned disbursement schedule.
(ii)*Amounts disclosed as per the behavouralised pattern after incorporating anticipated moratorium to customers on account of COVID-19 pandemic as per RBI guidelines.
(iii) Above mentioned portfolio of loans includes term loans to borrowers and employee loans.

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending businesses (cont'd)

iii. Liquidity risk

Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	1-3 years	More than 3 years	Total
(a) Personal, Housing and others loans business				
As at 31 December 2021				
Borrowings	19,339.11	5,656.04	-	24,995.15
Lease liabilities	15.20	33.08	15.74	64.02
Trade payables	33.39	-	-	33.39
Other financial liabilities	330.45	-	-	330.45
Total	**19,718.15**	**5,689.12**	**15.74**	**25,423.01**
As at 31 March 2021				
Borrowings	3,690.52	3,015.16	90.64	6,796.32
Lease liabilities	3.71	11.41	-	15.12
Trade payables	10.53	-	-	10.53
Other financial liabilities	477.32	-	-	477.32
Total	**4,182.08**	**3,026.57**	**90.64**	**7,299.29**
As at 31 March 2020				
Borrowings	61.84	2,310.08	99.25	2,471.17
Lease liabilities	0.36	-	-	0.36
Trade payables	4.75	-	-	4.75
Other financial liabilities	30.65	-	-	30.65
Total	**97.60**	**2,310.08**	**99.25**	**2,506.93**
(b) Microfinance loans business				
As at 31 December 2021				
Borrowings	8,452.14	5,825.62	273.31	14,551.07
Lease liabilities	0.40	0.47	-	0.87
Trade payables	43.58	-	-	43.58
Other financial liabilities	404.82	-	-	404.82
Total	**8,900.94**	**5,826.09**	**273.31**	**15,000.34**
As at 31 March 2021				
Borrowings	4,377.71	5,009.45	730.27	10,117.43
Lease liabilities	1.01	0.51	-	1.52
Trade payables	23.74	-	-	23.74
Other financial liabilities	496.40	-	-	496.40
Total	**4,898.86**	**5,009.96**	**730.27**	**10,639.09**
As at 31 March 2020				
Borrowings	3,137.26	2,211.32	156.22	5,504.80
Lease liabilities	0.10	2.42	-	2.52
Other financial liabilities	212.07	-	-	212.07
Total	**3,349.43**	**2,213.74**	**156.22**	**5,719.39**

63 Financial instruments (cont'd)

63.5 Financial risk management for Lending business (cont'd)

iii Market risk for Lending business

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk.

Financial instruments affected by market risks include borrowings and investments.

a) 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 rate of interest and the Company is in a position to pass on the rise in interest rates to its borrowers.

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in borrowings, as follows:

Particulars	As at	As at	As at
Borrowings			
Borrowings – increase by 5 bps	19.77	8.46	3.99
Borrowings – decrease by 5 bps	(19.77)	(8.46)	(3.99)

b) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc.

Exposure

The Group’s exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period:

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020
Mutual funds			
Net assets value – increase by 5 bps	0.35	0.45	1.72
Net assets value – decrease by 5 bps	(0.35)	(0.45)	(1.72)
Investments: Equity Instruments, Bonds and debentures			
Value per share – increase by 4.5 bps	7.11	0.45	6.88
Value per share – decrease by 4.5 bps	(7.11)	(0.45)	(6.88)

63 Financial instruments (cont'd)

63.6 Financial risk management for insurance business

Navi General Insurance Limited (referred to as "NGIL") a general insurance entity, under the Group. is exposed to risks that are specific to its insurance and re insurance activities and the environment within which it operates and primarily includes re insurance, market, and operational risks.

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is surplus reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business.

The Group is exposed to financial risk, such as market risk (fluctuations in exchange rates, interest rates and price risk), credit risk and liquidity risk. The general risk management program of the Group focuses on the unpredictability of the financial markets, and attempts to minimize their potential negative influence on the financial performance of the Group. The Group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework.

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To mitigate the risk, we invest in securities having minimum acceptable credit rating as per our risk appetite. These are periodically monitored and changes are made to the portfolio allocation mix as and when there is a need. The Company seeks to deal only with financially sound reinsurers.

63 Financial instruments (cont'd)

63.6 Financial risk management for insurance business (cont'd)

i) Credit risk (cont'd)

Financial assets that expose the Insurance business to credit risk* (gross amounts):

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020
(i) **Low credit risk - Stage 1**			
Investments	4,815.44	5,113.35	2,594.44
Trade receivables	-	-	-
Cash and cash equivalents	77.01	23.35	47.13
Bank balance other than cash and cash equivalents	1.03	1.00	1.00
Loans	-	-	-
Other financial assets	52.40	54.51	47.97
(ii) **Moderate credit risk - Stage 2**	-	-	-
(iii) **High credit risk - Stage 3**			
Investments	149.60	149.60	149.60

Expected credit losses for financial assets for Insurance business:

Particulars	Estimated gross	Expected credit	Carrying amount net
As at 31 December 2021			
Investments	4,965.04	(149.60)	4,815.44
Cash and cash equivalents	77.01	-	77.01
Bank balance other than cash and cash equivalents	1.03	-	1.03
Loans	-	-	-
Other financial assets	52.40	-	52.40
As at 31 March 2021			
Investments	5,262.95	(149.60)	5,113.35
Cash and cash equivalents	23.35	-	23.35
Bank balance other than cash and cash equivalents	1.00	-	1.00
Loans	-	-	-
Other financial assets	54.51	-	54.51
As at 31 March 2020			
Investments	2,744.04	(149.60)	2,594.44
Trade receivables	-	-	-
Cash and cash equivalents	47.13	-	47.13
Bank balance other than cash and cash equivalents	1.00	-	1.00
Loans	-	-	-
Other financial assets	47.97	-	47.97

63 Financial instruments (Cont'd)

63.6 Financial risk management for insurance business (cont'd)

2) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries. Liquidity risk is monitored periodically by means of duration analysis of the asset-liability cashflows to meet short term obligations and by maintaining a mix of liquid assets.

Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	1-3 years	More than 3 years	Total
As at 31 December 2021				
Borrowings	-	-	-	-
Lease liabilities	5.49	12.24	-	17.73
Trade payables	262.43	-	-	262.43
Other financial liabilities	1,174.30	-	-	1,174.30
Total	**1,442.22**	**12.24**	**-**	**1,454.46**
As at 31 March 2021				
Borrowings				
Lease liabilities	10.46	15.18	-	25.64
Trade payables	140.32	-	-	140.32
Other financial liabilities	136.02	-	-	136.02
Total	**286.81**	**15.18**	**-**	**301.99**
As at 31 March 2020				
Borrowings				
Lease liabilities	44.79	116.53	-	161.32
Trade payables	181.56	-	-	181.56
Other financial liabilities	69.11	-	-	69.11
Total	**295.46**	**116.53**	**-**	**411.99**
As at 31 March 2019				
Borrowings	31.59			
Lease liabilities	30.82			
Trade payables	3.37			
Other financial liabilities	0.90			
Total	**66.68**	**-**	**-**	**-**

3) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity/commodity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company monitors the Market risk through periodic disclosures on market value basis to track any adverse impact on portfolio on account of interest rate movements to better manage and control this risk.

4) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has no significant concentration of currency risk.

63 Financial instruments (cont'd)

63.6 Financial risk management for insurance business (cont'd)

5) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

The Group's ALM policy requires it to manage interest rate risk by maintaining an appropriate mix of instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Group monitors the duration gap and cash flow matching on regular basis to manage this risk.

Exposure to interest rate risk

The Group's interest rate risk primarily arises on account of investments in interest bearing securities. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Particulars	Carrying amounts		
	31 December 2021	31 March 2021	31 March 2020
Fixed rate instruments			
Financial Assets:			
a) Government securities, bonds and debentures	4,867.52	5,168.16	2,575.46
b) Fixed Deposits	491.37	658.86	443.60
	5,358.89	**5,827.02**	**3,019.06**

6) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Group's Investment Mandates require it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector, security and market and exploration of use of any derivative financial instruments.

i. Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii. Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period/year:

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020
Mutual funds			
Net assets value – increase by 5 bps	15.39	9.63	14.31
Net assets value – decrease by 5 bps	(15.39)	(9.63)	(14.31)
Investments: Bonds, debentures & Government Securities			
Net assets value – increase by 5 bps	243.38	258.41	128.77
Net assets value – decrease by 5 bps	(243.38)	(258.41)	(128.77)

7) Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

63 Financial instruments (cont'd)

63.7 Financial risk management for Asset Management business (Mutual fund)

The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors. The Group's Board of Directors has overall responsibility for managing the risk profile of the Group, with respect to it's asset management business. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The risk exposure is mitigated by diversification across a large portfolio of investments.

i) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets, and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Financial assets that expose the Asset Management business to credit risk (gross amounts):

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020
(i) **Low credit risk - Stage 1**			
Investments	956.25	583.44	-
Trade receivables	3.08	3.48	-
Cash and cash equivalents	37.32	1.04	1.04
Bank balance other than cash and cash equivalents	-	-	-
Loans	-	-	-
Other financial assets	21.42	18.98	13.69
(ii) **Moderate credit risk - Stage 2**	-	-	-
(iii) **High credit risk - Stage 3**			
Investments	-	-	-

63 Financial instruments (cont'd)

63.7 Financial risk management for Asset Management business (Mutual fund) (cont'd)

Expected credit losses for financial assets for Asset Management business:

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
As at 31 December 2021			
Investments	956.25	-	956.25
Trade receivables	3.08	-	3.08
Cash and cash equivalents	37.32	-	37.32
Bank balance other than cash and cash equivalents	-	-	-
Loans	-	-	-
Other financial assets	21.42	-	21.42
As at 31 March 2021			
Investments	583.44	-	583.44
Trade receivables	3.48	-	3.48
Cash and cash equivalents	1.04	-	1.04
Bank balance other than cash and cash equivalents	-	-	-
Loans	-	-	-
Other financial assets	18.98	-	18.98
As at 31 March 2020			
Investments	-	-	-
Trade receivables	-	-	-
Cash and cash equivalents	1.04	-	1.04
Bank balance other than cash and cash equivalents	-	-	-
Loans	-	-	-
Other financial assets	13.69	-	13.69

63 Financial instruments (cont'd)

63.7 Financial risk management for Asset Management business (Mutual fund) (cont'd)

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	1-3 years	More than 3 years	Total
As at 31 December 2021				
Borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Trade payables	25.04	-	-	25.04
Other financial liabilities	61.87	-	-	61.87
Total	**86.91**	**-**	**-**	**86.91**
As at 31 March 2021				
Borrowings	-	-	-	-
Lease liabilities	0.55	-	-	0.55
Trade payables	5.28	-	-	5.28
Other financial liabilities	35.86	-	-	35.86
Total	**41.69**	**-**	**-**	**41.69**
As at 31 March 2020				
Borrowings	2.35	-	-	2.35
Lease liabilities	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	0.44	-	-	0.44
Total	**2.79**	**-**	**-**	**2.79**
As at 31 March 2019				
Borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

63 Financial instruments (cont'd)

63.7 Financial risk management for Asset Management business (Mutual fund) (cont'd)

3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

a) Foreign currency risk

The business is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The business does not have any significant or material foreign currency transactions hence the currency risk for all the financial assets and liabilities has been considered to be negligible by the management as at the closing date.

b) Interest rate risk

As the Company does not have any long term borrowings outstanding or fixed rate deposits, hence it is not exposed to interest rate risk.

4) Price risk

Exposure

The subsidiary Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the subsidiary Company diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period/year:

Impact on profit after tax

Particulars	As at 31 December 2021	As at 31 March 2021
Mutual funds		
Net assets value – increase by 5%	25.97	27.34
Net assets value – decrease by 5%	(25.97)	(27.34)

Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)
CIN: U72900KA2018PLC119297
Annexure V - Summary of significant accounting policies and other explanatory information to the restated consolidated financial information
(All amount in ₹ Millions, unless otherwise stated)

64 Capital management

The Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

A. Group as a whole

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity share capital	28,813.90	28,813.90	28,749.34	510.00
Other equity	8,501.55	10,523.07	10,766.89	20.69
Total equity (A)	**37,315.45**	**39,336.97**	**39,516.23**	**530.69**
Non-current borrowings	11,754.09	8,845.26	2,369.41	-
Current borrowings	-	-	70.94	31.59
Current maturity of non current borrowings	14,770.70	8,066.95	5,608.52	-
Total debt (B)	**26,524.79**	**16,912.21**	**8,048.87**	**31.59**
Less : Cash and cash equivalents	3,347.75	2,073.04	316.05	0.01
Net debt (C)	**23,177.04**	**14,839.17**	**7,732.82**	**31.58**
Capital and net debts (D = A + C)	60,492.49	54,176.14	47,249.05	562.27
Debt equity ratio (B / A)	0.71	0.43	0.20	0.06
Capital gearing ratio (B / D)	0.44	0.31	0.17	0.06

B. Related to Lending businesses (NBFC)

NBFC businesses (i.e. NFPL and CIFCPL under the Group) use both sources of capital, debt and equity.

The NBFC businesses' objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

Lending business

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity share capital	2,290.39	2,157.06	2,017.95	Sd/-
Other equity	11,603.28	11,104.91	10,065.13	-
Total equity (A)	**13,893.67**	**13,261.97**	**12,083.08**	**-**
Non-current borrowings	11,754.09	8,845.26	2,367.43	
Current borrowings	-	-	-	-
Current maturity of non current borrowings	14,770.70	8,066.95	5,608.52	-
Total debt (B)	**26,524.79**	**16,912.21**	**7,975.95**	**-**
Less : Cash and cash equivalents	2,793.37	1,667.98	252.90	-
Net debt (C)	**23,731.42**	**15,244.23**	**7,723.05**	**-**
Capital and net debts (D = A + C)	37,625.09	28,506.20	19,806.13	-
Debt equity ratio (B / A)	1.91	1.28	0.66	-
Capital gearing ratio (B / D)	0.70	0.59	0.40	-

64 Capital management (cont'd)

C Related to insurance business

The primary source of capital used by insurance business (i.e. NGIL under the Group), is Equity.

The NGIL's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity share capital	4,957.90	4,957.90	3,100.50	-
Other equity	(2,898.94)	(2,336.22)	(1,151.27)	-
Total equity (A)	**2,058.96**	**2,621.68**	**1,949.23**	**-**
Non-current borrowings	-	-	-	-
Current borrowings	-	-	-	-
Current maturity of non current borrowings	-	-	-	-
Total debt (B)	**-**	**-**	**-**	**-**
Less : Cash and cash equivalents	77.01	23.35	47.14	-
Net debt (C)	**(77.01)**	**(23.35)**	**(47.14)**	**-**
Capital and net debts (D = A + C)	1,981.95	2,598.33	1,902.09	-
Debt equity ratio (B / A)	-	-	-	-
Capital gearing ratio (B / D)	-	-	-	-

D Related to asset management business

The primary source of capital used by Asset Management businesses (i.e. Anmol, Navi AMC and Navi Trustee under the Group), is Equity.

The Asset Management businesses' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity share capital	3,170.09	2,363.46	-	-
Other equity	(717.97)	(713.15)	-	-
Total equity (A)	**2,452.12**	**1,650.31**	**-**	**-**
Non-current borrowings	-	-	-	-
Current borrowings	-	6.37	-	-
Current maturity of non current borrowings	-	-	-	-
Total debt (B)	**-**	**6.37**	**-**	**-**
Less : Cash and cash equivalents	37.41	35.86	-	-
Net debt (C)	**(37.41)**	**(29.49)**	**-**	**-**
Capital and net debts (D = A + C)	2,414.71	1,620.82	-	-
Debt equity ratio (B / A)	-	0.00	-	-
Capital gearing ratio (B / D)	-	0.00	-	-

65 First time adoption of Ind AS for the financial year 2018-19

The Company's first financial statements were prepared in accordance with the erstwhile Indian GAAP ('IGAAP'). The Company adopted Ind AS in financial year 2019-20, w.e.f. 1 April 2018. The accounting policies set out in note 3 have been applied in preparing the financial statements subsequently from financial year 2019-20.

The restated consolidated financial statements as at 01 April 2018 and for the year ended 31 March 2019 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2018) following accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS . This is in accordance with requirements of SEBI Circular No.- SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 and Guidance Note On Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ("ICAI"), as amended/revised.

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance is as follows:

A Ind AS mandatory exemptions

1 Estimates

Ind AS 101- First-time Adoption of Indian Accounting Standards permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

B Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2019

Description	Notes to first time adoption	31 March 2019
Total equity (shareholder's funds) as per Previous GAAP		**529.31**
Adjustments:		
Measurement of financial assets initially at fair value and subsequently at amortised cost	Note – 1	0.02
Adjustment on account of fair value of investments through profit and loss	Note – 2	2.30
Recognition of right of use assets on account of Ind AS 116	Note – 3	30.41
Recognition of lease liability on account of Ind AS 116	Note – 3	(30.82)
Income tax effect of as per Ind AS 12 on account of above adjustments	Note – 4	(0.53)
Total adjustments		**1.38**
Total equity as per Ind AS		**530.69**

2 Reconciliation of total comprehensive income for the period 10 December 2018 to 31 March 2019

Description	Notes to First time adoption	31 March 2019
Profit after tax as per Previous GAAP		**19.31**
Adjustments:		
Adjustment on account of effective interest rate on financial assets	Note – 1	0.03
Adjustment on account of fair value of investments through profit and loss	Note – 2	2.30
Adjustment on account of depreciation on RoU	Note – 3	(1.60)
Adjustment on account of interest obligation on lease liability	Note – 3	(0.57)
Adjustment on account of rent expense as per lease accounting	Note – 2	1.75
Income tax effect of profit and loss adjustments	Note – 4	(0.53)
Total adjustments		**1.38**
Profit after tax as per Ind AS		**20.69**
Income tax effect of OCI adjustments		-
Profit as per Ind AS for the period 10 December 2018 to 31 March 2019		**20.69**

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65 First time adoption of Ind AS for the financial year 2018-19 (cont'd)

B Reconciliations between Previous GAAP and Ind AS (cont'd)

3 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS at 31 March 2019 is as follows:

	Description	Notes to First time adoption	As per previous GAAP	Ind AS adjustments	As per Ind AS
I.	**ASSETS**				
(1)	**Non-current assets**				
(a)	Property, plant and equipment		3.64	-	3.63
(b)	Right of use assets	Note – 2	-	30.39	30.39
(c)	Other intangible assets		0.04	-	0.04
(d)	Intangible assets under development		5.61	-	5.61
(e)	Financial assets				-
	(i) Other financial assets	Note – 1	5.06	(1.55)	3.51
(f)	Other non-current assets	Note – 1	-	1.61	1.61
	Total non-current assets		**14.35**	**30.45**	**44.79**
(2)	**Current assets**				
(a)	Financial assets				
	(i) Investments	Note – 1	555.73	2.30	558.03
	(ii) Cash and cash equivalents		0.01	-	0.01
(b)	Other current assets		3.78	(0.02)	3.76
	Total current assets		**559.52**	**2.28**	**561.80**
	TOTAL ASSETS		**573.87**	**32.73**	**606.59**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	Equity share capital		510.00	-	510.00
	Other equity		19.31	1.38	20.69
	Total equity		**529.31**	**1.38**	**530.69**
(1)	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Lease liabilities	Note – 2	-	24.10	24.10
(b)	Deferred tax liabilities (net)	Note – 3	0.01	0.53	0.54
	Total non-current liabilities		**0.01**	**24.63**	**24.64**
(2)	**Current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	Note – 2	-	31.59	31.59
	(ii) Lease liabilities	Note – 2	-	6.72	6.72
	(i) Trade payables			-	-
	- Dues to micro and small enterprises		0.12	-	0.12
	- Dues to others		3.25	-	3.25
	(iv) Other financial liabilities	Note – 2	32.49	(31.59)	0.90
(b)	Other current liabilities		5.25	-	5.25
(c)	Current tax liabilities (net)		3.43	-	3.43
	Total current liabilities		**44.54**	**6.72**	**51.26**
	Total liabilities		**44.55**	**31.35**	**75.90**
	TOTAL EQUITY & LIABILITIES		**573.86**	**32.73**	**606.59**

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65 First time adoption of Ind AS for the financial year 2018-19 (cont'd)

B Reconciliations between Previous GAAP and Ind AS (cont'd)

4 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per Indian GAAP and as per Ind AS for the period 10 December 2018 to 31 March 2019 is as follows:

	Description		As per Previous GAAP	Ind AS adjustments	As per Ind AS
I.	**Income**				
	Revenue from operations		125.70	-	125.70
	Interest income	Note – 1	1.35	0.11	1.47
	Other income	Note – 2	40.05	2.30	42.35
	Total income		**167.10**	**2.41**	**169.52**
II.	**Expenses**				
	Employee benefits expense		58.12	(0.01)	58.11
	Finance costs	Note – 3	0.29	0.58	0.87
	Depreciation and amortisation expense	Note – 3	0.09	1.60	1.69
	Impairment on financial assets		-	-	-
	Other expenses	Note – 1 & 3	67.37	(1.64)	65.73
	Total expenses		**125.87**	**0.53**	**126.40**
III.	**Profit before tax**		**41.23**	**1.88**	**43.12**
IV.	**Tax expense**				
	Current tax expense		21.89	-	21.89
	Tax of prior years		-	-	-
	Deferred tax (credit)/expense	Note – 4	0.01	0.53	0.54
	Total tax expense		**21.90**	**0.53**	**22.43**
V.	**Net Profit for the period**		**19.33**	**1.35**	**20.69**
VI.	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
(a)	Re-measurement gains/(losses) on defined benefit plans		-	-	-
(b)	Income tax relating to these items		-	-	-
	Other comprehensive income for the period		**-**	**-**	**-**
VII.	**Total comprehensive Income/(loss) for the period**		**19.33**	**1.35**	**20.69**

5 Impact of Ind AS adoption on the Statement of cash flows for the period 10 December 2018 to 31 March 2019

Description	As per Previous GAAP	Ind AS adjustments*	As per Ind AS
Net cash flow from operating activities	13.87	(29.81)	(15.94)
Net cash flow from investing activities	(523.72)	(0.01)	(523.73)
Net cash flow from financing activities	509.84	29.84	539.68
Net increase / (decrease) in cash and cash equivalents	**(0.01)**	**0.02**	**0.00**
Cash and cash equivalents as at 10 October 2018	-	-	-
Cash and cash equivalents as at 31 March 2019	0.01	-	0.01
Reconciliation of cash and cash equivalent as per the cash flow statement*	**0.01**	**-**	**0.01**

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.
*Reclassification of rent paid due to impact of Ind AS 116: Leases.

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65 First time adoption of Ind AS for the financial year 2018-19 (cont'd)

B Reconciliations between Previous GAAP and Ind AS (cont'd)

Note 1:

Financial assets and liabilities accounted for at amortised cost

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest/amortisation cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note 2:

Financial instruments carried at fair value through profit and loss

Under previous GAAP, current investments were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss (FVTPL).

Note 3:

Lease accounting as per Ind AS 116

Under Ind AS 116 Leases, there is a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Note 4:

Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

Note 5:

Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.

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66 Summary of restatement adjustments

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements for the years ended March 2021, 2020 and 2019 and their impact on equity and the loss of the Group,

(a) Impact on restated consolidated net profit after tax:

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
Net profit after tax as per audited consolidated Statement of Profit and	**A**	711.88	(80.71)	19.31
Ind AS adjustments:				
Adjustment on account of effective interest rate on financial assets		-	-	0.03
Adjustment on account of fair value of investments through profit and loss		-	-	2.30
Adjustment on account of depreciation on RoU		-	-	(1.60)
Adjustment on account of interest obligation on lease liability		-	-	(0.57)
Adjustment on account of rent expense as per lease accounting		-	-	1.75
Deferred tax impact on above Ind AS adjustments		-	-	(0.53)
Total Ind AS adjustments		**-**	**-**	**1.38**
Restatement adjustments		-	-	-
Total impact of Ind AS and restatement adjustments	**B**	**-**	**-**	**1.38**
Net profit after tax as per restated consolidated Statement of Profit and	**(A+B)**	**711.88**	**(80.71)**	**20.69**

(b) Impact on restated consolidated total comprehensive income ('TCI'):

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
Total comprehensive income as per audited consolidated Statement of Profit and Loss	**A**	**730.15**	**(59.19)**	**19.31**
Ind AS adjustments [refer note (a) above]		-	-	1.38
Restatement adjustments		-	-	-
Deferred tax impact on above restatement adjustments		-	-	-
Total impact of restatement adjustments	**B**	**-**	**-**	**1.38**
Total comprehensive income as per restated consolidated statement of profit and loss	**(A+B)**	**730.15**	**(59.19)**	**20.69**

(c) Impact on total equity:

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020	For the period 10 December 2018 to 31 March 2019
Total equity as per audited consolidated balance sheet	**A**	**39,336.97**	**39,516.23**	**529.31**
Ind AS adjustments [refer note (a) above]		-	-	1.38
Restatement adjustments		-	-	-
Deferred tax impact on above restatement adjustments		-	-	-
Total impact of restatement adjustments	**B**	**-**	**-**	**1.38**
Total equity as per restated consolidated statement of assets and liabilities	**(A+B)**	**39,336.97**	**39,516.23**	**530.69**

(e) Material regroupings

Appropriate regroupings have been made in the restated consolidated financial information wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to align them with the accounting policies and classification as per the special purpose interim consolidated financial statements of the Group for the period ended 31 December 2021, prepared in accordance with the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations') and the Guidance Note on Reports in Company Prospectuses (Revised 2019) as issued by the Institute of Chartered Accountants of India.

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66 Summary of restatement adjustments (cont'd)

(f) Non-adjusting items

Restated Consolidated Financial Information does not contain any qualifications requiring adjustments, however, the Auditors' Reports for the nine-months period ended 31 December 2021 and for the years ended 31 March 2021 and 31 March 2020 included the following Emphasis of Matter paragraphs and Other matter paragraphs which do not require any adjustment in the Restated Consolidated Financial Information:

As at and for the nine-months period ended 31 December 2021
Emphasis of matter
We draw attention to Note 67 of the accompanying Special Purpose Interim Consolidated Financial Statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Group's operations and the impact on the impairment provision recognized towards the loan assets and unquoted investments outstanding as at 31 December 2021. Our opinion is not modified in respect of this matter.

The auditors of Chaitanya India Fin Credit Private Limited, vide their report dated 01 February 2022, have expressed an unmodified opinion and have reported in the 'Emphasis of matter' section that, attention is drawn to Note No. 2(B) and Note No. 7 of the special purpose financial statements for the nine months ended December 31, 2021, which describes the evaluation of the impact of Global pandemic COVID-19, on the company's business operations, financial position, carrying value of various assets and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as at the date of approval of these financial statements. Our Opinion is not modified in respect of the above matter.

Other matter
The auditors of Navi General Insurance Limited, vide their report dated 03 February 2022, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'The actuarial valuation of liabilities in respect of claims incurred but not reported ('IBNR'), claims incurred but not enough reported ('IBNER') and premium deficiency reserve ('PDR') is the responsibility of the Company's appointed actuary (the 'Appointed Actuary'). The actuarial valuation of these liabilities as at 31 December 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the Insurance Regulatory Development Authority of India regulations. The auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for outstanding claims reserves (IBNR and IBNER) as reflected in the special purpose financial statements of the

The auditors of Navi General Insurance Limited, vide their report dated 03 February 2022, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'the audit of the Special Purpose Financial Statements for the year ended March 31, 2021 and March 31, 2020 was conducted by N.M.Raiji & Co., Chartered Accountants, one of the joint auditors of the Company, who had expressed an unmodified opinion on those Special Purpose Financial Statements. Accordingly, J.C. Bhalla & Co., Chartered Accountants does not express any opinion on the figures reported in the Special Purpose Financial Statements for the year ended March 31, 2021 and March 31, 2020

Our opinion above on the Special Purpose Interim Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

As at and for the year ended 31 March 2021
Emphasis of matter
We draw attention to Note 64 of the Special Purpose Interim Consolidated Financial Statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Group's operations and the impact on the impairment provision recognized towards the loan assets and unquoted investments outstanding as on 31 March 2021. Our opinion is not modified in respect of this matter.

Other matter
The auditors of Navi General Insurance Limited, vide their report dated 13 July 2021, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'The actuarial valuation of liabilities in respect of claims incurred but not reported ('IBNR'), claims incurred but not enough reported ('IBNER') and premium deficiency reserve ('PDR') is the responsibility of the Company's appointed actuary (the 'Appointed Actuary'). The actuarial valuation of these liabilities as at 31 March 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the Insurance Regulatory Development Authority of India regulations. The auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for outstanding claims reserves (IBNR and IBNER) as reflected in the special purpose financial statements of the subsidiary

Our opinion above on the Special Purpose Interim Consolidated Financial Statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

As at and for the year ended 31 March 2020
We draw attention to Note 67 to the accompanying Special Purpose Interim Consolidated Financial Statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Group's operations and the impact on the impairment provision recognized towards the loan assets and unquoted investments outstanding as on 31 March 2020. Our opinion is not modified in respect of this matter.

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67 COVID-19 impact on the Group

The outbreak of the COVID-19 had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with significant number of COVID-19 cases. With the subsequent easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India then experienced a second wave of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided resulting in a gradual increase in economic activity. The world is now experiencing another outbreak of COVID-19 pandemic on account of new coronavirus variant and as a precautionary measure India has started to reimpose localised / regional restrictions. The impact of COVID-19 on Group's result remain uncertain and will be dependent on future developments, which are highly uncertain at this point in time. The Group is closely monitoring the impact of the aforementioned pandemic and has made detailed assessments and has considered all the possible effects, if any, on its liquidity position, including recoverability of its assets as at the balance sheet date and currently believes that there will not be any adverse impact on the long-term operations, financial position and performance of the Group.

The Holding Company and its subsidiaries are majorly into building technology and providing services through Information Technology-driven internet and mobile platforms in various sectors, providing advisory services, provision of financial services comprising of lending as a non-banking financial institution, provision of general insurance and asset management business.

The Group, as per the regulatory requirements, has put in place a COVID policy and has given moratorium to eligible borrowers. The Group's capital and liquidity position remains strong and would continue to be the focus area for the Management. There have been no significant changes to the Group's internal financial control other than providing remote access to some of its key employees during the lockdown.

Based on the current assessment of the potential impact of the COVID-19 on the Group, management is of the view that the Group is well capitalised and has adequate liquidity to service its obligations, sustain its operations and also look at any appropriate investment/lending opportunities.

The NBFC entities within the Group have recognized consolidated provisions as on 31 December 2021, towards its loan assets to the extent of ₹ 1,881.22 million which includes an additional provision of ₹ 126.81 million towards the future potential impact of COVID-19, based on the information available at this point of time including economic forecasts, in accordance with the expected credit loss method. The Group believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial results. The extent to which the current pandemic will impact the carrying value of loan assets and unquoted investments is dependent on the future developments, which are highly uncertain at this point in time.

The Group has ensured the necessary adjustments to the actuarial assumptions due to the pandemic have been made in these consolidated Financial Statements, with respect to the insurance business.

The Group believes that it has considered all the possible impact of known events arising out of Covid-19 pandemic in the preparation of these financial consolidated statements. The impact assessment of Covid-19 is a continuing process given its nature and duration. The Group will continue to monitor for any material changes to future economic conditions.

	As at 31 December 2021	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
68 Contingent liabilities and commitments				
Income tax demands where the Group has filed appeal before various authorities	69.60	24.07	23.39	-
GST demands where the Group has filed submission to Assistant Commissioner (State Tax-Karnataka)	3.06	3.06	-	-
	72.66	**27.13**	**23.39**	**-**

Future cash outflows in respect of the above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Group is of the opinion that above demands are not sustainable and expects to succeed in its appeals.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

For and on behalf of Board of Directors of
Navi Technologies Limited
(formerly known as Navi Technologies Private Limited)

Sd/-
Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 6 March 2022

Sd/-
Sachin Bansal
Managing Director and
Chief Executive Officer
DIN No.: 02356346

Place: Bengaluru
Date: 6 March 2022

Sd/-
Ankit Agarwal
Executive Director and
Chief Financial Officer
DIN No.: 08299808

Place: Bengaluru
Date: 6 March 2022

Sd/-
Thomas Joseph
Company Secretary
Membership No:A53322

Place: Bengaluru
Date: 6 March 2022

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the nine months ended December 31, 2021	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Basic earnings per share (in ₹)	(7.16)	2.47	(2.09)	7.31
Diluted earnings per share (in ₹)	(7.16)	2.45	(2.09)	7.31
Return on net worth (%)	(5.53)	1.81	(0.20)	3.90
Net asset value per share (in ₹)	129.49	136.51	137.44	104.06
EBITDA (in ₹ million)	(778.20)	2,342.18	477.32	45.68

Notes: *The ratios have been computed as under:*

a. *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. Basic and diluted earnings per equity share is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period. In view of losses during the period ended December 31, 2021 and the year ended March 31, 2020, the options which are anti-dilutive have been ignored in the calculation of diluted earnings per share. Accordingly, there is no variation between basic and diluted earnings per share.*

b. *Return on net worth ratio: Restated loss for the year attributable to equity shareholders of the Company divided by net worth.*

c. *Net asset value per equity share: Net worth for equity holders of our Company divided by number of equity shares outstanding at the end of the year.*

d. *"Net worth" means the aggregate value of the share capital, securities premium, employee stock options outstanding account, retained earnings, share application money pending allotment, other reserves- FVTOCI and other reserves, as per the Restated Financial Statements. Net worth represents equity attributable to owners of the Company and does not include amount attributable to non-controlling interests.*

e. *EBITDA is a Non-GAAP financial measure. We define EBITDA as our restated loss for the year, before depreciation and amortization expense, Income tax expense, finance costs, other income, restated loss for the year from discontinued operation and exceptional items.*

f. *Basic earnings per share = Net profit after tax attributable to equity shareholders/weighted average number of shares outstanding during the year/period.*

g. *Diluted earnings per share = Net profit after tax attributable to equity shareholders/weighted average number of diluted shares outstanding during the year/period.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and Material Subsidiaries, for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 ("**Audited Financial Statements**") are available on our website at www.navi.com/corporate-governance.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the for the nine months ended December 31, 2021 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, and as reported in the Restated Financial Statements, see "*Restated Financial Statements– Annexure V – 57 – Related Party Disclosures*" on page 352.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Restated Financial Statements included herein as of and for the nine months ended December 31, 2021 and the Financial Years ended March 31, 2021, 2020 and 2019 (beginning from December 10, 2018), including the related notes, schedules and annexures. The Restated Financial Statements have been derived from our (i) audited consolidated financial statements as at and for the nine-month ended December 31, 2021, (ii) audited consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2020, and (iii) audited financial statements as at and for the period ended March 31, 2019 (beginning from December 10, 2018), in each case, prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition." beginning on page 81. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" beginning on pages 21 and 32, respectively.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year. However, as our Company was incorporated on December 10, 2018, information in relation to the Financial Year ended March 31, 2019 is from our date of incorporation. Financial information for the nine months ended December 31, 2021 are not indicative of full year results and are not comparable with the annual financial statements presented in this Draft Red Herring Prospectus.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Financial Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. For the purposes of this section, for certain analyses we have used historical methodologies and internal categorisations to enable a consistent representation of our business. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management dated March 9, 2022 (the "**RedSeer Report**") and the Industry Report on Microfinance dated March 10, 2022 (the "**CRISIL Report**"), which have been commissioned and paid for by our Company for agreed fees for the purposes of confirming our understanding of the industry exclusively in connection with the Offer and exclusively prepared and issued by RedSeer Management Consulting Private Limited and CRISIL Limited, respectively. We officially engaged RedSeer Management Consulting Private Limited, in connection with the preparation of the RedSeer Report in relation to the financial services (excluding microfinance) industry pursuant to an engagement letter dated December 13, 2021, and CRISIL Limited, in connection with the preparation of the CRISIL Report in relation to microfinance industry pursuant to an engagement letter dated January 18, 2022. Copies of the RedSeer Report and the CRISIL Report shall be available on the website of our Company at www.navi.com/[●] from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer Report and the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. The data included in this section includes excerpts from the RedSeer Report and the CRISIL Report and may have been re-ordered by us for the purposes of presentation.*

Overview

We are a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. We are uniquely positioned as a leading end-to-end digital ecosystem player with complete control over all three non-payments financial service offerings: lending, insurance and asset management, according to the RedSeer Report.

We have adopted a mobile-first approach, utilising our strong in-house technology and product expertise to build customer-centric products. Since our Company's incorporation, we have expanded offerings under our "Navi" brand to include personal loans, home loans, general insurance and mutual funds. Our in-house data driven artificial intelligence and machine learning capabilities enable us to provide our customers with a superior experience. Such capabilities also help us to scale our operations faster while improving cost efficiencies and generating cross-sell opportunities.

The Navi App provides an easy to use and engaging experience to our personal loan, home loan and health insurance customers while minimising manual intervention and paperwork. We aim to offer a smooth buying experience by offering simple, transparent and integrated solutions within the Navi App. Our personal loan lending and retail health insurance buying journeys are designed to be digitally seamless, with the fastest customer journeys being entirely completed in under 4.5 minutes and 2.5 minutes, respectively.

Using technology, we adopt a direct to customer approach for our personal loans, home loans, health insurance and mutual fund offerings to expand our reach throughout India. This allows us to capitalize on the large pool of digitally connected customers, without incurring the high costs associated with offline channels and intermediaries. This approach also generates cross-sell and up-sell opportunities across our ecosystem with the aim of increasing the potential customer lifetime value.

Unlike traditional financial services, our digital-first distribution for our personal loans, home loans and health insurance offerings enables us to deliver products and solutions to our customers without the need of physical infrastructure. This provides us extensive reach and allows us to make financial services accessible for a wide array of customers. Within 21 months of launch, we have approved personal loans to customers across over 84% of all Indian pin codes.

We also offer microfinance loans, through a wholly-owned step-down Subsidiary, under the "Chaitanya" brand.

The following table sets forth certain key operational metrics on a quarterly basis as of and for the quarters indicated:

Key Metrics	Quarter Ended						
	Jun 30, 2020	**Sep 30, 2020**	**Dec 31, 2020**	**Mar 31, 2021**	**Jun 30, 2021**	**Sep 30, 2021**	**Dec 31, 2021**
Mobile app:							
Logins *(number)*(1)	499,833	1,266,344	1,256,949	1,138,395	905,733	2,714,062	4,113,900
Personal loans:							
Closing AUM *(₹ in millions)*(2)	345.12	2,649.58	4,263.91	4,903.23	4,533.46	6,410.32	14,186.92
Loans disbursed *(number)*(3) .	11,410	62,769	50,952	47,606	15,641	74,170	2,18,572
Amount disbursed *(₹ in millions)*(4)..............................	343.99	2,418.80	2,174.06	1,801.86	686.43	3,942.30	11,095.68
Annualised yield (%)(5)	20.80%	23.81%	23.58%	24.26%	23.51%	21.81%	26.24%
Gross NPA (%)(6)......................	0.00%	0.08%	3.79%	4.96%	12.36%	6.19%	1.12%
Net NPA (%)(7)..........................	0.00%	0.02%	1.05%	0.22%	0.99%	0.00%	0.03%
Provisions as a percentage of AUM (%)(8)	5.39%	9.45%	11.98%	18.55%	24.68%	13.64%	7.29%
Home loans:							
Closing AUM *(₹ in millions)*(2)	NA	NA	NA	33.16	190.46	804.47	1,777.09
Loans disbursed *(number)*(3) .	NA	NA	NA	17	95	244	248
Amount disbursed *(₹ in millions)*(4)..............................	NA	NA	NA	33.07	154.16	626.77	949.49
Annualised yield (%)(5)	NA	NA	NA	NA	5.90%	6.93%	7.06%
General insurance:							
Gross written premium *(₹ in millions)*(9)..............................	106.86	283.36	337.78	321.17	78.25	292.54	296.81
Retail health policies sold *(number)*(10)	NA	NA	4	38	722	8,407	18,671
Solvency ratio (%)(11)..............	684.16%	479.19%	506.50%	507.81%	530.43%	475.71%	407.07%
Asset management:							

Closing AUM *(all types of funds) (₹ in millions)*(15).......	NA	NA	NA	NA	7,480.55	9,125.83	9,428.48
Closing AUM *(passive funds) (₹ in millions)*(16)...................	NA	NA	NA	NA	NA	1,199.01	1,673.24
Overall mutual fund investor count *(number)*(12)	NA	NA	NA	NA	64,669	88,709	1,04,989
Microfinance loans:							
Closing AUM *(₹ in millions)*(2)	8,014.87	8,385.09	9,568.61	11,986.34	11,177.48	13,953.40	18,088.54
Customers *(number)*(13)...........	415,110	420,823	459,100	511,437	496,993	558,749	675,315
Amount disbursed *(₹ in millions)*(4)..............................	25.28	2,405.71	4,220.82	6,239.18	1,440.75	5,945.98	8,418.99
Annualised yield (%)(5)...........	24.73%	24.02%	22.86%	20.45%	21.73%	21.26%	20.38%
Gross NPA (%)(6)......................	0.71%	0.89%	4.06%	4.10%	5.45%	4.51%	3.83%
Net NPA (%)(7)..........................	0.31%	0.44%	0.71%	0.89%	1.38%	1.04%	0.98%
Collection efficiency(14) (%)....	32.82%	84.63%	92.79%	94.93%	88.93%	94.49%	96.68%

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Notes:

(1) Count of people who have installed the Navi App and have done mobile number verification via OTP; Count of people who had installed the personal loan Navi App and done mobile number verification via OTP prior to launch of unified Navi App.

(2) Represents the aggregate of principal outstanding for all assets under management for the relevant business as of the last day of the relevant period (after considering the impact of Ind AS, excluding direct assignments).

(3) Represents the total number of loans disbursed to our customers for the relevant business in the relevant period.

(4) Represents the aggregate of all loan amounts disbursed to our customers for the relevant business in the relevant period.

(5) Represents the interest income including loan processing fee for the relevant business in a relevant period as a percentage of the average Gross AUM for the relevant business in such period.

(6) Represents the closing balance of our gross NPA to our gross AUM for the relevant business as of the last day of the relevant period.

(7) Represents the closing balance of our net NPA to our gross AUM for the relevant business as of the last day of the relevant period.

(8) Provisions as a percentage of AUM represents provisions made on all the loan assets in the relevant period as a percentage of our gross AUM for the relevant business as of the last day of the relevant period.

(9) Gross written premium is the sum of (a) Premium from direct business written (Net of GST) and (b) Premium on reinsurance accepted for the relevant period.

(10) Retail health policies sold represents the number of retail health insurance policies sold to our general insurance business customers for the relevant period.

(11) Solvency ratio represents the ratio of available solvency margin (including FBSM) to the required solvency margin as of the last day of the relevant period.

(12) Overall mutual fund investor count represents the total number of investors across all our mutual funds as of the last day of the relevant period.

(13) Number of customers who had outstanding microfinance loans as of the last day of the relevant period.

(14) Collection efficiency represents the current collections (excluding past arrears) during the relevant period divided by current dues during such period.

(15) Represents the total market value of all our mutual fund assets under management as of the last day of the relevant period.

(16) Represents the total market value of all our passive mutual fund assets under management as of the last day of the relevant period.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by several important factors including:

General Economic Conditions in India

Our results of operations are affected by the general economic conditions prevalent in India. Overall economic growth and an increase in gross domestic product ("**GDP**") are likely to result in an increase in income and spending of customers in India, which may lead to an increase in demand for loans from us as well as for our other financial products. Conversely, a slowdown in the Indian economy could adversely affect our business and the business and livelihood of our customers, especially if such a slowdown were to be continued and prolonged. Various factors beyond our control, such as domestic employment levels, conditions in the world economy, fluctuations in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and changes in Indian laws, regulations and policies could have either a positive or adverse impact on the quality of our loan book.

According to the RedSeer Report, India's GDP was approximately US$2.7 trillion in 2020 and is estimated to reach US$4.1 trillion by 2025. As per the revised estimates by RBI, India's GDP is expected to grow by 7.8%

between the Financial Years 2022 and 2023, aided by an increase in public investment and incentives to boost manufacturing. The acceleration in vaccination has also lent comfort to a more sustained recovery. Any trends or events, which have a significant impact on the economic situation in India could have an impact on our business. For instance, according to the RedSeer Report, retail lending AUM in India is majorly concentrated in Metros and Tier-1 cities as compared to other cities due to lack of capability and reach, which provides a significant market opportunity for lenders such as us in cities and towns beyond the Metros and Tier-1 cities of India. Increasing digital retail lending backed by artificial intelligence and machine learning credit models and greater financial awareness has led to growth in the personal and housing loan segments. In addition, the demand for home loans is affected by real estate prices and other developments in the real estate sector. According to the RedSeer Report, between the Financial Years 2021 and 2026, retail loan AUM is expected to grow at a CAGR of approximately 18-20% to reach US$1.15 – 1.25 trillion.

According to the CRISIL Report, the low penetration of banking credit in rural India provides a huge market opportunity for microfinance institutions to expand their businesses in rural areas. The CRISIL Report notes that, the microfinance industry's gross loan portfolio ("**GLP**") had grown at a CAGR of 27.00% between the Financial Years 2017 and 2021, despite various setbacks. However, the microfinance industry has been adversely impacted by external socio-political events which have had an impact on the industry, including disbursements, repayment and collection efficiency. To address such risk, we have diversified our loan portfolio as well as undertaken several initiatives and campaigns to bring awareness to the public regarding financial literacy, debt products, importance of credit health, and possible consequences arising out of over-indebtedness.

According to the RedSeer Report, the total coverage of health insurance in India is approximately 40% in the Financial Year 2021, whereas, in 2020, China had 95% health insurance coverage and the United States of America, had 91% health insurance coverage, showing a highly underpenetrated health insurance market in India. India's insurance penetration stood at approximately 1%, less than the global average of 4.1% in 2020. However, there has been an increase in adoption of health insurance products post the outbreak of the COVID – 19 pandemic.

According to the RedSeer Report, the Indian mutual fund industry in the Financial Year 2021 has a digital penetration of 25-30% out of an industry AUM of approximately US$450 billion. This market is estimated to grow at a CAGR of 17% to reach approximately US$1 trillion by the Financial Year 2026. Key growth drivers for the mutual funds market in India are demand for passive funds, rising share of financial savings in total household savings, rising awareness and growing investor base.

The COVID-19 Pandemic

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India where our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" and curfew orders, focusing on vaccination and restricting the types of businesses that may continue to operate, among other measures. Our Business Continuity Plan enabled us to perform key obligations such as repayment to lenders, payment of salaries to employees and payment of administrative expenses. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways such as:

- it caused a decline in general economic and business activity, including loss of jobs and livelihood, depletion of savings, increase of household debt, reduced cash flows and liquidity, uncertainty and conservative market sentiments, which resulted in a decrease in disbursals of our loan products, an increase in restructuring of loans and a decrease in collection efficiency; for example, with the onset of the second wave of COVID-19 during the first quarter of Financial Year 2022, our disbursals decreased by 61.90% for our personal loans business and by 76.91% for our microfinance loans business for the first quarter of the Financial Year 2022 from the fourth quarter of the Financial Year 2021; in addition, during the first two quarters of the Financial Year 2022, 21,704 loan accounts amounting to ₹470.18 million representing 2.60% of our total assets under management as of December 31, 2021 relating to our microfinance loans business and 41 loan accounts amounting to ₹2.32 million representing 0.02% of our total assets under management as on December 31, 2021 relating to our personal loans business were granted restructuring under the Resolution Framework 2.0;
- our customer base comprises of primarily retail borrowers who may default on their repayment

obligations as a result of challenges with job security or other factors;

- it led to a closure of our corporate office for 41 days from March 25, 2020 to May 31, 2020 during the first COVID-19 wave in India and for 43 days from April 4, 2021 to June 15, 2021 during the second COVID-19 wave in India, and we moved to a work-from-home model for those months; following such closures, we resumed operations at our corporate office in a staggered manner by September 2020 and August 2021, respectively, in compliance with the lockdown restrictions and central and state government guidelines;

- the RBI, pursuant to its circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 announced certain regulatory measures, including, among others, measures to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and to ensure the continuity of viable businesses; in furtherance of these circulars and in line with our Board approved policy, we granted a five-month moratorium to all customers who were less than or equal to 90 days-past-due ("**DPD**") as of March 31, 2020, in respect of instalments falling due between April 1, 2020 and August 31, 2020; the RBI also clarified that for all standard accounts as on February 29, 2020, moratorium period will be excluded from DPD calculation for the purpose of asset classification under the Income Recognition and Asset Classification ("**IRAC**") norms; the moratorium was granted by us to eligible loans in line with RBI's defined criteria with a principal outstanding as of March 31, 2020 of ₹251.11 million for our personal and home loans and ₹8,409.36 million for our microfinance loans;

- our ability to service our debt obligations and comply with the covenants in our financing facilities and other agreements and could result in events of default and the acceleration of indebtedness, which could adversely affect our results of operations and financial condition and our ability to make additional borrowings;

- our inability to access debt and equity capital on acceptable terms, or at all, and a further disruption and instability in the global financial markets or deterioration in credit and financing conditions or downgrade of our or India's credit rating may affect our access to financing and other sources of financing necessary to fund our operations or address maturing liabilities on a timely basis;

- increased vulnerability to information-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals working from home;

- potential negative impact on the health and safety of our personnel, particularly because a number of them were and could in the future be afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity; and

- our Statutory Auditors have included an emphasis of matter in their examination report on our Restated Financial Statements for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020 in this regard.

Despite the COVID-19 pandemic, our total income (excluding other income) has grown to ₹7,791.05 million in Financial Year 2021 from ₹169.52 million in the Financial Year 2019, representing a CAGR of 425.56%.

While COVID-19 has affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our customers at this time. The impact of COVID-19 pandemic, including the future waves of COVID-19, on our operations and financial metrics, will depend on the future developments, which are highly uncertain and cannot be predicted, including (i) any new information as to the scope, severity, and duration of the pandemic or the efficacy of vaccines; (ii) any actions taken by governments, the RBI and other authorities, businesses and individuals in response to the pandemic; (iii) the effect on customer demand for our products, and customers' ability to repay the principal amount or interest; (iv) disruptions or restrictions on the ability to work and travel of our employees, customers and service providers; (v) volatility in foreign exchange rates, interest rates and availability of adequate liquidity in the financial system; (vi) any extended period of remote work arrangements; (vii) strain on our business counterparties' continuity plans, and resultant operational risk; and (vii) loss of jobs and livelihood, depletion of savings and increase in household debt. Therefore, our prior financial results are not necessarily indicative of results to be expected for future periods. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Further, COVID-19 may also have the effect of exacerbating many of the other risks described in the "*Risk Factors*" section beginning on page 32.

We launched our personal loans business in April 2020 during the prevalence of the first wave of the COVID-19 pandemic. Despite the pandemic, our total income from our personal loans business grew to ₹1,239.74 million for the nine months ended December 31, 2021 from ₹575.21 million for the Financial Year 2021, representing an annualized growth of 187.37% in such business.

Government Policy and Regulations

Our results of operations and continued growth depend on government policies and regulations. We are affected by a number of laws, rules and regulations that regulate, among other things, limits on borrowings to our customers and their terms, recovery practices and conduct with customers, investments into us, asset classification and provisioning for standard and non-standard assets, norms for creation of special reserves as well as minimum capital adequacy requirements. In particular, the microfinance industry is highly regulated, and has been affected by changes in laws and regulations in the past, which have affected its growth. As an NBFC-MFI, our wholly-owned step-down subsidiary, CIFCPL, will continue to be affected by a number of microfinance business related regulations promulgated by the RBI. Further, under Ind AS, we need to follow certain specific determinations and computations. See "*Key Regulations and Policies*" and " – *Significant Accounting Policies*" on beginning on pages 223 and 428, respectively.

Any change in the regulatory framework by the RBI, IRDAI, SEBI or other regulators affecting our business, and in particular those requiring us to maintain certain financial ratios and solvency requirements, placement of restrictions on accessing capital, limitations on conduct of business, among others, would affect our business, results of operations and financial condition. See "*Risk Factors – Internal Risk Factors – We are subject to laws and regulations governing the banking and financial services industry in India and changes in laws and regulations governing us could adversely affect our business, financial condition, results of operations and cash flows.*" on page 48.

Technological Capabilities

We are a technology-driven business utilising data analytics capabilities and since our inception, we have made significant investments in our technology infrastructure. Our technology capabilities comprise customer facing portals, loan management and accounting capabilities that enable high transaction volumes, in-house underwriting engines running on artificial intelligence and machine learning models, fraud risk management capabilities for fraud prevention and detection, and multiple process automation workflows to enable efficient back-end operations. Our systems are also able to identify unique users, track their journeys, record their behaviour and report on the Navi App's performance. This data has been vital in our marketing, sales and product management functions, allowing us to make more informed decisions when determining pricing.

Our ability to scale our operations faster while improving cost efficiencies will be driven by the effective utilisation of these technological capabilities. Our customer acquisition costs will also be determined by our ability to generate cross-sell and up-sell opportunities through the Navi App.

Availability of Cost Effective Sources of Financing

The availability of cost-effective sources of financing affects our business and results of operations. We have historically secured financing through term loans and other facilities from banks and other financial institutions, proceeds from the issuance of non-convertible debentures and principal protected market linked debentures. For our lending business (personal, housing and other loans), our total external borrowings amounted to ₹11,974.59 million, ₹6,796.30 million and ₹ 2,471.16 million as of December 31, 2021, March 31, 2021 and March 31, 2020 respectively. As of the same dates, our average cost of borrowings (excluding CCIL Repo and interest on lease liabilities) for our lending business (personal, housing and other loans) was 9.46%, 9.68% and 7.35%, respectively. For our microfinance loans business, our total external borrowings amounted to ₹14,550.21 million, ₹10,115.91 million and ₹5,592.79 million as of December 31, 2021, March 31, 2021 and March 31, 2020, respectively. As of the same dates, our average cost of borrowings for our microfinance loans business was 10.76%, 11.99% and 11.79%, respectively. Our ability to continue to meet customer demand for new loans will depend primarily on our ability to borrow from various external sources on suitable terms and in a timely manner. Our sources of financing are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for financing. In addition, we have also put in place effective measures for asset liability management to prevent cumulative asset-liability mismatch. The availability for financing as well as the overall cost of funds depends on many external factors, including developments in the Indian economy and its credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect our cost of funds include our credit ratings and available credit limits from lenders. See "– *Our Borrowing Rates and Lending Rates*" on page 424 as well as "*Risk Factors – Internal Risk Factors – Our business operations rely intensively on substantial capital and any disruption in our sources of capital could adversely affect our liquidity and financial condition.*" on page 44.

Our Borrowing Rates and Lending Rates

Our results of operations depend primarily on our net interest income, which is the difference between our interest income and our finance costs. Any change in interest rates on our borrowings would affect our finance costs as well as our net interest income and net interest margin.

Any change in interest rates that we charge our customers affects our interest income as well as our net interest income and net interest margin. We offer external benchmark linked floating interest rate product to our housing loan customers; any movement in the external benchmark will impact our interest income from such loans. Our interest income constitutes the largest component of our revenue from operations and includes interest income on loans, loan processing fees and interest accrued on investments made.

Out of the total income of lending business (personal, housing and other loans), interest income (excluding interest on investments) represented 42.35%, 22.78% and 27.87% for the nine months ended December 31, 2021 and the Financial Years ended 2021 and 2020, respectively.

Out of the total income of microfinance loans, interest income (excluding interest on investments) represented 90.22%, 88.43% and 91.01% for the nine months ended December 31, 2021 and the Financial Years ended 2021 and 2020, respectively.

Out of the total expenses of the lending business (personal, housing and other loans), finance costs represented 10.99%, 5.95% and 22.03% for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, respectively. For the same periods, out of the total expenses of our microfinance loans, finance costs represented 44.99%, 36.77% and 35.33%, respectively.

In our lending business (personal, housing and other loans), our net interest income, which represents interest income on loans less adjusted finance costs (represented by the aggregate of finance costs and fee expenses reduced by interest on lease liabilities and interest on current tax liability) for the relevant period/ year, was ₹912.42 million, ₹645.44 million and ₹56.62 million for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, respectively; while, for the same periods, our net interest margin, which represents our net interest income for the period/year to the average total assets (i.e. loans and advances) as of the end of the period/year, represented as a percentage, was 11.17%, 20.22% and 13.35%, respectively. In our microfinance loans business, our net interest income, was ₹1,224.43 million, ₹1,309.43 million and ₹492.29 million for the nine months ended December 31, 2021 and the Financial Years 2021 and 2020, respectively; while, for the same periods, our net interest margin was 11.41%, 13.36% and 14.11%, respectively.

Interest rates that we charge our customers can depend upon a number of factors that are, in part, within our control, which can include our overall business strategy, our expenses related to a particular type of loan, the ease of customers getting such loan, the volume of loans, the credit risk associated with such loan, granted (where the greater the number of expected loans may result in us setting a lesser interest rate due to economies of scale, and vice versa), as well as promotions that we may be running at any given time.

Further, interest rates that we charge customers as well as interest we incur on our borrowings, are sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India and domestic and international economic conditions. Moreover, interest rates in India are typically correlated with the inflation rate. Thus, as the inflation rate increases, the RBI has historically sought to raise interest rates. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a decline in our net interest income and net interest margin. Some of our customers may also prepay their loans to take advantage of a competitive interest rate environment. Similarly, an increase in interest rates could result in our floating rate borrowing costs going up, without a corresponding increase in interest income as a majority of our current lending is on fixed interest rate basis, and this would have an impact on our net interest income and net interest margin. A sudden or sharp rise in interest rates could also cause a decline in the market value of our investments. Accordingly, our results of operations are thus affected by changes in interest rates and our ability to re-price our interest-earning assets accordingly. See "*Risk Factors – Internal Risk Factors - We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to vary and consequently affect our profitability.*" on page 39

Our ability to pass on any interest rate risk to end customers is also restricted due to regulatory guidelines and competitive nature of the business.

Our borrowing rates also depend on our credit ratings which have improved as shown below:

Credit ratings for NFPL (Personal loans and home loans businesses)

		Credit Ratings		
		As of December 31,	As of March 31,	
Rating Agency	Instrument	2021	2021	2020
CRISIL	Long-term debt	A- (Stable)	A- (Stable)	A- (Stable)
India Ratings	Long-term debt	A (Stable)	A (Stable)	–
India Ratings	Commercial papers	A1	–	–

Credit ratings for CIFCPL (Microfinance loans business)

		Credit Ratings		
		As of December 31,	As of March 31,	
Rating Agency	Instrument	2021	2021	2020
ICRA Limited	Bank facilities	A (-) Stable	A (-) Stable	BBB Positive
ICRA Limited	Non-convertible debentures	A (-) Stable	A (-) Stable	BBB Positive
ICRA Limited	Subordinated debt	A (-) Stable	A (-) Stable	BBB Positive
ICRA Limited	Commercial papers	A1	A1	A2+
CRISIL	Bank facilities	A (-) Stable	A (-) Stable	A (-) Stable
CRISIL	Non-convertible debentures	A (-) Stable	A (-) Stable	-
India Ratings	Non-convertible debentures	A Stable	-	-
India Ratings	Principal protected market linked debentures	IND PP-MLD Aemr/Stable	-	-
India Ratings	Commercial papers	A1	-	-
BWR	Bank facilities	-	-	BBB(+) Stable
Acuite	Bank facilities	-	-	BBB Stable

Ability to Attract and Retain Customers and Generate Loan Volumes

Our growth is dependent on our ability to continue to attract new customers, retain existing customers and cultivate loyalty through cross-selling and up-selling, repeat loans and service renewal. Further, the volume of loans that we approve and disburse is a primary driver of our total income. As of December 31, 2021, we had an active customer base of 331,313 customers, 602 customers, 104,989 customers and 22,992 customers in our personal loans, housing loans, asset management and retail health insurance business, respectively.

We extend unsecured personal loans to individuals through an entirely digital process on the Navi App which commenced from April 2020. We source our personal loans customers through online marketing channels and direct digital channels, including by reaching out via SMS, email and digital messaging services. We believe our digital lending process is one of the key differentiators driving customer growth in our personal loans business line. Some of our customers have experienced downloading the app, completing the entire loan application and approval process and receiving the loan amount in their bank account in under five minutes. During the nine months ended December 31, 2021, we disbursed 308,383 personal loans amounting to ₹15,724.41 million, and during the Financial Year 2021, we disbursed 172,737 personal loans amounting to ₹6,738.72 million. We have also been able to leverage our existing user base to generate additional revenue, with 46.66% of all personal loans customers that had fully repaid their loans as of December 31, 2021 having taken another personal loan before December 31, 2021. Along with increase in disbursals, we have been able to build efficiency in our sourcing through increasing conversions on app logins.

Our housing loans customers are predominantly salaried individuals and first time housing buyers. We source housing loan customers through multiple channels, including via Navi App and incentive-based sourcing channels such as builders (including our pre-approved builder database) and referrals from existing customers and employees. We also source customers through organic methods including by cross-selling our housing loans to our existing personal loans customers and marketing our housing loans through direct digital channels such as via SMS and email. We have been able to digitize and simplify the process of procuring a housing loan. Our housing loans customers are now able to obtain eligibility offer through a completely automated process that does not require any manual checks. During the nine months ended December 31, 2021, we disbursed 587 housing loans amounting to ₹1,730.42 million, and during the Financial Year 2021, we disbursed 17 housing loans amounting to ₹33.07 million.

Under our microfinance loans business, we extend credit to low-income women in rural and semi-rural areas across India. In our microfinance loans business, we rely on our branch network of 411 branches as of December 31, 2021 to grow, retain and manage our customers. During the nine months ended December 31, 2021, we disbursed 425,881 microfinance loans amounting to ₹15,805.73 million, and during the Financial Years 2021 and the period from October 23, 2019 to March 31, 2020, we disbursed 380,474 microfinance loans amounting to ₹12,890.99 million and 199,678 microfinance loans amounting to ₹5,919.13 million, respectively.

The volume of loans we approve and disburse depend upon a number of factors that are, in part, within our control, which can include our decisions regarding target customer market and ticket size limits, our underwriting and risk management processes and systems, our technology improvements, our marketing efforts and customer care initiatives, and the extent to which our customer touch points represent our brands in a positive manner. The volume of loans we approve and disburse also depend upon a number of external factors, which can include general macro-economic conditions, government initiatives regarding financial inclusion, changes in general lending activity and competition.

We cross-sell and up-sell financial products and services to retain existing customers. In our general insurance and asset management businesses, in addition to using our technology for marketing, we engage with web aggregators, brokers and corporate agents. We provide our customers with a seamless experience while purchasing or renewing their products as well as for certain other services on our app. In our general insurance business, we have established a network of over 8,600 hospitals and clinics as of December 31, 2021 to attract customers. In our asset management business, we focus on passive funds which entail lower management fees, driven by lower management costs, and helps to attract and retain customers and drive our growth through increase in AUM.

Competition

The sectors we operate our various businesses in are rapidly evolving and intensely competitive and we expect competition to continue and intensify in the future. Low barriers to entry have also resulted in a large number of smaller participants entering the market. Given the diversity of our businesses, and the range of products and services that we offer, we face competition from the full spectrum of private sector banks (including foreign banks), housing finance companies, small finance banks, microfinance companies, insurance companies, asset management companies and other financial institutions. Competitive pressures can impact the performance of all aspects of our business and financial performance.

In particular, margins from our personal loans, housing loans and microfinance businesses are affected in part by our ability to continue to secure low-cost capital, and charge optimum interest rates at which we lend to our customers. Competition is also increasing as a result of interest rate deregulation and other liberalization measures. We expect competition to intensify in the future. See "*Risk Factors – Internal Risk Factors – We* *operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.*" on page 50.

Credit Quality and Provisioning

Our ability to manage the credit quality of our loans is a key driver of our results of operations. Our total loan portfolio has grown in the last few years, and we anticipate that the size of our loan portfolio will continue to grow in the future as we pursue our expansion strategy. The increase in the size of our total loan portfolio will change the credit quality of our loan portfolio and our NPAs, leading to a corresponding change in our provisions and write-offs, thereby driving our profitability and margins. We follow a "three stage" model for impairment based on changes in credit quality since initial recognition, see "*– Significant Accounting Policies – Financial Instruments – Methodology for computation of Expected Credit Losses*" on page 435.

We rely on our comprehensive credit assessment, robust risk management and collections framework to maintain a high-quality loan portfolio and the provisions made in accordance with the expected credit loss ("**ECL**") model are typically higher than the provisions made in accordance with Master Directions, if those were applicable to us. For further details, see "*– Statement of Significant Accounting Policies - Financial Instruments - Impairment of financial assets*" below.

On account of our recent growth, a significant portion of our loan portfolio is relatively new. We also lend for tenors of up to 84 months for our personal loans, 30 years for our housing loans and 36 months for our microfinance loans. As the number of our loans that fall into Stage 3 increases, the credit quality of our loan portfolio is adversely affected.

The following tables illustrates our Stage 3 assets (in accordance with Ind-AS) for our personal loans and microfinance loans businesses (none of our housing loans are at Stage 3), as of the dates indicated:

	As of December 31,	As of March 31,
Personal Loans	**2021**	**2021**
Stage 3 AUM (₹ *in million)* (1)	158.24	243.34
Stage 3 AUM / AUM (%) (2)	1.12%	4.96%
Stage 3 AUM (Net) (₹ *in million)* (3)	3.81	10.68
Stage 3 AUM (Net) / AUM (Net) (%) (4)	0.03%	0.27%

	As of December 31,	As of March 31,	
Microfinance loans	**2021**	**2021**	**2020**
Stage 3 AUM (₹ *in million)* (1)	692.94	491.40	69.20
Stage 3 AUM / AUM (%) (2)	3.83%	4.10%	0.81%
Stage 3 AUM (Net) (₹ *in million)* (3)	177.78	107.23	32.92
Stage 3 AUM (Net) / AUM (Net) (%) (4)	1.03%	0.95%	0.40%

Notes:

(1) Also referred to as "Gross NPA", which represents Stage 3 assets under Gross Term Loans. Closing balance of AUM which are overdue 90 days or more as of the last day of the relevant period.

(2) Also referred to as "Gross NPA to AUM, which represents the Gross NPA as of the last day or the relevant day or period to the AUM as of the last day of the relevant period, represented as a percentage.

(3) Also referred to as "Net NPA", which represents Gross NPA reduced by Impairment Loss Allowance (i.e., Expected Credit Loss Allowance) against these loans as of the last day of relevant period.

(4) Also referred to as "Net NPA to AUM (Net), which represents the Net NPA as of the last day or the relevant day or period to the AUM as of the last day of the relevant period reduced by Total Expected Credit Loss, represented as a percentage.

Further, since we provide housing loans where the primary collateral is typically land and building, our housing loan portfolio is exposed to events affecting the real estate sector. A decline in real estate prices, and in turn in the value of the collateral could affect our ability to recover amounts owed to us. See "*Risk Factors – Internal Risk Factors - If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.*" on page 33.

We have developed a business model that is predicated on arriving at an appropriate risk framework with the optimal instalment to income ratio to ensure that our customers have the necessary means to repay the loan after meeting their regular obligations and other event-based capital requirements. We strive to improve credit quality through underwriting with accurate and analytical processes. We utilise artificial intelligence and machine learning to go beyond using only credit scores as a method of underwriting. We have a robust risk management framework in place driven by a proprietary rule-based engine that can automatically process different variable buckets during underwriting. Our models incorporate more than 400 variables and learn from a rapidly growing training dataset comprising 2.64 million repayment events as of December 2021, with an average of over 0.28 million repayment events added every month during the quarter ended December 31, 2021, allowing our systems to identify unique users, track their journeys, record their behaviours and report on the Navi App's performance. This creates a big data and machine learning flywheel which enables higher approval and risk-priced interest rates. All cases are run through by quality control team that scrutinizes the system information against client documents.

Significant Accounting Policies

Basis of preparation

Our Restated Financial Statements have been prepared by our management for the purpose of inclusion in this Draft Red Herring Prospectus to be filed by our Company with SEBI and the Stock Exchanges in connection with Issue. Our Restated Financial Statements, which have been approved by our Board of Directors of our Company, have been prepared in accordance with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") as amended from time to time;

(b) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "**SEBI ICDR Regulations**") issued by the Securities and Exchange Board of India (the "**SEBI**"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

The Restated Financial Statements has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

The Restated Financial Statements have been prepared from the audited special purpose interim restated consolidated financial information of our Company as at and for the period nine-months period ended December 31, 2021, the audited restated consolidated financial information as at and for the years ended March 31, 2021 and March 31, 2020 and the audited financial statements as at and for the period from December 10, 2018 to March 31, 2019 which were prepared in accordance with Ind AS, which have been approved by our Board of Directors.

Going concern and basis of measurement

The Restated Financial Statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for:

- certain financial assets and financial liabilities are measured at fair values at the end of each reporting period;
- net defined employee benefit asset / liability, which are measured at Fair Value of plan assets less present value of defined benefit obligations;
- certain insurance contract liabilities and investments contract liabilities; and
- intangibles acquired on business combinations have been measured at fair value.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. We have ascertained the operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Business combination and goodwill

Business combinations (other than those under common control) are accounted for using the acquisition method under Ind AS 103. The cost of an acquisition is measured as the aggregate of consideration transferred at fair value as on the date of acquisition. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- The assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 19 Employee Benefits.

- Deferred tax assets and liabilities are recognized and measured in accordance with Ind AS 12 Income Taxes.

When our Company acquires a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The consideration transferred by the acquirer is recognized at fair value at the acquisition date. Deferred consideration is classified as a liability under Ind AS 109 and is measured at amortized cost.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than our carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in restated consolidated statement of profit and loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which our Company has control. The determination of control for the purpose of consolidation is done as per Ind AS 110. Control is achieved when our Company is exposed, or has rights, to variable returns from our involvement with the investee and has the ability to affect those returns through our power over the investee.

Specifically, our Company controls an investee if and only if our Company has: (a) power over the investee (i.e., existing rights that give us the current ability to direct the relevant activities of the investee); (b) exposure, or rights, to variable returns from our involvement with the investee; and (c) the ability to use our power over the investee to affect our returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when our Company has less than a majority of the voting or similar rights of an investee, our Company considers all relevant facts and circumstances in assessing whether we have power over an investee, including: (a) the contractual arrangement with the other vote holders of the investee; (b) rights arising from other contractual arrangements; (c) our Company's voting rights and potential voting rights; and (d) the size of our Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Our Company 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 our

Company obtains control over the subsidiary and ceases when our Company loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Financial Statements from the date our Company gains control until the date our Company ceases to control the subsidiary.

The Restated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity uses accounting policies other than those adopted in the restated consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that entity's restated financial information in preparing the restated consolidated financial information to ensure conformity with our accounting policies.

The restated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of our Company. When the end of the reporting period of our Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the restated consolidated financial information of our Company to enable us to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses, and cash flows of our Company with those of our subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the restated consolidated financial information at the acquisition date.

(b) Offset (eliminate) the carrying amount of our Company's investment in each subsidiary and our Company's portion of equity of each subsidiary.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between subsidiaries and our Company (profits or losses resulting from intra-group transactions that are recognized in 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 intra-group transactions.

Profit or loss and each component of other comprehensive income are attributed to our equity holders and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the restated financial information of subsidiaries to bring their accounting policies into line with our accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between us, and entities and our Company are eliminated in full on consolidation. Our Company measures non-controlling interests at their proportion of the fair value of the identifiable net assets.

Functional and presentation currency

These restated consolidated financial information are presented in Indian Rupees, which is also our functional currency, all amounts have been rounded off to nearest millions (up to two decimal points), unless otherwise indicated.

Use of estimates and judgements

The preparation of the Restated Financial Statements requires our management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Our 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 period. An overview of the areas that involve a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to, estimates and assumptions turning out to be different than those originally assessed have been disclosed below. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the restated consolidated financial information.

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under circumstances.

Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("**MCA**") through a notification, amended Schedule III of the Act. The amendments revised Division I, II and III of Schedule III and are applicable from 1 April 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. We have incorporated the requirements of these amendments and are considered as part of the restated consolidated financial information.

Revenue recognition

Indian Accounting Standard 115 Revenue from Contracts with Customers ("**Ind AS 115**"), establishes a framework for determining whether, how much and when revenue is recognized and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognized through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognize revenue when a performance obligation is satisfied. The adoption of the standard did not result in any material adjustments to our Company's revenue.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured.

Revenue is recognized either at a point in time or over time, when (or as) we satisfy the performance obligations by transferring the promised goods or services to its customers.

- *Rendering of services*. Revenue from rendering services is measured using the percentage of completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and are recognized net of taxes. Estimates of revenues, costs, or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

- *Interest income*. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to us and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

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/capitalized with the related assets. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to us and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013, except for the below assets where different useful lives have been taken on the basis of technical assessment:

Asset class	Useful life adopted by our Company
Electrical installations and equipment	10 years
Leasehold improvements	10 years
Computers and peripherals	6 years
Office equipment	5 years
Furniture and fixtures	10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Assets individually costing less than ₹5,000 are fully depreciated in the year of purchase.

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.

Subsidiaries

Our Subsidiaries – NFPL (formerly known as Chaitanya Rural Intermediation Development Services Limited), CIFCPL (subsidiary of NFPL) and Mavenhive Technologies Private Limited follow the written down value method as prescribed in Schedule II of Companies Act 2013.

The useful life of the assets adopted by subsidiaries under WDV method is as follows:

Asset class	Useful life adopted by our Company
Electrical Installations and Equipment	5 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
UPS	10 years

Intangible assets

Recognition and initial measurement

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.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

Subsequent measurement (amortization method, useful lives, and residual value)

For amortization of intangibles the amortization amount of intangible assets is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets as following:

Asset class	Useful life estimated by our Company
Computer and application software	3 years
Web domain	Period of license
Insurance licenses and regulatory permits	Period of license
Customer relationships#	1-4 years

Asset class	Useful life estimated by our Company
Trademarks and intellectual property (including developed products)	3 years
Distributor relationships	6 years

#Customer relationships are intangibles acquired on business combination. These are amortized based upon assessment by registered valuers.

Intangible assets under development

Expenditure incurred which are eligible for capitalization under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

Goodwill

Goodwill is stated at cost less impairment losses, where applicable. Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount, is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit ("**CGU**") or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

Borrowing costs

Borrowing costs consist of interest and other costs that we incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use, sale, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

Fair value measurement

We measure 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: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

We use 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 minimising the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, we have 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.

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 we commit to purchase or sell the asset.

Subsequent measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met (a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (b) 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 amortized cost using the effective interest rate ("**EIR**") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from our balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if we have not retained control, we shall also derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

Impairment of financial assets

In accordance with Ind AS 109, we apply the ECL model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost, e.g. loans, deposits, trade receivables and bank balances.

b) Financial guarantee contracts which are not measured at fair value through profit and loss account ("**FVTPL**").

We follow the simplified approach for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component. The application of simplified approach does not require us to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, we determine whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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 a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

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.

Methodology for computation of expected credit losses

The financial instruments covered within the scope of the ECL approach include financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial guarantee contracts which are not measured at fair value through profit and loss.

For recognition of impairment loss on other financial assets and risk exposure, we determine whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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 a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

At each reporting date, we assess whether financial assets carried at amortized cost and non-equity financial assets carried at FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the following observable data: (a) significant financial difficulty of the issuer of security, (b) a breach of contract such as default or past due event, (c) issuer of security entering a bankruptcy or financial reorganisation, (d) disappearance of an active market for a security because of financial difficulties, and (e) downgrade of rating of the security.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then we revert to recognizing impairment loss allowance based on 12-month ECL.

We apply a three-stage approach to measure ECL on financial assets measured at amortized cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12-month ECL. For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

- Stage 2: Lifetime ECL (not credit impaired). At each reporting date, we assess whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. We apply various approaches to determine if there has been a significant increase in credit risk. In determining whether credit risk has increased significantly since initial recognition, we use external risk ratings and forecast information to assess deterioration in credit quality of a financial asset. For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Lifetime ECL (credit impaired). Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized, and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision).

Employee benefits

We provide 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 we pay fixed contributions into an independent fund administered by the government. We have no legal or constructive obligations to pay further contributions after our 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 us 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 us.

Gratuity is 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 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.

Leases

At inception of a contract, we assess whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, we assess whether the contract meets all the three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to us.
- we have the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering our rights within the defined scope of the contract.
- we have the right to direct the use of the identified asset throughout the period of use. We assess whether we have the right to direct 'how and for what purpose' the asset is used throughout the period of use.

We as a Lessee

We recognize 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 earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate. Generally, we use our incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

i. fixed payments, including in-substance fixed payments

ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii. amounts expected to be payable under a residual value guarantee; and

iv. the exercise price under a purchase option that we are reasonably certain to exercise, lease payments in an optional renewal period if we are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless we are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in our estimate of the amount expected to be payable under a residual value guarantee, or if we change our assessment of whether we will exercise a purchase, extension or termination option.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

We have elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. We recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity.

Current tax

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by us and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend distribution tax

Dividend distribution tax is recognized at the same time when the liability to pay a dividend is recognized.

Provisions, contingent liabilities, and contingent assets

Provisions are recognized when we have a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from us and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for: (a) possible obligations which will be confirmed only by future events not wholly within our control; or (b) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, or disclosure is made.

Any reimbursement that we can be virtually certain to collect from a third-party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Segment Reporting

We are engaged in the businesses of personal, housing and other loans, microfinance loans, insurance and asset management (mutual fund), among others, in terms of Ind AS 108 "operating segments" specified under section 133 of the Companies Act.

Our operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which customers of our Company are located.

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

Impairment of assets

At the end of each reporting period, we review the carrying amounts of our tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, we estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Share-based payments

The fair value of options granted under Employee Stock Option Plan is recognized as a deemed investment in us with a corresponding increase in employee stock options outstanding reserve. The total amount to be recognized is determined by reference to the fair value of the options and is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, our entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

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.

Dividends

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

Significant management judgments in applying accounting policies and estimation of uncertainty

The preparation of our financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgments

Recognition of deferred tax assets/ liabilities

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets

The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortizable assets

We review our estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Fair value measurements

We apply valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, we use market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income Taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

ECL – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and resulting losses). We make significant judgments about the following while assessing expected credit loss to estimate ECL:

- determining criteria for a significant increase in credit risk;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- establishing groups of similar financial assets to measure ECL.

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.

Effective Interest Rate (EIR) method

Our 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 behavioural life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Rounding off amounts

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

Significant accounting policies related to insurance business

Our general insurance business is operated through NGIL, which prepares its financial statements originally in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("**the IRDAI Financial Statements Regulations**").

However, for the purpose of consolidation, financial statements of general insurance business have been prepared as per Indian Accounting Standards (Ind AS), to the extent applicable.

Product classification

Insurance contracts are those contracts where, we being an insurer, has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, we determine whether we have undertaken significant insurance risk, by considering the benefits payable by us on occurrence of an insured event as against no such benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenor, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Reinsurance assets

Assets and liabilities related to reinsurance are reported on a gross basis. Reinsurance assets include balances expected to be recovered from reinsurance companies.

Revenue recognition for insurance business

Premium Income

Premium including reinsurance accepted is recognized as income over the contract period or the period of risk, whichever is appropriate, after adjusting for unearned premium (unexpired risk). Instalment cases are recorded on instalment due dates. Reinstatement premium is recorded as and when such premiums are recovered.

Any subsequent revisions to premium as and when they occur are recognized over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled.

Income from reinsurance ceded

Commission on reinsurance ceded is recognized as income in the period of ceding the risk. Profit commission income / expense under re-insurance treaties, wherever applicable, is recognized in accordance with treaty arrangements with the re-insurers and combined with commission on re-insurance ceded.

Premium received in advance

It represents premium received during the year, where the risk commences subsequent to the balance sheet date.

Contribution to solatium fund

Our subsidiary company provides for contribution to Solatium Fund at 0.1%, of the total third-party premium of direct business in the motor segment, as mandated by the IRDAI.

Contribution to terrorism pool

Our subsidiary company, in accordance with the requirements of the IRDAI has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (‘**GIC’**). Amounts collected as terrorism premium are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹20 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the subsidiary company, terrorism premium to the extent of the subsidiary company’s share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on intimation/confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded in books of account as per the last confirmation received.

Reinsurance premium

Insurance premium on ceding (inward) of the risk is recognized in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to such premium ceded is recognized in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements.

Reserve for unexpired risk

Reserve for unexpired risk represents that part of the net premium written which is attributable to and allocable to the succeeding accounting period(s). For fire, marine cargo and miscellaneous business it is calculated on a 1/365 basis except in the case of Marine Hull business it is computed at 100% of net premium written on all unexpired policies on the balance sheet date.

Premium deficiency

Premium deficiency is recognized if the sum of the expected claim costs, related expenses and maintenance cost (related to claims handling) exceeds related reserve for unexpired risk. The expected claim costs are calculated and duly certified by the appointed actuary.

Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims following a loss occurrence reported and estimated liability for claims incurred but not reported (“**IBNR**”) and claims incurred but not enough reported (“**IBNER**”). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs. Claims (net of amounts receivable from reinsurers/co-insurers) are recognized on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the statement of profit and loss.

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realization. Salvaged stock is recognized at estimated net realizable value based on independent valuer’s report.

Estimated liability for outstanding claims is determined by our management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information. IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision for claims that are IBNER. The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the subsidiary company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

Acquisition cost

Acquisition costs are those costs that vary with, and are primarily related to, the acquisition of new insurance contracts and renewal of existing insurance contracts, such as commission and policy issue expenses. Acquisition costs are expensed in the period in which they are incurred.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the subsidiary company reverts to recognizing impairment loss allowance based on 12-month ECL.

We apply a three-stage approach to measure ECL on financial assets measured at amortized cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

Significant accounting policies related to lending businesses

Our lending businesses are operated through NFPL (formerly known as Chaitanya Rural Intermediation Development Services Private Limited) and CIFCPL (subsidiary of NFPL).

The purpose of our lending businesses is to carry on the business of lending, instalment financing, bill discounting, providing working capital and term loan facilities to small and medium business enterprises including individual loans, with or without all or any types of securities.

The NBFC acts as facilitator for provision of microfinance, savings and other financial services by acting as intermediaries between banks, financial institutions, individuals, corporate bodies or other entities (whether incorporated or not), with the joint liability groups, Members of the joint liability groups include discrete individuals or small groups which are in the process of forming joint liability groups and / or other micro-credit aspirants. The NBFC acts to assist, execute, provide consultancy services and promote and finance such programs, either directly or through an independent agency and/or in any other manner.

Both the subsidiaries are treated as a Systemically Important Non-Deposit taking Non-Banking Financial Company as the assets size of the subsidiary Companies together) exceeded ₹ 500 crores in the month of September 2018 (by virtue of RBI Master direction RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 01 September 2016).

Impairment of financial assets

In accordance with Ind AS 109, the subsidiary companies applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are investments in debt instruments and are measured at amortized cost along with other financial assets such as e.g., loans, deposits, trade receivables and bank balances.

Overview of the Expected Credit Loss (ECL) Model

The subsidiaries being NBFCs record allowance for expected credit losses for all loans and other debt instruments not held at FVTPL in this section all referred to as financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The subsidiaries have 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. We do 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, we categorise our 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. We classify all standard advances/investments and advances/investments up to 30 days default under this category. Stage 1 financial instruments also include facilities where the credit risk have improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 days past due is considered as significant increase in credit risk.

Stage 3

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. We recognize lifetime ECL for impairment of financial assets. A financial instrument after being classified as Stage 3 is reclassified to previous stages only after all overdues are paid.

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) - PD 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.

  We use historical information where available to determine PD. Considering the different products, we have bifurcated our financial instruments into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where the historical information is not available, the PD/default rates as stated by external credit rating agencies is considered. For investments, the PD/default rates are considered as reported by external credit rating agencies.

- Exposure at Default (EAD) - EAD is an estimate of the exposure at a future default date.

- Loss Given Default (LGD) – LGD 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 we would expect to receive, including from the realization of any collateral.

Forward looking information

While estimating the expected credit losses, we review macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, we analyse if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India and inflation, among other things, with the estimate of PD, LGD determined by us based on our internal data. While the internal estimates of PD, our LGD rates 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 our credit risks on financial assets, we seek to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third-party or management judgements.

Collateral repossessed

In our normal course of business whenever default occurs, we may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

We reduce the gross carrying amount of a financial asset when we have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when we determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest (SPPI) and the business model test. We determine 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. We monitor financial assets measured at amortized 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 our 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.

Impairment of loans and investment portfolio - The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

It has been our policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Key Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Income

Revenue from operations. Revenue from operations comprises income generated from our (i) personal, housing and other loans business, (ii) microfinance loans business, (iii) general insurance business, (iv) AMC business and (v) other operating revenue. Other operating income primarily comprises income from our business correspondent operations, including income from treasury operations, fees received on collections, service fee on securitized or assigned loans, commission income and bad debt recovery from our personal loans business.

Other income. Other income primarily comprises gain on derecognition of right of use for sub-leasing, gain on sale of bills purchased, bad debt recovery, net, brokerage income, rental income, gain on sale of property, plant and equipment, foreign exchange translation gain and miscellaneous income.

Expenses

Expenses comprise employee benefits expense, finance costs, depreciation and amortization costs, impairment on financial instruments, policyholders expense of insurance operations, net loss on fair value changes and other expenses.

Employee benefits expenses. Employee benefits expenses primarily comprises salaries, wages and bonus, contribution to provident and other funds, share based payments to employees, staff welfare expenses, gratuity expenses, leave encashment expenses and employee incentives.

Finance costs. Finance costs primarily reflect (i) interest on borrowings which includes interest on term loans, interest on debt securities, interest on subordinated liabilities, interest on preference shares, interest on bank overdraft and unwinding of discount on security deposits received, and (ii) interest on others which comprises interest on lease liabilities and interest on taxes.

Depreciation and amortization expense. Depreciation and amortization expense consists of depreciation on property, plant and equipment (such as office equipment, computers, and furniture and fixtures), depreciation of right-of-use assets, and amortization and impairment of intangible assets (such as software and licensing rights).

Impairment on financial instruments. Impairment on financial instruments primarily comprises (i) impairment loss allowance which includes impairment allowance on loans granted, impairment loss on other receivables and impairment loss on investments; and (ii) amounts written off, which includes portfolio loans written off, net of collections, and receivables written off.

Policyholders expense of insurance operations. Policyholders expense of insurance operations primarily comprises expenses incurred in connection with our insurance business.

Net gain/(loss) on fair value changes. Net gain/(loss) on fair value changes comprises (i) net gain/(loss) on financial instruments through fair value through profit or loss, and (ii) net gain/(loss) on financial instruments at amortized cost.

Other expenses. The largest component of other expenses are advertisement, marketing and publicity expenses, legal and professional expenses, and information technology maintenance costs. Advertisement, marketing and publicity costs primarily comprises expenses incurred for marketing campaigns and advertisements, including digital streamed over online platforms. Legal and professional expenses are such costs incurred in normal course in the operation of our businesses. Information technology maintenance costs primarily comprises costs incurred in connection with development and maintenance of our app, investments in other technology initiatives and software and related processes. Other key components of other expenses include travelling expenses, rates and taxes, customer onboarding and verification costs, rental charges, directors' fees, office expenses, membership fees and subscription, communication expenses, bank charges, repairs and maintenance costs, power, water and utility expenses, fees paid to business correspondents, printing and stationery, recruitment expenses, meeting and training expenses, loss on sale of property, plant and equipment, auditor remuneration costs, corporate social responsibility expenses and other expenses.

Tax Expense

Our tax expense consists of current tax and deferred tax expense / (credit).

Our Results of Operations

The following tables set forth our selected financial data from our restated consolidated statement of profit and loss for the nine months ended December 31, 2021 and the Financial Years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods.

	For the Nine Months Ended December 31,		For the Financial Year Ended March 31,					
	2021		2021		2020		2019	
		(₹ in millions, except percentages)						
Income:								
Revenue from operations	965.75	13.42%	1,366.63	17.52%	559.48	27.03%	125.70	74.15%
Interest income	4,376.33	60.83%	4,509.53	57.81%	1,639.33	79.19%	1.47	0.87%
Other income	36.08	0.50%	9.12	0.12%	11.54	0.56%	–	–
Net gain/(loss) on fair value changes	1,684.20	23.41%	1,725.08	22.12%	(148.76)	(7.19)%	42.35	24.98%
Net gain on derecognition of financial instruments under amortised cost category	131.43	1.83%	189.81	2.43%	8.57	0.41%	–	–
Total income	**7,193.79**	**100.00%**	**7,800.17**	**100.00%**	**2,070.16**	**100.00%**	**169.52**	**100.00%**
Expenses:								
Advertisement, marketing and publicity expenses	3,055.71	42.48%	387.08	4.96%	9.98	0.48%	–	–
Employee benefits expenses	2,107.42	29.29%	1,696.74	21.75%	616.14	29.76%	58.11	34.28%
Finance costs	1,371.05	19.06%	882.10	11.31%	370.26	17.89%	0.87	0.51%
Depreciation and amortization expense	357.32	4.97%	406.59	5.21%	89.33	4.32%	1.69	1.00%
Impairment on financial instruments	1,042.74	14.50%	1,872.44	24.01%	238.21	11.51%	–	–
Policyholders expense of insurance operations	429.58	5.97%	668.17	8.57%	148.52	7.17%	–	–
Other expenses	1,300.46	18.08%	824.44	10.57%	568.45	27.46%	65.73	38.77%
Total expenses	**9,664.28**	**134.34%**	**6,737.56**	**86.38%**	**2,040.89**	**98.59%**	**126.40**	**74.56%**
Restated profit/(loss) before tax from continuing operations	**(2,470.49)**	**(34.34)%**	**1,062.61**	**13.62%**	**29.27**	**1.41%**	**43.12**	**25.44%**
Tax expenses:								

	For the Nine Months Ended December 31,		For the Financial Year Ended March 31,					
	2021		2021		2020		2019	
	(₹ in millions, except percentages)							
Current tax	129.49	1.80%	641.71	8.23%	215.14	10.39%	21.89	12.91%
Deferred tax expense/(credit)	(535.71)	(7.45)%	(290.98)	(3.73)%	(105.16)	(5.08)%	0.54	0.32%
Total tax expenses	**(406.22)**	**(5.65)%**	**350.73**	**4.50%**	**109.98**	**5.31%**	**22.43**	**13.23%**
Restated profit/(loss) for the year	**(2,064.27)**	**(28.70)%**	**711.88**	**9.13%**	**(80.71)**	**(3.90)%**	**20.69**	**12.21%**

Nine Months Ended December 31, 2021

Total income. Total income was ₹7,193.79 million for the nine months ended December 31, 2021, and primarily comprised interest income, net gain/loss on fair value changes and revenue from operations.

Revenue from operations. Revenue from operations was ₹965.75 million for the nine months ended December 31, 2021, and primarily comprised (i) insurance premium (net of premium ceded) of ₹630.97 million, in line with the increase in revenue from our general insurance business, which was mainly driven by an increase in sales of health insurance and third-party motor insurance policies, and (ii) revenue from advisory services amounting to ₹244.61 million, which was mainly driven by income earned on investment transactions.

Interest income. Interest income was ₹4,376.33 million for the nine months ended December 31, 2021, and comprised (i) interest income (including investment) from our lending business (personal, housing and other loans) and microfinance loans businesses amounting to ₹3,998.89 million, (ii) interest income from our general insurance business amounting to ₹241.43 million, and (iii) other interest income amounting to ₹136.01 million, which primarily comprises interest income on loan assets and interest income on bonds, debentures and others.

Other income. Other income was ₹36.08 million for the nine months ended December 31, 2021, and primarily comprised miscellaneous income of ₹29.89 million, which mainly related to upfront fees and valuation charges.

Net gain on fair value changes. Net gain on fair value changes was ₹1,684.20 million for the nine months ended December 31, 2021, and primarily comprised (i) net gain on debt securities through fair value through profit or loss (FVTPL) on trading portfolio amounting to ₹898.20 million, (ii) net gain on future trading through fair value through profit amounting to ₹270.51 million, and (iii) net gain on debt securities designated at FVTPL amounting to ₹224.46 million.

Net gain on derecognition of financial instruments under amortised cost category. Net gain on derecognition of financial instruments under amortised cost category was ₹131.43 million for the nine months ended December 31, 2021, which related to gain on sale of loan portfolio through assignment.

Total expenses. Total expenses was ₹9,664.28 million for the nine months ended December 31, 2021, and primarily comprised advertisement, marketing and publicity expenses, employee benefits expense and finance costs.

Advertisement, marketing and publicity expenses. Advertisement, marketing and publicity expenses was ₹3,055.71 million, primarily on account of digital marketing and brand promotion activities in line with the growth of our businesses. We (i) disbursed 308,383 personal loans during the nine months ended December 31, 2021 compared to 172,737 personal loans during the Financial Year 2021, (ii) disbursed 587 housing loans during the nine months ended December 31, 2021 compared to 17 housing loans during the Financial Year 2021, and (iii) issued 27,800 retail health policies during the nine months ended December 31, 2021 compared to 42 retail health policies during the Financial Year 2021.

Finance costs. Finance costs was ₹1,371.05 million and primarily comprised interest on borrowings and debt securities.

Employee benefits expense. Employee benefits expense was ₹2,107.42 million, and primarily comprised salaries, wages and bonus. We had 4,680 employees (on a consolidated basis) as of December 31, 2021 as compared to 2,934 employees (on a consolidated basis) as of March 31, 2021.

Depreciation and amortization expense. Depreciation and amortization expense was ₹357.32 million for the nine months ended December 31, 2021, and comprised depreciation on property, plant and equipment of ₹76.02 million, depreciation on right of use asset of ₹121.45 million, and amortization on intangible assets of ₹159.85 million.

Impairment on financial instruments. Impairment on financial instruments was ₹1,042.74 million for the nine months ended December 31, 2021, and primarily comprised portfolio loans written of ₹801.14 million and impairment allowance on portfolio loan of ₹251.20 million.

Policyholders expense of insurance operations. Policyholders expense of insurance operations was ₹429.58 million for the nine months ended December 31, 2021, and related to commission and claim cost including changes in outstanding loss reserves, IBNR and IBNER reserves.

Other expenses. Other expenses were ₹1,300.46 million for the nine months ended December 31, 2021, and primarily comprised information technology maintenance costs of ₹304.83 million, legal and professional expenses of ₹258.24 million, travelling expenses (domestic and foreign) of ₹110.68 million, customer onboarding and verification expenses of ₹123.64 million, rates and taxes of ₹93.84 million and rental charges of ₹49.56 million.

Tax expenses. Our total tax expense was ₹(406.22) million for the nine months ended December 31, 2021 and comprised current tax expense of ₹129.49 million and deferred tax credit of ₹(535.71) million. Our effective tax rate (which represents total tax expense expressed as a percentage of profit before tax for the relevant period) was 16.44% for the nine months ended December 31, 2021.

Restated (loss) for the period. As a result of the foregoing, our restated loss for the period was ₹(2,064.27) million for the nine months ended December 31, 2021.

Income by Business Segment

The following table sets forth a breakdown of our total income by business segments for the nine months ended December 31, 2021:

Particulars	Nine Months Ended December 31,	
	2021	
	(₹ in millions, except percentages)	
Personal, housing and other loans	3,162.88	43.97%
Microfinance loans business	2,339.11	32.52%
Insurance business	975.85	13.57%
Asset management business	57.77	0.80%
Other operating revenue	622.10	8.65%
Other Income	36.08	0.50%
Total income	**7,193.79**	**100.00%**

Financial Year 2021 Compared to Financial Year 2020

Total income. Total income significantly increased to ₹7,800.17 million for the Financial Year 2021 from ₹2,070.16 million for the Financial Year 2020, primarily due to an increase in interest income, net gain/(loss) on fair value changes and revenue from operations.

Revenue from operations. Revenue from operations increased to ₹1,366.63 million for the Financial Year 2021 from ₹559.48 million for the Financial Year 2020, primarily due to (i) an increases in insurance premium (net of premium ceded) to ₹875.42 million for the Financial Year 2021 from ₹133.97 million for the Financial Year 2020, which was driven by a full year of operations of our insurance business during the Financial Year 2021 as we acquired the insurance business in February 2020; and (ii) fees and commission income of ₹74.64 million recorded in the Financial Year 2021, which primarily comprised loan processing fees, while no such income was recorded in the Financial Year 2020.

Interest income. Interest income increased to ₹4,509.53 million for the Financial Year 2021 from ₹1,639.33 million for the Financial Year 2020, primarily due to:

- an increase in interest income (including investment) from our lending business (personal, housing and other loans) and microfinance businesses to ₹4,004.81 million from ₹1,430.28 million, which was primarily driven by (i) the commencement of our housing loans business in February 2021, the commencement of our personal loans business in April 2020, and the growth in our personal loans business which was supplemented by the introduction of our customer facing app, partially offset by the discontinuation of our vehicle and rural loan business; (ii) consistent growth in AUM for our microfinance loans business to ₹11,986.34 million as of March 31, 2021 from ₹8,496.54 million as of March 31, 2020 as well as direct assignment of portfolio amounting to ₹1,959.71 million as of March 31, 2021 and ₹347.88 million as of March 31, 2020; and
- an increase in interest income from our general insurance businesses to ₹314.76 million for the Financial Year 2021 from ₹24.27 million for the Financial Year 2020 (beginning from February 6, 2020), which was primarily driven by an increase in total investments in our general insurance business.

Other income. Other income decreased to ₹9.12 million for the Financial Year 2021 from ₹11.54 million for the Financial Year 2020, primarily due to gain on sale of bills purchased of ₹7.51 million recorded in the Financial Year 2020, while no such income was recorded in the Financial Year 2021. This was partially offset by (i) gain on derecognition of right of use for subleasing of ₹3.51 million recorded in the Financial Year 2021, while no such income was recorded in the Financial Year 2020, and (ii) an increase in miscellaneous income to ₹5.61 million from ₹2.50 million, which related to Ind AS entry adjustments.

Net gain/(loss) on fair value changes. We recorded net gain on fair value changes of ₹1,725.08 million for the Financial Year 2021 as compared to net loss on fair value changes of ₹(148.76) million for the Financial Year 2020, primarily due to (i) an increase in net gain on debt securities through fair value through profit or loss (FVTPL) on trading portfolio to ₹1,356.63 million for the Financial Year 2021 from ₹40.22 million for the Financial Year 2020, and (ii) an increase in net gain on mutual funds through FVTPL to ₹215.67 million for the Financial Year 2021 from ₹28.67 million for the Financial Year 2020.

Net gain/(loss) on derecognition of financial instruments under amortised cost category. Net gain/(loss) on derecognition of financial instruments under amortised cost category increased to ₹189.81 million for the Financial Year 2021 from ₹8.57 million for the Financial Year 2020, which related to an increase in gain on sale of loan portfolio through assignment.

Total expenses. Total expenses increased to ₹6,737.56 million for the Financial Year 2021 from ₹2,040.89 million for the Financial Year 2020, primarily due to increases in impairment on financial instruments, employee benefits expenses, policyholders expense of insurance operations, finance costs and advertisement, marketing and publicity expenses.

Advertisement, marketing and publicity expenses. Advertisement, marketing and publicity expenses increased to ₹387.08 million for the Financial Year 2021 from ₹9.98 million for the Financial Year 2020, primarily due to expenses incurred for launching marketing campaigns to grow our base of customers, including digital campaigns and advertisements streamed over online platforms.

Employee benefits expense. Employee benefits expense increased to ₹1,696.74 million for the Financial Year 2021 from ₹616.14 million for the Financial Year 2020, primarily due to an increase in salaries, wages and bonus to ₹1,475.76 million from ₹511.07 million, which was primarily attributable to an increase in number of employees, particularly the growth in our technology team and increase in headcount to support the expansion of lending and insurance businesses. We had 2,934 employees (on a consolidated basis) as of March 31, 2021 as compared to 2,497 employees (on a consolidated basis) as of March 31, 2020.

Finance costs. Finance costs increased to ₹882.10 million for the Financial Year 2021 from ₹370.26 million for the Financial Year 2020, primarily due to an increase in the interest incurred on borrowings as a result of procurement of debt financing including interest on non-convertible debentures issued in the principal amount of ₹5,862.27 million and term loan borrowings in the principal amount of ₹11,049.94 million, which were primarily driven by a need for capital in line with the growth of our personal, housing and microfinance loan businesses.

Depreciation and amortization expense. Depreciation and amortization expense increased to ₹406.59 million for the Financial Year 2021 from ₹89.33 million for the Financial Year 2020, primarily due to increase in amortization on intangible assets to ₹213.93 million for the Financial Year 2021 from ₹48.04 million for the Financial Year 2020, which was primarily attributable to amortization of software developed by us, depreciation of right-of-use assets to ₹83.04 million for the Financial Year 2021 from ₹23.06 million for the Financial Year 2020, which was primarily attributable to leases entered into by us for new office premises, and depreciation on property, plant and equipment to ₹75.10 million for the Financial Year 2021 from ₹18.23 million for the Financial Year 2020, which was primarily attributable to depreciation of laptop computers and other IT equipment.

Impairment on financial instruments. Impairment on financial instruments increased to ₹1,872.44 million for the Financial Year 2021 from ₹238.21 million for the Financial Year 2020, primarily due to an increase of impairment allowance on portfolio loans to ₹1,393.85 million for the Financial Year 2021 from ₹163.69 million for the Financial Year 2020, which was driven by increases in loans and advances in our lending businesses. Further, impairment loss on investments for the Financial Year 2021 was ₹182.59 million as compared to ₹26.40 million for the Financial Year 2020 and portfolio loans written off for the Financial Year 2021 was ₹288.38 million as compared to ₹37.89 million for the Financial Year 2020, each driven by the growth in our lending businesses.

Policyholders expense of insurance operations. Policyholders expense of insurance operations increased to ₹668.17 million for the Financial Year 2021 from ₹148.52 million for the Financial Year 2020, due to a full year of operations of our insurance business in the Financial Year 2021 as compared to 55 days of operations in the Financial Year 2020.

Other expenses. Other expenses increased to ₹824.44 million for the Financial Year 2021 from ₹568.45 million for the Financial Year 2020 primarily due to increases in information technology maintenance cost to ₹158.48 million from ₹10.62 million, travelling expenses to ₹77.76 million from ₹43.12 million, and addition of customer onboarding and verification related expenses of ₹42.27 million, in line with the growth of our lending and insurance businesses. These increases were partially offset by decreases in legal and professional expenses to ₹246.46 million from ₹298.94 million and rates and taxes to ₹58.66 million from ₹92.04 million.

Tax expenses. Our total tax expense increased to ₹350.73 million for the Financial Year 2021 from ₹109.98 million for the Financial Year 2020 due to (i) an increase in current tax expense to ₹641.71 million from ₹215.14 million, which was attributable to an increase in profit before tax, and (ii) an increase in deferred tax credit to ₹(290.98) million from ₹(105.16) million, which was attributable to temporary differences arising out of changes in expected credit loss for portfolio loans, carried forward unabsorbed losses for current year; partially offset by deferment of upfront earning interest spread (EIS) and servicing obligation recorded for assignment. Our effective tax rate (which represents total tax expense expressed as a percentage of profit before tax for the relevant year) was 33.01% for the Financial Year 2021.

Profit/(loss) for the year. As a result of the foregoing, we recorded profit for the year of ₹711.88 million for the Financial Year 2021 as a compared to loss for the year of ₹80.71 million for the Financial Year 2020.

Income by Business Segment

The following table sets forth a breakdown of our total income by business segments for the Financial Years 2021 and 2020:

	For the Financial Years ended March 31,			
	2021		**2020**	
	(₹ in millions, except percentages)			
Personal, housing and other loans	3,335.78	42.77%	379.67	18.34%
Microfinance loans business	2,315.24	29.68%	863.91	41.73%

	For the Financial Years ended March 31,			
	2021		2020	
	(₹ in millions, except percentages)			
Insurance business	1,362.29	17.46%	182.11	8.80%
Asset management business	57.41	0.74%	–	–
Other operating revenue	720.33	9.23%	632.93	30.57%
Other Income	9.12	0.12%	11.54	0.56%
Total income	**7,800.17**	**100.00%**	**2,070.16**	**100.00%**

Financial Year 2020 Compared to Financial Year 2019

Total income. Total income increased to ₹2,070.16 million for the Financial Year 2020 from ₹169.52 million for the Financial Year 2019, primarily due to increases in interest income and revenue from operations.

Revenue from operations. Revenue from operations increased to ₹559.48 million for the Financial Year 2020 from ₹125.70 million for the Financial Year 2019, primarily due to (i) an increase in revenue from advisory services to ₹369.83 million for the Financial Year 2020 from ₹125.70 million for the Financial Year 2019, which was mainly driven by an increase in income earned on investment transactions, and (ii) addition of insurance premium (net of premium ceded) of ₹133.97 million for the Financial Year 2020, which related to the acquisition of our general insurance business in February 2020.

Interest income. Interest income (including investment) increased to ₹1,639.33 million for the Financial Year 2020 from ₹1.47 million for the Financial Year 2019, primarily due to interest income earned from (i) our personal, housing and other loans business, which we launched through the acquisition of NFPL in October 2019, of ₹603.27 million, (ii) our microfinance loans business, which we launched through the acquisition of CIFCPL in October 2019, of ₹827.01 million, (iii) our general insurance business, which we launched through the acquisition of DHFL General Insurance Limited in February 2020, of ₹24.27 million and (iv) other interest income earned of ₹184.78 million.

Other income. We recorded other income of ₹11.54 million in the Financial Year 2020, which primarily comprised gain on sale of bills purchased of ₹7.51 million, while no such income was recorded for the Financial Year 2019.

Net gain/(loss) on fair value changes. We recorded net loss on fair value changes of ₹(148.76) million for the Financial Year 2020 as compared to net gain on fair value changes of ₹42.35 million for the Financial Year 2019, primarily due to net loss on equity instruments designated at FVTPL of ₹(273.86) million for the Financial Year 2020.

Net gain/(loss) on derecognition of financial instruments under amortised cost category. We recorded net gain on derecognition of financial instruments under amortised cost category of ₹8.57 million for the Financial Year 2020, which related to gain on sale of loan portfolio through assignment, while no such gain/(loss) was recorded for the Financial Year 2019.

Total expenses. Total expenses increased to ₹2,040.89 million for the Financial Year 2020 from ₹126.40 million for the Financial Year 2019, primarily due to increases in employee benefit expenses, finance costs, impairment on financial instruments and other expenses.

Advertisement, marketing and publicity expenses. We recorded advertisement, marketing and publicity expenses of ₹9.98 million in the Financial Year 2020 due to the commencement of marketing and advertising activities during the Financial Year 2020, while no such expenses were recorded for the Financial Year 2019.

Employee benefits expense. Employee benefits expense increased to ₹616.14 million for the Financial Year 2020 from ₹58.11 million for the Financial Year 2019, primarily due to an increase in salaries, wages and bonus to ₹511.07 million for the Financial Year 2020 from ₹57.16 million for the Financial Year 2019. This was mainly due to an increase in headcount number of employees, primarily in our microfinance business. We had 2,497 employees (on a consolidated basis) as of March 31, 2020 as compared to eight employees (on a consolidated basis) as of March 31, 2019.

<u>Finance costs</u>. Finance costs increased to ₹370.26 million in the Financial Year 2020 from ₹0.87 million in the Financial Year 2019, primarily due to an increase in interest of term loans to ₹238.16 million for the Financial Year 2020 from ₹0.16 million for the Financial Year 2019, which was driven by as a result of procurement of term loans borrowings in the principal amount of ₹6,511.78 million and interest on non-convertible debentures issued in the principal amount of ₹1,464.18 million, which were primarily due to the need for capital for the growth of our personal, housing and microfinance loan businesses.

<u>Depreciation and amortization expense</u>. Depreciation and amortization expense increased to ₹89.33 million for the Financial Year 2020 from ₹1.69 million for the Financial Year 2019, primarily due to addition of amortization on intangible assets of ₹48.04 million and increases in depreciation on property, plant and equipment and depreciation of right-of-use assets, which were driven by the commencement and growth of our businesses.

<u>Impairment on financial instruments.</u> We recorded impairment on financial instruments of ₹238.21 million in the Financial Year 2020, while no such expense was recorded for the Financial Year 2019.

<u>Policyholders expense of insurance operations.</u> We recorded policyholders expense of insurance operations of ₹148.52 million in the Financial Year 2020, while no such expense was recorded for the Financial Year 2019 as we acquired our insurance business in February 2020.

<u>Other expenses</u>. Other expenses increased to ₹568.45 million for the Financial Year 2020 from ₹65.73 million for the Financial Year 2019. Legal and professional charges increased to ₹298.94 million from ₹29.78 million primarily due to fees paid in connection with acquisitions. Other key components of our other expenses that increased between the Financial Year 2020 and 2019 were information technology maintenance cost, which increased to ₹10.62 million from ₹0.01 million, rates and taxes, which increased to ₹92.04 million from ₹33.57 million, and travelling expenses (domestic and foreign), which increased to ₹43.12 million from ₹0.30 million.

Tax expenses. Our total tax expense increased to ₹109.98 million for the Financial Year 2020 from ₹22.43 million for the Financial Year 2019, due to an increase in current tax expense to ₹215.14 million from ₹21.89 million, which was attributable to increase in profit before tax in NFPL and CIFCPL. This was offset by deferred tax credit of ₹105.16 million recorded for the Financial Year 2020 as compared to tax expense of ₹0.54 million recorded for the Financial Year 2019, which was attributable to temporary differences arising out of changes in financial assets measured at FVTPL and ECL for portfolio loans, partially offset by changes in financial liabilities measured at amortised cost.

Restated profit/(loss) for the year. As a result of the foregoing reasons, we recorded restated loss for the year of ₹80.71 million for the Financial Year 2020 as compared to restated profit for the year of ₹20.69 million for the Financial Year 2019.

Income by Business Segment

Our Company operated in only one business segment during the Financial Year 2019 as our lending business (personal, housing and other loans), microfinance, insurance and asset management businesses were acquired post Financial Year 2019.

Financial Condition

Assets

The following table sets forth the principal components of our assets as of December 31, 2021 and March 31, 2021, 2020 and 2019:

	As of December 31,	As of March 31,		
	2021	2021	2020	2019
	(₹ in millions)			
Non-current assets:				
Property, plant and equipment	408.58	172.45	227.88	3.63
Right of use assets	727.43	686.30	273.44	30.39
Other intangible assets	1,044.62	1,192.39	1,125.53	0.04

Intangible assets under development.........	0.91	0.05	101.92	5.61
Goodwill on consolidation..............................	1,501.95	1,501.95	1,271.10	–
Financial assets (non-current):				
Investments..	8,402.62	6,401.55	10,109.42	–
Loans..	12,631.37	5,231.75	2,817.48	–
Financial assets-others..................................	214.91	302.91	112.49	3.51
Reinsurance assets..	701.39	696.99	230.03	–
Non-current tax assets (net)	272.97	107.60	25.56	–
Other non-current assets	47.36	44.67	23.69	1.61
Deferred tax assets (net)	994.90	451.00	166.41	–
Total non-current assets................................	**26,949.01**	**16,789.61**	**16,484.95**	**44.79**
Current assets:				
Financial assets:				
Investments..	14,877.92	28,146.74	26,006.97	558.03
Investments of insurance business: Policyholders	700.94	607.73	337.12	–
Investments of insurance business: Shareholders	280.23	326.29	651.15	–
Trade receivables	5.96	17.37	0.63	–
Cash and cash equivalents.........................	3,347.75	2,073.04	316.05	0.01
Other bank balances	1649.37	2745.19	118.36	–
Loans..	21,025.04	11,377.01	6,557.81	–
Other financial assets	1,884.19	268.98	99.58	–
Reinsurance assets..	242.12	383.73	262.62	–
Other current assets...	1605.00	326.97	174.52	3.76
Total current assets	**45,618.52**	**46,273.05**	**34,524.81**	**561.80**
Total assets...	**72,567.53**	**63,062.66**	**51,009.76**	**606.59**

As of December 31, 2021, we had total assets of ₹72,567.53 million, compared to ₹63,062.66 million as of March 31, 2021, compared to ₹51,009.76 million as of March 31, 2020 and ₹606.59 million as of March 31, 2019. The increase in our total assets was primarily on account of:

- the growth in our lending businesses (personal, housing and other loans business) and microfinance loan businesses, resulting in an increase in loans provided to customers; and
- the growth in our general insurance business resulting in an increase in reinsurance assets and investments of our insurance business.

Non-Current Assets

Other Intangible Assets

As of December 31, 2021, we had other intangible assets of ₹1,044.62 million, compared to ₹1,192.39 million as of March 31, 2021, ₹1,125.53 million as of March 31, 2020 and ₹0.04 million as of March 31, 2019. Our other intangible assets decreased as of December 31, 2021 as compared to March 31, 2021, primarily on account of amortization. The increase in other intangible assets as of March 31, 2021 as compared to March 31, 2020 was primarily on account of acquisition of software and licenses acquired in our asset management business. Our other intangible assets increased as of March 31, 2020 as compared to March 31, 2019 primarily on account of an increase in software due to the acquisitions completed in the Financial Year 2020.

Goodwill on Consolidation

As of December 31, 2021 and March 31,2021, we had goodwill on consolidation of ₹1,501.95 million, compared to ₹1,271.10 million as of March 31, 2020. We did not record any goodwill on consolidation as of March 31, 2019. The increase in goodwill on consolidation as of March 31, 2021 as compared to March 31, 2020 was primarily on account of the acquisition of our asset management business. The increase in goodwill on consolidation as of March 31, 2020 as compared to March 31, 2019 was primarily on account of acquisitions of our personal loans business and microfinance loans business amounting to ₹911.54 million and of general insurance business amounting to ₹359.56 million.

Financial Assets

As of December 31, 2021, we had total investments of ₹8,402.62 million, compared to ₹6,401.55 million as of March 31, 2021 and ₹10,109.42 million as of March 31, 2020. We did not make any investments as of March 31, 2019. Our investments as of December 31, 2021 consisted of ₹3,657.00 million in investments in bonds, debentures and other instruments, ₹57.77 million in investments in mutual funds and ₹2.32 million in investments in equity instruments. Our investments as of March 31, 2021 consisted of ₹1,066.56 million in investments in bonds, debentures and other instruments, ₹245.95 million in investments in mutual funds and ₹3.42 million in investments in equity instruments. Our investments as of March 31, 2020 consisted of ₹7,791.30 million in investments in bonds, debentures and other instruments and ₹1.22 million in investments in equity instruments.

As of December 31, 2021, we had investments of insurance business-policyholders of ₹2,576.06 million, compared to ₹3,175.82 million as of March 31, 2021 and ₹1,496.47 million as of March 31, 2020. There were no investments of insurance business-policyholders as of March 31, 2019 as we acquired our insurance business in February 2020. Our investments of insurance business-policyholders as of December 31, 2021 consisted of ₹1,948.44 million in investments in government securities, ₹627.52 million in investments in debentures and bonds and ₹0.10 million in investments in fixed deposits. Our investments of insurance business-policyholders as of March 31, 2021 consisted of ₹2,145.71 million in investments in government securities, ₹980.10 million in investments in debentures and bonds and ₹50.01 million in investments in fixed deposits. Our investments of insurance business-policyholders as of March 31, 2020 consisted of ₹535.75 million in investments in government securities and ₹1,006.16 million in investments in debentures and bonds, partially offset by an impairment in value of investments of ₹45.44 million

As of December 31, 2021, we had investments of insurance business-shareholders of ₹2,109.47 million, compared to ₹1,909.80 million as of March 31, 2021 and ₹820.43 million as of March 31, 2020. We did not make any investments of insurance business-shareholders as of March 31, 2019. Our investments of insurance business-shareholders as of December 31, consisted of ₹451.05 million in investments in government securities and ₹1,658.42 million in investments in debentures and bonds. Our investments of insurance business-shareholders as of March 31, 2021 consisted of ₹383.05 million in investments in government securities and ₹1,526.75 million in investments in debentures and bonds. Our investments of insurance business-shareholders as of March 31, 2020 consisted of ₹583.89 million in investments in government securities, ₹204.97 million in investments in debentures and bonds and ₹55.01 million in investments in fixed deposits, partially offset by an impairment in the value of investments of ₹23.44 million.

As of December 31, 2021, we had loans of ₹12,631.37 million, compared to ₹5,231.75 million as of March 31, 2021 and ₹2,817.48 million as of March 31, 2020. We did not give any loans as of March 31, 2019. The increase in loans as of December 31, 2021 as compared to March 31, 2021 was primarily on account of increase in our loan portfolios in our personal loans business, housing loans business and microfinance loans business. The increase in loans as of March 31, 2021 as compared to March 31, 2020 was primarily on account of increase in our loan portfolios in our personal loans business and microfinance loan business. The increase in loans as of March 31, 2020 as compared to March 31, 2019 was primarily on account of acquisition of our personal loans business and microfinance loan business.

Current Assets

Financial Assets

As of December 31, 2021, we had total investments of ₹15,859.09 million, compared to ₹29,080.76 million as of March 31, 2021, ₹26,995.24 million as of March 31, 2020 and ₹558.03 million as of March 31, 2019.

Our investments as of December 31, 2021 consisted of ₹12,968.61 million in investments in bonds, debentures, pass through certificates and other instruments and ₹1,910.00 million in investments in mutual funds, partially offset by an impairment in the value of investments of ₹175.20 million (current and non-current). Our investments as of March 31, 2021 consisted of ₹26,244.19 million in investments in bonds, debentures, pass through certificates and other instruments and ₹2,075.24 million in investments in mutual funds, partially offset by an impairment in the value of investments of ₹172.69 million. Our investments as of March 31, 2020 consisted of ₹20,782.13 million in investments in bonds, debentures, pass through certificates and other instruments, ₹4,130.63 million in investments in mutual funds and ₹1,120.61 million in investments in equity shares instruments carried through portfolio managers, partially offset by an impairment in the value of investments of ₹26.40 million. Our investments as of March 31, 2019 consisted of ₹151.19 million in investments in bonds and debentures and ₹406.84 million in investments in mutual funds.

As of December 31, 2021, we had investments of insurance business-policyholders of ₹700.94 million, compared to ₹607.73 million as of March 31, 2021 and ₹337.12 million as of March 31, 2020. We did not make any investments of insurance business-policyholders as of March 31, 2019. Our investments of insurance business-policyholders as of December 31, 2021 consisted of ₹106.42 million in investments in debentures and bonds, ₹56.64 million in investments in debt securities, ₹211.48 million in investments in mutual funds, and ₹326.40 million in investments in fixed deposits. Our investments of insurance business-policyholders as of March 31, 2021 consisted of ₹35.10 million in investments in debentures and bonds, ₹81.10 million in investments in debt securities, ₹99.88 million in investments in mutual funds, and ₹391.65 million in investments in fixed deposits. Our investments of insurance business-policyholders as of March 31, 2020 consisted of ₹104.81 million in investments in debentures and bonds, ₹91.83 million in investments in mutual funds, and ₹140.51 million in investments in fixed deposits, partially offset by an impairment in the value of investments of ₹0.03 million.

As of December 31, 2021, we had investments of insurance business-shareholders of ₹280.23 million, compared to ₹326.29 million as of March 31, 2021 and ₹651.15 million as of March 31, 2020. We did not make any investments of insurance business-shareholders as of March 31, 2019. Our investments of insurance business-shareholders as of December 31, consisted of ₹6.53 million in investments in government securities, ₹96.33 million in investments in mutual funds, ₹164.87 million in investments in fixed deposits and ₹112.13 million in investments in debentures and bonds, partially offset by an impairment in the value of investments of ₹99.63 million. Our investments of insurance business-shareholders as of March 31, 2021 consisted of ₹7.58 million in investments in government securities, ₹92.75 million of investments in mutual funds, ₹217.20 million investments in fixed deposits, and ₹108.39 million in investments in debentures and bonds. Our investments of insurance business-shareholders as of March 31, 2020 consisted of ₹194.29 million in investments in mutual funds, ₹248.09 million of investments in fixed deposits and ₹308.46 million in investments in debentures and bonds.

Cash and Cash Equivalents

As of December 31, 2021, we had cash and cash equivalents of ₹3,347.75 million, compared to ₹2,073.04 million as of March 31, 2021, compared to ₹316.05 million as of March 31, 2020, ₹0.01 million as of March 31, 2019. Our cash and cash equivalents increased for periods presented due to the growth of our business and operations.

Other Bank Balances

As of December 31, 2021, we had other bank balances of ₹1,649.37 million, compared to ₹2,745.19 million as of March 31, 2021, compared to ₹118.36 million as of March 31, 2020. Our other bank balances increased for periods presented due to the growth of our business and operations. We did not have any bank balances as of March 31, 2019.

Loans

As of December 31, 2021, we had loans of ₹21,025.04 million, compared to ₹11,377.01 million as of March 31, 2021, compared to ₹6,557.81 million as of March 31, 2020. There were no loans as of March 31, 2019. The increase in loans as of December 31, 2021 as compared to March 31, 2021 was primarily on account of increase in our loan portfolios in our personal loans business, housing loans business and microfinance loans business. The increase in loans as of March 31, 2021 as compared to March 31, 2020 was primarily on account of increase in our loan portfolios in our personal loans business and microfinance loan business. The increase in loans as of March 31, 2020 as compared to March 31, 2019 was primarily on account of acquisition of our personal loans business and microfinance loan business.

Liabilities

The following table sets forth the principal components of our liabilities as of December 31, 2021 and March 31, 2021, 2020 and 2019:

	As of December 31,	As of March 31,		
	2021	2021	2020	2019
	(₹ in millions)			
Non-current liabilities				
Borrowings	11,754.09	8,845.26	2,369.41	–
Lease liabilities	616.83	581.70	210.14	24.10
Other financial liabilities	–	10.51	–	–
Insurance contract liabilities	1,936.02	2,600.46	927.20	–
Provisions	194.83	116.23	87.81	–
Other Non-current liabilities	134.82	129.49	110.78	–
Deferred tax liabilities (Net)	–	–	–	0.54
Total non-current liabilities	**14,636.59**	**12,283.65**	**3,705.34**	**24.64**
Current liabilities				
Borrowings	14,770.70	8,066.95	5,679.46	31.59
Lease liabilities	201.59	127.01	72.41	6.72
Trade payables	295.47	222.01	189.30	3.37
Other financial liabilities	2,710.83	1,171.57	385.78	0.90
Insurance contract liabilities	2,125.78	1,483.95	1,274.84	-
Other current liabilities	258.56	233.47	128.90	5.25
Provisions	173.19	99.64	50.35	-
Current tax liabilities (net)	79.37	37.44	7.15	3.43
Total current liabilities	**20,615.49**	**11,422.04**	**7,788.19**	**51.26**
Total liabilities	**35,252.08**	**23,725.69**	**11,493.53**	**75.90**

Non-current Liabilities

Borrowings

As of December 31, 2021, we had borrowings of ₹11,754.09 million, compared to ₹8,845.26 million as of March 31, 2021 and ₹2,369.41 million as of March 31, 2020. We did not record any borrowings as of March 31, 2019. The increases in borrowings as of December 31, 2021 as compared to March 31, 2021, and March 31, 2021 as compared to March 31, 2020, were primarily due to the growth in our personal loan and microfinance loan businesses. The increase in borrowings as of March 31, 2020 as compared to March 31, 2019, was primarily on account of the acquisitions of our personal loans business and microfinance loan business.

Insurance Contract Liabilities

As of December 31, 2021, we had insurance contract liabilities of ₹1,936.02 million, compared to ₹2,600.46 million as of March 31, 2021 and ₹927.20 million as of March 31, 2020. We did not record any insurance contract liabilities as of March 31, 2019 as we acquired our insurance business in February 2020. The decreases in insurance contract liabilities as of December 31, 2021 as compared to March 31, 2021 were primarily due to change in classification from non-current to current liabilities. The increases in insurance contract liabilities as on March 31, 2021 as compared to March 31, 2020 were primarily on account of the change in method of UEPR accounting from 50% of net written premium in the preceding 12 months to the 1/365 method.

Current Liabilities

Borrowings

As of December 31, 2021, we had borrowings of ₹14,770.70 million, compared to ₹8,066.95 million as of March 31, 2021, ₹5,679.46 million as of March 31, 2020 and ₹31.59 million as of March 31, 2019. The increases in borrowings as of December 31, 2021 as compared to March 31, 2021, and March 31, 2021 as compared to March 31, 2020, were primarily due to the growth in our personal loan and microfinance loan businesses. The increase in borrowings as of March 31, 2020 as compared to March 31, 2019, was primarily on account of the acquisitions of our personal loans business and microfinance loans business.

Other Financial Liabilities

As of December 31, 2021, we had other financial liabilities of ₹2,710.83 million, compared to ₹1,171.57 million as of March 31, 2021, ₹385.78 million as of March 31, 2020 and ₹0.90 million as of March 31, 2019. The increases in other financial liabilities as of December 31, 2021 as compared to March 31, 2021, and March 31, 2021 as compared to March 31, 2020, were primarily due to unsettled investment contract payables, and payables towards investments settlement. The increase in borrowings as of March 31, 2020 as compared to March 31, 2019, was primarily on account of the interest accrued and due on borrowings and payables towards assignment transactions.

Insurance Contract Liabilities

As of December 31, 2021, we had insurance contract liabilities of ₹2,125.78 million, compared to ₹1,483.95 million as of March 31, 2021 and ₹1,274.84 million as of March 31, 2020. We did not record any insurance contract liabilities as of March 31, 2019 as we acquired our insurance business in February 2020. The increase in insurance contract liabilities as of December 31, 2021 as compared to March 31, 2021 were primarily due to change in classification from current to non-current liabilities. The increase in insurance contract liabilities as of March 31, 2021 as compared to March 31, 2020, was due to change in method of UEPR accounting from 50% of net written premium in the preceding 12 months to the 1/365 method.

Shareholders' Funds

As of December 31, 2021, our total equity was ₹37,315.45 million, representing 51.42% of our total assets. As of March 31, 2021, our total equity was ₹39,336.97 million, representing 62.38% of our total assets. As of March 31, 2020, our total equity was ₹39,516.23 million, representing 77.47% of our total assets. As of March 31, 2019, our total equity was ₹530.69 million, representing 87.49% of our total assets. The decrease in total equity between December 31, 2021 and March 31, 2021, was primarily due to loss for the nine months ended December 31, 2021. The decrease in total equity between March 31, 2021 and March 31, 2020 was primarily due to adjustments to retained earnings on account of change in UEPR reserving methodology, partially offset by an increase in share capital contributed by shareholders. The increase in total equity between March 31, 2020 and March 31, 2019, was primarily due to an increase in share capital contributed by our shareholders, an increase in securities premium on allotment of shares and an increase in our retained earnings.

Liquidity and Capital Resources

Our primary source of liquidity is cash generated from operations and long-term and short-term borrowings. As of December 31, 2021, we had cash and cash equivalents of ₹3,347.75 million, other bank balances of ₹1,649.37 million, current borrowings of ₹14,770.70 million and non-current borrowings of ₹11,754.09 million.

Our financing requirements are primarily for our lending business (personal, housing and other loans) and microfinance loans, working capital and other investments in our business. We expect that cash generated from operations and borrowings will continue to be our principal source of cash in the long-term. We evaluate our funding requirements periodically in light of our cash flows, the requirements of our business and operations, acquisition opportunities and market conditions.

Cash Flows

The following table summarizes our cash flows data for the years indicated:

	For the Nine Months Ended December 31,	For the Financial Year Ended March 31,		
	2021	2021	2020	2019
	(₹ in millions)			
Net cash (used in) operating activities	(23,555.94)	(8,940.46)	(2,724.49)	(15.94)
Net cash generated from/(used in) investing activities	15,275.35	2,257.63	(14,297.34)	(523.73)
Net cash generated from financing activities	9,555.30	8,023.17	17,337.87	539.68
Net increase/(decrease) in cash and cash equivalents........	**1,274.71**	**1,340.34**	**316.04**	**0.01**
Cash and cash equivalents at the beginning of the period/year........	2,073.04	316.05	0.01	–
Cash and cash equivalents acquired upon	–	416.65	–	–

	For the Nine Months Ended December 31,	For the Financial Year Ended March 31,		
	2021	2021	2020	2019
	(₹ in millions)			
acquisitions..				
Cash and cash equivalents at the end of the period/year..	3,347.75	2,073.04	316.05	0.01

Net cash used in operating activities

Net cash used in operating activities was ₹(23,555.94) million in the nine months ended December 31, 2021. We had profit before tax of ₹(2,470.49) million in the nine months ended December 31, 2021, which was primarily adjusted for impairment expense of ₹1,042.74 million, loss on sale of investments of ₹1,684.20 million, interest income on debt securities, deposits of ₹907.52 million and finance costs of ₹1,370.84 million. After further adjustments for working capital, which primarily comprised an increase in loans of ₹18,464.34 million, an increase in other assets of ₹862.89 million, an increase in other financial assets of ₹2,138.25 million, an increase in other liabilities of ₹94.48 million and income tax paid of ₹258.78 million, cash used in operating activities in the nine months ended December 31, 2021 was ₹(23,555.94) million.

Net cash used in operating activities was ₹8,940.46 million in the Financial Year 2021. We had restated profit before tax of ₹1,062.61 million for the Financial Year 2021, which was primarily adjusted for impairment expense of ₹1,872.44 million, loss on sale of investments of ₹1,725.08 million, interest income on debt securities, deposits of ₹1,386.64 million and finance costs of ₹881.81 million. After further adjustments for working capital, which primarily comprised an increase in loans of ₹9,042.31 million, an increase in other assets of ₹3,643.52 million, a decrease in other financial assets of ₹2,055.85 million, an increase in other liabilities of ₹1,053.80 million and income tax paid of ₹716.88 million, cash used in operating activities in the Financial Year 2021 was ₹8,940.46 million.

Net cash used in operating activities was ₹2,724.49 million in the Financial Year 2020. We had restated profit before tax of ₹29.27 million for the Financial Year 2020, which was primarily adjusted for finance costs of ₹369.99 million, impairment expense of ₹238.20 million, interest income on debt securities and deposit of ₹218.20 million and gain on sale of investments of ₹148.75 million. After further adjustments for working capital, which primarily comprised an increase in loans of ₹3,331.70 million and income tax paid of ₹178.10 million, cash used in operating activities in the Financial Year 2020 was ₹2,724.49 million.

Net cash used in operating activities was ₹15.94 million in the Financial Year 2019. We had profit before tax of ₹43.12 million for the Financial Year 2019, which was primarily adjusted for loss on sale of investments of ₹40.05 million. After further adjustments for working capital, which primarily comprised an increase in loans of ₹6.71 million, an increase in other assets of ₹5.67 million and a decrease in other liabilities of ₹5.32 million, cash used in operating activities in the Financial Year 2019 was ₹15.94 million.

Net cash generated from/used in investing activities

Net cash generated from investing activities was ₹15,275.35 million in the nine months ended December 31, 2021. This was primarily due to deposits made with banks during the period of ₹1,389.80 million, sale and purchase of investments of ₹12,432.81 million, interest income received on investments of ₹966.89 million, gains realized on sale of investments of ₹850.20 million, partially offset by property, plant and equipment purchased during the year of ₹323.21 million and intangible assets purchased during the year of ₹11.73 million.

Net cash generated from investing activities was ₹2,257.63 million in the Financial Year 2021. This was primarily due to sale and purchase of investments of ₹4,302.63 million and interest income received on investments of ₹1,243.82 million, partially offset by deposits with banks made during the year of ₹2,685.20 million.

Net cash used in investing activities was ₹14,297.34 million in the Financial Year 2020. This was primarily due to purchase of investments (net) of ₹10,859.61 million and purchase consideration paid (net of cash and cash equivalent on date of acquisition) of ₹(3,497.65) million in connection with the acquisition of NFPL, NGIL and Mavenhive Technologies Private Limited.

Net cash used in investing activities was ₹523.73 million in the Financial Year 2019. This was primarily due to purchase of investments (net) of ₹554.56 million.

Net cash generated from financing activities

Net cash generated from financing activities was ₹9,555.30 million in the nine months ended December 31, 2021. This was primarily due to borrowings from banks and financial institutions availed during the period of ₹64,826.98 million, offset by repayments made to banks and financial institutions during the period of ₹67,828.78 million, debentures availed during the period of ₹14,549.72 million, partially offset by redemption of debentures during the period of ₹557.51 million and interest paid on borrowings of ₹1,326.91 million.

Net cash generated from financing activities was ₹8,023.17 million in the Financial Year 2021. This was primarily due to borrowings from banks and financial institutions availed during the year of ₹32,950.19 million and debentures issued during the year of ₹5,229.00 million, partially offset by repayments made to banks and financial institutions during the year of ₹28,430.04 million.

Net cash flow from financing activities was ₹17,337.87 million in the Financial Year 2020. This was primarily due to proceeds from issue of share capital of ₹14,238.13 million and borrowings from banks and financial institutions availed during the year of ₹5,633.34 million, partially offset by repayments made to banks and financial institutions during the year of ₹2,197.58 million.

Net cash flow from financing activities was ₹539.68 million in the Financial Year 2019. This was primarily due to unsecured loans from directors availed during the year of ₹9,000.00 million and proceeds from issuance of share capital of ₹510.00 million, offset by repayment of unsecured loan from directors during the year of ₹9,000.00 million.

Capital Expenditure

Our capital expenditures primarily relate to property, plant, equipment and intangible assets and amounted to ₹334.94 million, ₹138.53 million, ₹234.90 million and ₹9.38 million for the nine months ended December 31, 2021 and the Financial Years 2021, 2020 and 2019, respectively. As of December 31, 2021, we had no contracts remaining to be executed on account of capital expenditures.

Indebtedness

As of December 31, 2021, our outstanding borrowings on a consolidated basis aggregated to ₹26,682.23 million, which primarily consisted of term loans from banks and financial institutions, working capital loans and debentures. For further details related to our indebtedness, see "*Financial Indebtedness*" beginning on page 465.

Contractual Obligations

As of December 31, 2021, we had no contractual obligations.

Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities as per Ind AS 37, as of December 31, 2021:

Contingent liabilities	**As of December 31, 2021**
	(₹ in millions)
Demands	
Income tax demands where we have filed appeal	69.60
GST demands where we have filed submission to Assistant Commissioner (State Tax-Karnataka	3.06

We do not have any capital commitments (unexecuted contracts) as per Ind AS 37 as of December 31, 2021.

Off-Balance Sheet Commitments and Arrangements

Our portfolio assigned (excluding retained portion which is on book) was ₹2,293.39 million, as of December 31, 2021.

Other than the above, we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Capital to Risk-Weighted Assets Ratios

Our capital to risk-weighted assets ratios for our lending business (personal, housing and other loans business) and microfinance business are set out below:

	As of December 31,	As of March 31,	As of March 31,
Personal, housing and other loans	**2021**	**2021**	**2020**
CRAR	32.14%	38.04%	20.80%
Tier I	30.77%	36.56%	20.57%
Tier II	1.37%	1.48%	0.23%

	As of December 31,	As of March 31,	As of March 31,
Microfinance business	**2021**	**2021**	**2020**
CRAR	20.04%	26.39%	38.21%
Tier I	18.46%	24.46%	22.99%
Tier II	1.58%	1.92%	15.22%

Related-Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 417.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. The market risks we face are principally related to credit risk, liquidity risk, interest rate risk and foreign currency risk. The table below explains the sources of risk to which we are exposed to and how we manage the risk and the related impact in our Restated Financial Statements.

Risk	Exposure	Management
Credit risk	Cash and cash equivalents (other than cash), loans, financial assets measured at amortized cost	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings and other financial instruments	Availability of committed credit lines and borrowing facilities
Market risk - Interest rate	Variable rate borrowings	Negotiation of terms that reflect the market factors

Our risk management is carried out by a central treasury department under policies approved by our Board of Directors. Our Board of Directors has provided written principles for overall risk management, as well as policies covering specific areas, such as credit risk, liquidity risk, interest rate risk and other market risks.

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to us. Our exposure to credit risk is influenced mainly by cash and cash equivalents, loan assists, and other financial assets measured at amortized cost. We continuously monitor defaults of customers and other counterparties and incorporate this information into our credit risk controls. We assess and manage credit risk based on our internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. We assign the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

- low credit risk on financial reporting date;
- moderate credit risk; and
- high credit risk.

Based on business environment in which we operate, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against us. We continue to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss. We do not have any significant or material history of credit losses.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due. Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows. We take into account the liquidity of the market in which we operate.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

Foreign Currency Risk

We are exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not our functional currency (i.e., the Indian Rupee). We do not have any significant or material foreign currency transactions.

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 declines due to rise in interest rates and vice versa. A rising interest rate scenario also affects our interest expenditure on borrowed funds. We monitor 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, our borrowings carry a fixed rate of interest and we are in a position to pass on the risk in interest rates to our borrowers. Our investments in debt instruments and pass through certificates are all fixed interest bearing instruments.

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 mutual funds. Our exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, we diversify our portfolio of assets.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "— *Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*", beginning on pages 420 and 32, respectively. Except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described above and in "*Risk Factors*" and "*Our Business*" beginning on pages 32 and 191, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Except as disclosed in this Draft Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Supplier or Customer Concentration

We do not have any material dependence on a single or few suppliers. We have a wide customer base and do not have any material dependence on any particular customer.

Competitive Conditions

For information on our competitive conditions and our competitors, see "*Risk Factors*" and "*Our Business*" beginning on pages 32 and 191, respectively.

Seasonality

Our business is seasonal in nature. For further details, see "*Risk Factors – Internal Risks – Our business is subject to seasonal variations that could result in fluctuations in our results of operations.*" on page 72.

Significant Developments occurring after December 31, 2021

Except as disclosed in this Draft Red Herring Prospectus, there are no circumstances that have arisen since December 31, 2021, the date of the last financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at December 31, 2021, derived from our Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Financial Statements*" and "*Risk Factors*" on pages 418, 274, and 32, respectively.

(₹ in million)

Particulars	Pre-Issue (as at December 31, 2021)	Post Issue[#]
Debt		
Current borrowings (A)	-	**[●]**
Non-current borrowings (including current maturity) (B)	26,524.79	**[●]**
Total borrowings (C=A+B)	**26,524.79**	**[●]**
Equity		
Equity share capital (D)	28,813.90	**[●]**
Other equity (E)	8,501.55	**[●]**
Total Equity (F = D+E)	**37,315.45**	**[●]**
Total Capitalisation (G = C+F)	**63,840.24**	**[●]**
Total non-current borrowings (including current maturities) /Total equity (B/F)	**0.71**	**[●]**
Total borrowings/Total equity (C/F)	**0.71**	**[●]**

Note: *The amounts disclosed above are based on the Restated Financial Statements for the nine month period ended December 31, 2021. The above statement should be read with the Annexure V to the Restated Financial Information - Summary of significant accounting policies and other explanatory information.*

[#] *The corresponding post Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail certain credit facilities in the ordinary course of business for the purposes of onward lending, meeting working capital requirements and for general corporate purposes.

As of December 31, 2021, our outstanding borrowings on a consolidated basis aggregated to ₹26,682.23 million.

Our Board is authorised to borrow such sums of money as may be required for the purpose of the business of the Company as prescribed under Applicable Laws. For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing Powers of Board*" on page 258.

The following table sets forth the details of the aggregate consolidated outstanding borrowings of our Company and our Subsidiaries as on December 31, 2021:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as on December 31, 2021*
Borrowings of our Company		
Overdraft against fixed deposit	111.00	-
Total (A)	**111.00**	-
Borrowings of our Subsidiaries		
Secured (B)		
Term loan	21,066.70	14,895.34
Term loan – Credit Guarantee Scheme	800.00	738.50
Working Capital Loan	760.00	150.00
Non-Convertible Debentures	9,229.00	8,848.39
Commercial Paper	1,500.00	1,500.00
Overdraft against fixed deposit	718.18	-
Cash Credit	80.00	-
Total (B)	**34,153.88**	**26,132.23**
Unsecured (C)		
Non-Convertible Debentures	250.00	250.00
Term Loan	200.00	200.00
Subordinated Debt	100.00	100.00
Working Capital Loan	1.20	-
Total (C)	551.20	550.00
Total (B+C)	34,705.08	26,682.23
Total (A+B+C)	**34,816.08**	**26,682.23**

* *As certified by Manian and Rao, Independent Chartered Accountant, pursuant to their certificate dated March 10, 2022.*

Note:

1. *Post December 31, 2021 till the date of this DRHP, our Company has been sanctioned with a credit facility of ₹480.00 million.*
2. *Post December 31, 2021 till the date of this DRHP, NFPL, has been sanctioned with term loans of ₹1,100.00 million, has issued non-convertible debentures of ₹4,250.00 million and has issued commercial paper of ₹250.00 million.*
3. *Post December 31, 2021 till the date of this DRHP, CIFCPL, has been sanctioned with term loans of ₹2,650.00 million.*

Principal terms of the subsisting borrowings availed by our Company and our Subsidiaries:

1. ***Interest:*** The interest rates of the external borrowings availed by our Company and certain of our Subsidiaries range between 4.50% and 17.00% per annum.

2. ***Tenor:*** The tenor of the term loans availed by our Company and certain of our Subsidiaries typically ranges from 20 days to 78 months.

3. ***Security:*** In terms of the borrowings by certain of our Subsidiaries where security needs to be created, security is created by, exclusive charge over book debts, lien marked fixed deposits etc.

4. ***Pre-payment:*** Certain loans availed by our Company and certain of our Subsidiaries have pre-payment provisions which allow for pre-payment of the outstanding loan by serving notice to the lender and subject to payment of such pre-payment penalties as may be prescribed. The lenders may charge a penal interest of up to 2.50 % over and above the interest rate for all over dues and delays of any monies payable (both principal and interest).

5. ***Re-payment:*** The repayment period for the facilities availed by our Company and certain of our Subsidiaries typically ranges from 20 days to 78 months.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company and certain of our Subsidiaries contain standard events of default, including among others:

   a. Failure or inability to pay amount on due dates;

   b. Change in control of our Company;

   c. Cessation or change in business;

   d. Incorrect or misleading information;

   e. Violation of any term of the relevant agreement or any other borrowing agreement;

   f. Seizure, nationalization or expropriation by any government authority of substantial assets of our Company, or which prevents our Company in any way from carrying out a material portion of our business;

   g. Bankruptcy or insolvency of our Company;

   h. Any person seizing to hold or retain such portion of shareholding or interest in our Company, as may be prescribed under the borrowing documentation; and

   i. Any other event or circumstance which could have a material adverse effect on the lender.

   This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.

7. ***Consequences of occurrence of events of default:*** In terms of our facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

   a. Terminate either whole or part of the facility;

   b. Declare any or all amounts under the facility, either whole or in part, as immediately due and payable to the lender;

   c. Suspend further access/ withdrawals by our Company to the use, either in whole or in part, of the facility;

   d. Exercise their right to appoint a receiver to recover the receivables for the loan;

   e. Accelerate repayments/recall of the loan; and

   f. Redeem all or any part of the facility.

8. ***Restrictive Covenants:*** The loans availed by our Company and certain of our Subsidiaries contain certain restrictive covenants, including:

   a. Change in capital structure of our Company without the prior approval of the lender;

   b. Change in management control of our Company without the prior approval of the lender;

   c. Change in the constitutional documents of our Company without the prior approval of the lender;

   d. Undertaking or permitting any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction including creation of any subsidiary or permitting any company to become a subsidiary of our Company without the prior approval of the lender;

e. Declaration or payment of dividends, or authorising or making any distribution to the Shareholders pending repayment of the outstanding dues to lenders without the prior approval of the lender; and

f. Making any equity investments in the primary or secondary markets.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.

For the purpose of the Issue, our Company has obtained the necessary consent from our lender, as required under the relevant borrowing arrangements for undertaking activities relating to the Issue.

Non-convertible debentures issued by our Subsidiaries

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Subsidiaries that are listed on the stock exchange as on December 31, 2021:

ISIN	Scrip Code	Status (Listed/ Unlisted)	Number of Debenture Holders	Name of Debenture Trustee	Outstanding amount as on December 31, 2021 (in ₹ million)	Maturity Date
CIFCPL						
INE140R08015	-	Unlisted	1	Catalyst Trusteeship Limited	50.00	May 15, 2022
INE140R08023	-	Unlisted	1	GDA Trusteeship Limited	50.00	May 15, 2022
INE140R07173	-	Unlisted	1	Catalyst Trusteeship Limited	485.00	March 30, 2025
INE140R08031	955517	Listed	1	IDBI Trusteeship Services Limited	150.00	December 30, 2022
INE140R07058	956691	Listed	1	Catalyst Trusteeship Limited	250.00	June 29, 2022
INE140R07090	959568	Listed	1	Catalyst Trusteeship Limited	150.00	May 08, 2023
INE140R07108	959716	Listed	1	Catalyst Trusteeship Limited	500.00	April 21, 2023
INE140R07124	960062	Listed	69	Catalyst Trusteeship Limited	69.00	March 30, 2022
INE140R07132	960208	Listed	2	Catalyst Trusteeship Limited	500.00	April 30, 2022
INE140R07140	960314	Listed	73	Catalyst Trusteeship Limited	115.39	June 15, 2022
INE140R07157	960444	Listed	2	IDBI Trusteeship Services Limited	155.00	April 29, 2022
INE140R07165	960445	Listed	2	IDBI Trusteeship Services Limited	155.00	July 29, 2022
NFPL						
INE342T07015	960274	Listed	18	Catalyst Trusteeship Limited	750.00	May 26, 2022
INE342T07023	960344	Listed	45	Catalyst Trusteeship Limited	469.00	June 16, 2022
INE342T07031	973064	Listed	147	Catalyst Trusteeship Limited	1,500.00	June 17, 2022
INE342T07064	973477	Listed	23	Catalyst Trusteeship Limited	650.00	March 21, 2023
INE342T07098	973598	Listed	88	Catalyst Trusteeship Limited	2,000.00	May 24, 2023

ISIN	Scrip Code	Status (Listed/ Unlisted)	Number of Debenture Holders	Name of Debenture Trustee	Outstanding amount as on December 31, 2021 (in ₹ million)	Maturity Date
INE342T07056	973403	Listed	1	Catalyst Trusteeship Limited	300.00	August 25, 2023
INE342T07080	973526	Listed	106	Catalyst Trusteeship Limited	800.00	September 30, 2023

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes (in a consolidated manner); and (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated March 6, 2022 in each case involving our Company, its Subsidiaries, its Promoter and Directors (collectively, the "**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoter in the last five financial years, including any outstanding action.*

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to the Board resolution dated March 6, 2022:

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years including any outstanding action and tax matters (direct or indirect), would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1 % of profit after tax of our Company for the last completed Financial Year as per the Restated Financial Statements i.e. ₹7.12 million, being 1% of the profit after tax of our Company for the Financial Year ended March 31, 2021; or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of our Company.

Further, as of the date of this Draft Red Herring Prospectus, our Company has not identified any group companies.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum. We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Except as stated in this section, there are no material outstanding dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated March 6, 2022 considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5 % of the trade payables (excluding provisions) of our Company as of December 31, 2021 shall be considered as 'material'. Accordingly, as on December 31, 2021, any outstanding dues exceeding ₹ 14.77 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

Litigation involving our Company

Nil

Litigation involving our Promoter

Litigation against our Promoter

Material Civil Litigation

Priya Bansal has filed a petition under Section 7 of the Guardians and Wards Act, 1890 in the Court of the Hon'ble Principal Judge, Family Court, Bangalore against our Promoter on March 16, 2020 to grant a decree declaring Priya Bansal as the sole legal guardian of their minor son, pass an order directing sole custody of their minor son, pass an order directing Respondent to pay the school fees and educational expenses of their minor son, pass an order directing our Promoter to pay an amount of ₹0.20 million towards monthly maintenance of minor son, pass an order directing the Respondent to pay an amount of ₹1.50 million towards the household expenses and monthly maintenance ("**Petition**"). Subsequently, our Promoter has, *inter alia*, filed objections against the claim of sole custody and sole guardianship of the child as sought in the Petition along with counter claim under Section 7 and 10 of Family Courts Act, 1984 read with Order 8, Rule 6A of Code of Civil Procedure, 1908 read with Section 17 read with Section 25 of the Guardian and Wards Act, 1890 on March 19, 2020. The matter is currently pending.

Criminal Litigation

Priya Bansal filed a complaint for certain alleged offences punishable under Section 498A read with 34 of Indian Penal Code, 1860 and Section 3 and 4 of the Dowry Prohibition Act, 1961, against Sachin Bansal, his parents and his brother and sister-in-law before the Koramangala Police Station, Bengaluru on February 27, 2020 ("**Complaint**"). Consequently, the Koramangala Police Station, Bengaluru has registered a first information report basis the Complaint on February 28, 2020 ("**FIR**"). Sachin Bansal has filed a criminal petition before the High Court of Karnataka under Section 482 of the Code Of Criminal Procedure, 1973, praying to quash the Complaint and FIR, including the investigation by the police, before the XXXI Additional Chief Metropolitan Magistrate, Bengaluru in respect of the Complaint and FIR. The High Court of Karnataka, by way of an order dated August 13, 2021 ("**Order**") has allowed the petition filed by Sachin Bansal and quashed the Complaint and FIR. Subsequently, Priya Bansal has filed a special leave petition before the Supreme Court of India challenging the Order. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities

The Special Director (SR), Southern Regional Office, Directorate of Enforcement, Chennai ("**ED**") has issued a show cause notice ("**Notice**") dated July 1, 2021 under Section 16(3) read with Section 42 of the FEMA to our Promoter, our Promoter and nine other noticees in respect of foreign investments made in the equity shares and compulsorily convertible preference shares of Flipkart Online Services Private Limited ("**FOL**") and equity shares of Flipkart India Private Limited ("**FIPL**") between the years 2009 and 2014. The Notice alleges that FOL and FIPL undertook whole sale trading in excess of the 25% cap prescribed for wholesale trading with group companies ("**Group Company Condition**") under the Consolidated Foreign Direct Investment Policy of India ("**FDI Policy**") for companies engaged in the cash and carry/ wholesale trading sector. Consequently, the Notice alleges that FOL and FIPL appear to have undertaken multi brand retail trading which was not permitted under the automatic route as per the FDI Policy. The Notice also alleges that the violations by the Flipkart group companies namely FOL, FIPL, and Flipkart Private Limited, Singapore ("**FPLS**"), involve amounts of approximately: (A) ₹64,962 million being the investment received by FOL and FIPL from foreign investors, (B) ₹63,538 million being the investment made by FPLS in FIPL, and (C) ₹106,019 million being the turnover from sales made by FOL and FIPL with one WS Retail Services Private Limited, which has been alleged to be a group company of FOL and FIPL. No direct default has been attributed to our Promoter in his personal capacity, and the allegations against our Promoter are predicated on vicarious liability as an officer in charge of some of the noticees. Further, based on the Notice, the financial exposure of our Promoter in the matter is not determinable at this stage. As of the date of this Draft Red Herring Prospectus, other than our Promoter, none of the other noticees are either related to or associated with our Company or our Subsidiaries. Further, our Promoter divested 100% of his stake in the Flipkart group companies in 2018 and ceased to have any association with the business of the Flipkart group, including in any executive or non-executive capacity. Further, in relation to FOL, please see details in "*Our Promoter and Promoter Group*" on page 270.

While, the Notice has been issued following an investigation completed in the period 2013 to 2015, it sets forth no basis or reasons for the delay in initiation of proceedings. Our Promoter has filed writ petitions bearing WP No. 18630 of 2021 and WP No. 18682 of 2021 ("**Writ Petitions**") before the Hon'ble Madras High Court on August 27, 2021 challenging and seeking a quashing of the Notice and the complaint filed by the ED which formed the basis of the Notice on grounds of violation of his fundamental rights guaranteed under the Constitution of India. The Writ Petitions are currently pending before the Hon'ble Madras High Court, and no steps have been taken by the ED in respect of the adjudication proceedings pursuant to the Notice.

Litigation by our Promoter

Material Civil Litigation

a. Our Promoter has filed a petition for divorce under Section (13)(i) and (ia) of the Hindu Marriage Act, 1955 against Priya Bansal and another ("**Respondents**") on January 30, 2020 in the Court of the 4th Additional Family Judge at Bangalore to dissolve his marriage to Priya Bansal, grant permanent custody of his minor son, grant permanent injunction restraining Priya Bansal from removing his minor son out of Bengaluru, Karnataka, India and grant permanent injunction restraining respondents from publishing anything in relation to this dispute. The matter is currently pending.

b. Our Promoter has filed a plaint in the Court of the 4th Additional Family Judge at Bangalore against Priya Bansal on January 30, 2020 praying for a judgment, *inter alia*: (i) declaring that our Promoter is the absolute owner of certain residential properties located in Bengaluru, Karnataka ("**Suit Properties**"), (ii) to direct Priya Bansal to hand over vacant possession of the Suit Properties; (iii) to direct Priya Bansal to execute necessary transfer deeds transferring the Suit Properties in favour of our Promoter; (iv) to direct Priya Bansal to hand over the original title deeds of the Suit Properties to our Promoter, (v) to grant permanent injunction restraining Priya Bansal from alienating or encumbering the Suit Properties; and (vi) grant permanent injunction restraining respondents from publishing anything in relation to the dispute. The matter is currently pending.

Other Non-Material Litigation

In addition to the cases disclosed above, there are certain cases where our Promoter was made party due to his association with Flipkart, which he exited completely in 2018, details of which are disclosed below based on information from publicly available database. Our Promoter has not received any notice or summons nor has any access currently to any information pertaining to these matters:

1. A writ petition bearing number WP 9332/2019 has been filed by Amar Kumar Chaudhary ("**Petitioner**") before the High Court of Karnataka against inter alia, our Promoter due to his past association with Flipkart. The matter is currently pending.

2. A petition bearing number P.C.R/2/2021 has been filed by A. N Vadiraja Rao ("**Petitioner**") before the District Court, Shimoga, against inter alia, our Promoter due to his past association with Flipkart. The matter is currently pending.

3. A petition bearing number RCT/400896/2016 has been filed by Hemant Kumar Narwariya ("**Petitioner**") before the Civil Court, Bina, against inter alia, our Promoter due to his past association with Flipkart. The matter is currently pending.

4. Furthermore, a miscellaneous criminal case number (MCRC) 4586/2017 was filed by Flipkart Internet Private Limited against Hemant Kumar Narwariya in the High Court of Madhya Pradesh at Jabalpur where our Promoter was impleaded as a petitioner due to his past association with Flipkart. The matter is currently pending.

5. A petition bearing number COMIP/212/2015 has been filed by Siddhi Vinayak Knots and Prints Pvt Ltd and another ("**Petitioners**") before the High Court of Bombay, against inter alia, our Promoter due to his past association with Flipkart. The matter is currently pending.

6. A petition bearing number COMI/30/2019 has been filed by Baba Hardeep Singh Mehraj ("**Petitioner**") before the District and Sessions Court, Bathinda, against inter alia, our Promoter due to his past association with Flipkart. The matter is currently pending.

7. To the extent of the information available, case number CC/17/460 was filed by Samkit R. Shah against our Promoter due to his past association with Flipkart in a Pune district forum on August 29, 2017. The matter is currently pending.

Litigation involving our Directors

For outstanding litigation involving our Promoter, see "*Outstanding Litigation and Material Developments – Litigation involving our Promoter*" on page 469.

Litigation against our Directors

Actions Taken by Regulatory and Statutory Authorities

Our Director, Usha A Narayanan, had signed the financial statements of a client for the Financial Year ended March 2012 ("**Audit**"), in her capacity as the partner of an audit firm. Subsequently, a peer review for this Audit was conducted and a preliminary report was submitted by the peer reviewer to the Peer Review board of ICAI on October 21, 2013. The peer reviewer submitted his final report on November 19, 2013 which was an unqualified and clean report. However, the ICAI initiated disciplinary action based on the preliminary report of the peer reviewer, and ignored the final report. The ICAI council initiated disciplinary action under Chartered Accountants Act, 1949 against Usha A Narayanan and another partner ("**Disciplinary Action**") in 2019. On not receiving sufficient responses from ICAI in relation to maintainability as to why the final report of the Peer Reviewer was ignored, and jurisdiction of the Disciplinary Action, a suit challenging the maintainability and jurisdiction of the Disciplinary Action was instituted by Usha A Narayanan and a stay order was issued by the Honourable High Court of Delhi on March 4, 2021. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Civil Litigation

a. Our Subsidiary, NGIL, is involved in 564 proceedings before various judicial forums in relation to motor third-party insurance claims. The total monetary value involved in these matters is ₹418.93 million*.
   **To the extent quantifiable*

b. Our Subsidiary, NGIL, is involved in 29 proceedings before various judicial forums in relation to insurance claims for, *inter alia*, health insurance claims and group personal accident insurance claims. The total monetary value involved in these matters is ₹25.87 million*.
   **To the extent quantifiable*

In addition to the above, our Subsidiary, NGIL is also involved in the following matters in respect of which no summons, notices or correspondences have been received by NGIL:

c. Our Subsidiary, NGIL, is involved in seven proceedings in the relevant jurisdictional high courts where it has been named as a party in relation to writ petitions initiated against, *inter alia*, the IRDAI and certain general insurance companies India.

In addition to the above, our Subsidiary, NFPL is also involved in the following matter in respect of which no summons, notices or correspondences have been received by NFPL:

d. Our Subsidiairy, NFPL, is involved in a legal proceeding with N Balamurugan in the City Civil Court Complex, Chennai.

Actions Taken by Regulatory and Statutory Authorities

Our Subsidiary, NGIL received notice dated December 6, 2021 from the IRDAI under Section 105C of the Insurance Act, 1938 ("**Act**") read with Rule 4 of the Insurance (Procedure for Holding Inquiry by Adjudicating Officer) Rules, 2016. The notice was issued for alleged violation of Section 32 D of the Act on account of not meeting the minimum obligatory requirement in respect of its third-party motor insurance business. Pursuant to a letter dated December 20, 2021 NGIL submitted that on account of various factors, including transition in NGIL's structure and impact of COVID-19 pandemic, NGIL was not able to achieve the obligation, which was also intimated to IRDA by way of letters dated November 23, 2020 and May 4, 2021. NGIL was thereafter granted a personal hearing before the IRDA on January 5, 2022. The matter is currently pending.

Compounding applications filed by our Subsidiaries

Our Subsidiary, CIFCPL has filed a *suo moto* application dated December 3, 2021 under Section 454 of the Companies Act for contravention of Section 161 of the Companies Act. CIFCPL had appointed our Promoter as the managing director and chief executive officer of CIFCPL by way of its board resolution dated February 27, 2020 for a period of five years from March 6, 2020. However, the board of directors CIFCPL had not appointed him as an additional director before appointing him as managing director, as required under Section 161 of the Companies Act. Consequently, the approval for our Promoter's appointment by CIFCPL's shareholders at the first general meeting held on August 18, 2020 was not obtained. Thereafter, at its board meeting held on October 19, 2021, CIFCPL took on record the cessation of the office of our Promoter with effect from August 18, 2020 and subsequently filed e-form DIR 12 on November 8, 2021. The matter is currently pending.

Litigation by our Subsidiaries

Material Civil Litigation

Our Subsidiary, CIFCPL, has filed a case against Pradip Anantrao Sardesai, Kiran Ashok Wadar, Yuvraj Prakash Patil and Ajit Maruti Chavan ("**Defendants**") before Civil Judge Senior Division, Malkapur – Shahuwadi, Maharashtra. The Defendants were working at Bambawade, Tal Shahuwadi, Kolhapur branch of CIFCPL. The Defendants approved the loans in the name of 556 women borrowers and embezzled money from CIFCPL. The Defendants defrauded CIFCPL of ₹17.66 million, out of which, the Defendants have deposited the amount of ₹7.23 million with CIFCPL. Subsequently, the Plaintiff filed a suit and prayed to direct the Defendants to pay a sum of ₹10.62 million. The matter is currently pending.

Criminal Litigation

1. Our Subsidiary, NFPL has filed 50 cases before various judicial forums for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to NFPL for which cheques issued in favour of NFPL by the concerned debtors have been dishonoured. The total monetary value involved in these matters is ₹1.65 million*.
   **To the extent quantifiable*

2. Our Subsidiary, CIFCPL has filed 235 cases before various judicial forums for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to CIFCPL for which cheques issued in favour of CIFCPL by the concerned debtors have been dishonoured. The total monetary value involved in these matters is ₹22.85 million*.
   **To the extent quantifiable*

3. A first information report dated January 24, 2020 has been filed by CIFCPL at Shahuwadi, Kolhapur against Pradip Anandrao Sardesai, Kiran Ashok Wadar, Yuvraj Patil and Ajit Maruti Chavan ("**Accused**"), in relation to misappropriation of loan disbursal amounts by the Accused under sections 409, 420, 468 and 471 of the Indian Penal Code, 1860. The matter is currently pending.

Tax Proceedings

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoter.

Nature of case	Number of cases	Amount involved (in ₹ million)*
Proceedings involving the Company		
Direct Tax	1	1.6
Indirect Tax	-	-
Proceedings involving the Subsidiaries		
Direct Tax	16	69.70
Indirect Tax	4	5.85
Proceedings involving the Directors		
Direct Tax	3	3.71
Indirect Tax	-	-
Proceedings involving the Promoter		
Direct Tax	1	-
Indirect Tax	-	-

** To the extent quantifiable*

Outstanding dues to Creditors

As of December 31, 2021, our Company has 746 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹ 295.47 million. Further, our Company owes an amount of ₹1.39 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

In accordance with the policy of materiality for identification of material outstanding dues to creditors considered and adopted by our Board pursuant to the Board resolution dated March 6, 2022, a creditor of the Company shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus if the amounts due to such creditor exceed 5% of the total trade payables of the Company based on Restated Financial Statements as on December 31, 2021, which is ₹14.77 million i.e., creditors of our Company to whom our Company owes an amount exceeding ₹14.77 million have been considered material. As of December 31, 2021, there are four material creditors to whom our Company owes an aggregate amount of ₹129.62 million.

Details of outstanding dues owed to material creditors, MSMEs and other creditors as of December 31, 2021 are set out below:

Types of Creditors	Number of Creditors	Outstanding dues as at December 31, 2021 (in ₹ million)
Micro, Small and Medium Enterprises	15	1.39
Material Creditors	4	129.62
Other Creditors*	727	164.46
Total	746	295.47

**Includes provisions to the tune of ₹73.23 million.*

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at navi.com/corporate-governance.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.navi.com would be doing so at their own risk.

Material Developments

Other than as stated in the section titled "*Management's Discussion and Analysis Of Financial Condition And Results Of Operations*" on page 418, there have not arisen, since the date of the last financial statement disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company and our Material Subsidiaries have received the necessary consents, licenses, permissions, registrations and approvals from the Government of India, various governmental agencies and other statutory and/or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Material Subsidiaries undertake to obtain all material approvals, licenses and permissions, as may be required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to undertake our business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Risk Factors" and "Key Regulations and Policies in India" on pages 32 and 223, respectively.

I. Incorporation details

Our Company

a. Certificate of incorporation dated December 13, 2018 issued to our Company, under the name 'BAC Acquisitions Private Limited' by the Deputy Registrar of Companies, Central Registration Centre.

b. Fresh certificate of incorporation dated October 14, 2019 pursuant to change of name of our Company from 'BAC Acquisitions Private Limited' to 'Navi Technologies Private Limited' issued by the RoC.

c. Fresh certificate of incorporation dated February 15, 2022 issued to our Company, under the name 'Navi Technologies Limited' by the RoC, pursuant to conversion to a public company.

d. The CIN of our Company is U72900KA2018PLC119297.

Chaitanya India Fin Credit Private Limited

a. Certificate of incorporation dated March 31, 2009 issued by the RoC.

Navi Finserv Private Limited

a. Certificate of incorporation dated February 14, 2012 issued by the RoC under the name 'Chaitanya Rural Intermediation Development Services Private Limited'.

b. Fresh certificate of incorporation dated April 22, 2020 pursuant to change of name to 'Navi Finserv Private Limited', issued by the RoC.

Navi General Insurance Limited

a. Certificate of incorporation dated July 5, 2016 issued by the Deputy Registrar of Companies, Central Registration Centre under the name 'DHFL General Insurance Limited'.

b. Fresh certificate of incorporation dated March 11, 2020 pursuant to change of name to 'Navi General Insurance Limited', issued by the Registrar of Companies, Maharashtra at Mumbai.

II. Approvals in relation to the Issue

For details regarding the approvals and authorizations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page 478.

III. Material approvals in relation to our Company and Material Subsidiaries

a. Regulatory approvals for our Material Subsidiaries

Chaitanya India Fin Credit Private Limited

Certificate of registration bearing code no. N-02.00243 dated September 25, 2009 issued by the RBI to commence/ carry on the business of non-banking financial institution without accepting public deposits. Further, it was converted into a non-banking financial institution-microfinance institution on September 5, 2013 by the RBI.

Navi Finserv Private Limited

Certificate of registration bearing code no. N-02.00270 dated May 15, 2020 issued by the RBI to commence/ carry on the business of non-banking financial institution without accepting public deposits.

Navi General Insurance Limited

a. Certificate of registration to undertake General Insurance business in India dated May 22, 2017 issued by IRDAI under the name of 'DHFL General Insurance Limited'.

b. Letter dated February 4, 2020 by IRDAI to approve (i) transfer of shares from Wadhawan Global Capital Limited to our Company and (ii) change of name from 'DHFL General Insurance Limited' to 'Navi General Insurance Limited'.

b. Tax related registrations of our Company and Material Subsidiaries

a. The permanent account number of our Company and Material Subsidiaries are provided below:

S. No.	Company Name	Registration Number
1.	Company	AAICB1598F
2.	NFPL	AAECC7456R
3.	NGIL	AAFCD7985H
4.	CIFCPL	AADCC6184H

b. The tax deduction account number of our Company and its Material Subsidiaries are provided below:

S. No.	Company Name	Registration Number
1.	Company	BLRB17307D
2.	NFPL	BLRC11116A
3.	NGIL	MUMD23754D
4.	CIFCPL	BLRC09194D

c. Our Company and Material Subsidiaries have obtained professional tax registrations, and goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where our business operations are located.

c. Material labour and commercial approvals of our Company and Material Subsidiaries

Our Company and Material Subsidiaries have obtained approvals under various employee and labour related laws including the relevant shops and establishments legislations, the Employees State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Further, our Company has obtained certificate of registration for establishment under the Contract Labour (Regulation and Abolition) Act, 1970. Certain approvals may have lapsed in their normal course and our Company or Material Subsidiary has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications.

IV. Material approvals applied for but not received

As on the date of this Draft Red Herring Prospectus, except as set out below, there are no approvals which our Company or our Material Subsidiaries have applied to obtain for, but which have not been received:

CIFCPL has made an application dated December 11, 2019 with the Reserve Bank of India for a universal banking license under the Reserve Bank of India Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector dated August 1, 2016.

V. Material approvals expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals that have expired or have not been renewed by our Company or our Material Subsidiaries.

VI. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company or our Material Subsidiaries were required to obtain or apply for, but which have not been obtained or been applied for.

VII. Intellectual property

Our Company has 36 registered trademarks under the Trademarks Act, 1999 including registrations for the trademark 'NAVI', which is the trademark for our primary business operations, under classes 9, 36 and 42. Further, our trademark applications for the trademarks 'NAVI' under class 36 and have been has been refused. Additionally, our Company has "Navi" registered under class 36 from European Union Intellectual Property Office, "Navi" under Rule 18(1) of the protocol relating to the Madrid Agreement concerning the International Registration of Marks from the International Bureau of the World Intellectual Property Organization, "Navi" registered under class 36 in accordance with the Trade Marks Act 1994 of Great Britain and Northern Ireland and "Navi" mark registered under Rule 18(1) of the protocol relating to the Madrid Agreement concerning the International Registration of Marks from the Intellectual Property Office of the Philippines. Additionally, one of our Material Subsidiaries, NGIL, has 16 registered trademarks under the Trademarks Act, 1999 which is the trademark for insurance consultancy and services under class 36. For further information, see "*Our Business*" on page 191.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at its meetings held on March 6, 2022 and our Shareholders have approved the Issue pursuant to a resolution passed at the EGM held on March 7, 2022 under Section 62(1)(c) of the Companies Act. Further, our Board has noted the Issue size by way of their resolution dated March 9, 2022. Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoter, Promoter Group, Directors and the persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Company, our Promoter or our Directors have been declared as Fraudulent Borrowers.

Directors associated with the securities market

Except for our Directors (a) Sachin Bansal, who is on the board of NIAPL, which is an investment advisor registered with SEBI, (b) Ankit Agarwal who is on the board of (i) NSPL, which is a stock broker registered with SEBI, (ii) Navi Mutual Fund, which is a mutual fund registered with SEBI and (iii) NIAPL, which is an investment advisor registered with SEBI, and (c) Anand Sinha who is on the board of AMC Repo Clearing Limited, which is a limited purpose clearing corporation, none of our Directors are associated with the securities market in any manner including any securities market related business. Further, no outstanding action has been initiated against any of our Directors by SEBI in the past five years.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as on the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDRR Regulations.

We are required to allot at least 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations. Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations. Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoter, members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoter or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoter, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Company, our Promoter or Directors is a Fraudulent Borrower;

(v) None of our Promoter or Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(vi) Except employee stock options granted pursuant to the ESOP Plan, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vii) Our Company along with Registrar to the Issue has entered into tripartite agreements dated February 24, 2021 and March 1, 2021 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(viii) The Equity Shares of our Company held by our Promoter are in the dematerialised form;

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

(x) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS

DRAFT RED HERRING PROSPECTUS. THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 10, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY AND ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.navi.com, or the respective websites of our Promoter, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDA, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered

and sold (i) to persons in the United States or to or for the account or benefit of, U.S. Persons in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in the Draft Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. See "*Terms of the Issue – Eligibility and Transfer Restrictions*" beginning on page 490.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws or such jurisdiction.

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

- Represent and warrant to our Company, the BRLMs and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Company, the BRLMs and the Syndicate Members that it did not purchase the Equity Shares as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the BRLMs and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" on a recognised Indian stock exchange in accordance with Rule 903 or Rule 904 of Regulation S or pursuant to an applicable exemption from the registration requirements under the U.S. Securities Act.

- Represent and warrant to our Company, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold our Company, the BRLMs and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Acknowledge that our Company, the BRLMs, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of: (a) our Directors, Statutory Auditor, legal counsels appointed for the Issue, Bankers to our Company, the BRLMs, the Registrar to the Issue, in their respective capacities, have been obtained; (b) Experts to the Issue has been obtained and (c) the Syndicate Members, the Banker(s) to the Issue/Escrow Collection Bank(s)/Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Expert to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Walker Chandiok & Co LLP, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and as an "Expert" as defined under Section 2(38) of the Companies Act, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated March 6, 2022 and the statement of possible special tax benefits dated March 9, 2022 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

In addition, our Company has received written consent dated from, Manian and Rao, Chartered Accountants, as the independent chartered accountants to include its name as an "expert" under Section 2(38) of the Companies Act, and other applicable provisions of the Companies Act in its capacity as an independent chartered accountant, in respect of the certificates dated March 10, 2022, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Our Company does not have any listed group company or any listed subsidiary. Our Company does not have any associate companies.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. For details of rights issue made by our Company in the past five years, preceding the date of filing of this Draft Red Herring Prospectus, see "*Capital Structure*" beginning on page 108. Further, our Company has not experienced any shortfall or delays in the achievement of objects.

Performance vis-à-vis objects – Public/rights issue of the listed Subsidiaries/ listed Promoter of our Company

None of our Subsidiaries is listed on any stock exchange. Our Company does not have a corporate promoter as on the date of this Draft Red Herring Prospectus.

Price information of past issues handled by the BRLMs

A. Axis Capital Limited

1. Price information of past issues handled by Axis Capital Limited

S. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Vedant Fashions Limited(2)	31,491.95	866.00	February 16, 2022	935.00	-	-	-
2.	CMS Info Systems Limited(1)	11,000.00	216.00	December 31, 2022	218.50	+21.99%, [-1.81%]	-	-
3.	Supriya Lifescience Limited(1)	7,000.00	274.00	December 28, 2021	425.00	+78.61%, [-0.07%]	-	-
4.	Medplus Health Services Limited*(1)	13,982.95	796.00	December 23, 2021	1,015.00	+53.22%, [+3.00%]	-	-
5.	Metro Brands Limited(1)	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	-	-
6.	C.E. Info Systems Limited(1)	10,396.06	1,033.00	December 21, 2021	1,581.00	+70.21%, [+6.71%]	-	-
7.	Shriram Properties Limited$(2)	6,000.00	118.00	December 20, 2021	90.00	-12.42%, [+9.02%]	-	-
8.	Tega Industries Limited(2)	6,192.27	453.00	December 13, 2021	760.00	+30.70%, [+3.96%]	-	-
9.	Star Health and Allied Insurance Company Limited^(2)	60,186.84	900.00	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-
10.	Latent View Analytics Limited@(1)	6,000.00	197.00	November 23, 2021	530.00	+153.58%, [-2.96%]	+142.08%, [-1.42%]	-

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
** Offer Price was ₹ 718.00 per equity share to Eligible Employees*
$ Offer Price was ₹ 107.00 per equity share to Eligible Employees
^Offer Price was ₹ 820.00 per equity share to Eligible Employees
@Offer Price was ₹ 178.00 per equity share to Eligible Employees

Note:
a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
d. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022*	25	6,09,514.77	-	2	6	6	5	5	1	1	1	4	1	2
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. BofA Securities India Limited

1. Price information of past issues handled by BofA Securities India Limited

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Adani Wilmar Limited	36,000.00	230.00	February 8, 2022	227.00	+48.00%[-5.34%]	-	-
2.	Star Health And Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78% [1.72%]	-29.79%[-6.66%]	-
3.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1,350.00	+3.69% [-4.39%]	+20.78%[-2.32%]	-
4.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2,018.00	+92.31 [-2.78%]	+68.46% [-4.46%]	-
5.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-
6.	Glenmark Life Sciences Limited	15,136.00	720.00	August 6, 2021	751.10	-6.38% [+7.10%]	-12.94%[+10.12%]	-20.67%[+8.45%]
7.	Zomato Limited	93,750.00	76.00	July 23, 2021	115.00	+83.22% [+4.44%]	+81.97%[+15.64%]	+75.07% [+14.68]
8.	UTI Asset Management Company Limited	21,598.80	554.00	October 12, 2020	500.00	-10.43% [5.87%]	-0.60%[+20.25%]	+5.81% [+24.34%]
9.	SBI Cards and Payment Services Limited	103,407.80	755.00	March 16, 2020	658.00	-33.03% [-2.23%]	-21.79% [+7.62%]	+12.51% [+23.78%]

Source: www.nseindia.com *and* www.bseindia.com; *for price information and prospectus/ basis of allotment for issue details*
Note:

a. *Equity public issues in last 3 financial years considered.*
b. *Opening price information as disclosed on the website of NSE.*
c. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue considered as benchmark index and for disclosing the price information.*
d. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.*
e. *30th listing day has been taken as listing date plus 29 calendar days.*
f. *90th listing day has been taken as listing date plus 89 calendar days.*

g. *180th listing day has been taken as listing date plus 179 calendar days.*

2. Summary statement of price information of past issues handled by BofA Securities India Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			los. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	7	310,802.72	**-**	**-**	**3**	**2**	**1**	**1**	**-**	**-**	**1**	**1**	**-**	**-**
2020-21	1	21,598.80	-	-	1	-	-	-	-	-	-	-	-	1
2019-20	1	103,407.80	-	1	-	-	-	-	-	-	-	-	-	1

Note:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *Based on the day of listing*

C. Credit Suisse Securities (India) Private Limited

1. Price information of past issues handled by Credit Suisse Securities (India) Private Limited

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	3.73%, [-4.08%]	21.30%, [-0.44%]	45.84%, [-2.00%]
2.	Sterling and Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.67%, [-2.05%]	-48.56%, [8.11%]	-64.74%, [10.53%]
3.	Home First Finance Company India Limited	11,537.19	518.00	February 03, 2021	618.80	4.98%, [1.97%]	-5.64%, [-1.05%]	15.86%, [6.58%]
4.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.17%, [0.53%]	93.40%, [11.97%]	140.26%, [5.93%]
5.	Krishna Institute of Medical Sciences Limited	21,437.44	825.00	June 28, 2021	1,009.00	47.90%, [-0.30%]	48.24%, [13.87%]	61.83%, [7.95%]
6.	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	83.22%, [4.44%]	81.97% [15.64%]	75.07%, [14.68%]
7.	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	2.06%, [5.55%]	12.68%, [6.86%]	-3.30%, [3.92%]
8.	Star Health & Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78%, [1.72%]	-29.84%, [-6.66%]	NA*
9.	MedPlus Health Services Limited	1,3983.00	796.00	December 23,2021	1,015.00	53.22%, [3.00%]	NA*	NA*
10.	Adani Wilmar Limited	36,000.00	230.00	February 08, 2022	227.00	48.24%, [-5.34%]	NA*	NA*

Source: NSE and BSE for the price information and prospectus for issue details.
**Data not available*
Note:

a. *30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading date.*
b. *% of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
c. *Designated stock exchange Index is considered as the benchmark index*

2. Summary statement of price information of past issues handled by Credit Suisse Securities (India) Private Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	7	323,174.83	-	-	1	2	3	1	-	-	1	3	-	-
2020-21	1	11,537.19	-	-	-	-	-	1	-	-	-	-	-	1
2019-20	2	40,852.32	-	-	1	-	-	1	1	-	-	-	1	-

D. Edelweiss Financial Services Limited

1. Price information of past issues handled by Edelweiss Financial Services Limited

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Vedant Fashions Limited	31,491.95	866.00	February 16, 2022	935.00	Not Applicable	Not Applicable	Not Applicable
2.	MedPlus Health Services Limited	13,982.95	796.00@	December 23, 2021	1,015.00	53.22% [3.00%]	Not Applicable	Not Applicable
3.	Tarsons Products Limited	10,234.74	662.00$	November 26, 2021	700.00	-4.16% [0.03%]	-4.46% [0.22%]	Not Applicable
4.	S. J. S. Enterprises Limited	8,000.00	542.00	November 15, 2021	542.00	-24.99% [-4.33%]	-29.33% [-4.06%]	Not Applicable
5.	Vijaya Diagnostic Centre Limited	18,942.56	531.00*	September 14, 2021	540.00	5.41% [4.50%]	8.08% [0.76%]	Not Applicable
6.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82% [5.55%]	-0.82% [6.86%]	0.64% [3.92%]
7.	Devyani International Limited	18,380.00	90.00	August 16, 2021	140.90	32.83% [4.93%]	78.39% [9.30%]	97.17% [4.90%]
8.	Powergrid Infrastructure Investment Trust	77,349.91	100.00	May 14, 2021	104.00	14.00% [7.64%]	22.04% [10.93%]	21.83% [22.94%]
9.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	439.00	30.19% [-4.68%]	75.62% [10.85%]	146.92% [27.86%]
10.	Stove Kraft Limited	4,126.25	385.00	February 5, 2021	467.00	30.70% [-0.64%]	28.96% [-4.05%]	114.38% [6.09%]

Source: www.nseindia.com and www.bseindia.com

**Vijaya Diagnostic Centre Limited - A discount of ₹ 52 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹531 per equity share*
$Tarsons Products Limited - A discount of ₹ 61 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹662 per equity share.
@MedPlus Health Services Limited - A discount of ₹ 78 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹796 per equity share.
#As per Prospectus

Note:
a. Based on date of listing.
b. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
c. Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
d. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.
e. Not Applicable. – Period not completed
f. Disclosure in Table-1 restricted to 10 issues.

2. Summary statement of price information of past issues handled by Edelweiss Financial Services Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	9	2,31,182.63	-	-	3	1	2	2	-	-	-	2	-	2
2020-21	7	45,530.35	-	-	1	3	1	2	-	-	1	5	1	-
2019-20	3	23,208.49	-	-	-	-	1	2	-	1	-	1	-	1

The information is as on the date of the document

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*

For the financial year 2021-22- 9 issues have been completed of which 8 issues have completed 30 calendar days and 4 issue has completed 180 calendar days.

#*As per Prospectus*

E. ICICI Securities Limited

1. Price information of past issues handled by ICICI Securities Limited

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Latent View Analytics Limited^	6,000.00	197.00(1)	November 23, 2021	530.00	+153.58%,[-2.96%]	+142.08%,[-1.42%]	NA*
2.	Tarsons Products Limited^	10,234.74	662.00(2)	November 26, 2021	700.00	-4.16%,[+0.03%]	-4.46%,[+0.22%]	NA*
3.	Go Fashion (India) Limited^^	10,136.09	690.00	November 30, 2021	1,310.00	+59.75%,[+1.36%]	+32.91%,[-1.91%]	NA*
4.	Star Health and Allied Insurance Company Limited^^	60,186.84	900.00(3)	December 10, 2021	845.00	-14.78%,[+1.72%]	-29.79%,[-6.66%]	NA*
5.	Shriram Properties Limited^^	6,000.00	118.00(4)	December 10, 2021	90.00	-12.42%,[+9.02%]	NA*	NA*
6.	Metro Brands Limited^	13,675.05	500.00	December 22, 2021	436.00	+21.77%,[+4.45%]	NA*	NA*
7.	Supriya Lifescience Limited^	7,000.00	274.00	December 28, 2021	425.00	+78.61%,[-0.07%]	NA*	NA*
8.	AGS Transact Technologies Limited^	6,800.00	175.00	January 31, 2022	176.00	-42.97%,[-3.05%]	NA*	NA*
9.	Adani Wilmar Limited^^	36,000.00	230.00(5)	February 8, 2022	227.00	+48.00%,[-5.34%]	NA*	NA*
10.	Vedant Fashions Limited^^	31,491.95	866.00	February 16, 2022	935.00	NA*	NA*	NA*

Data not available.

^*BSE as designated stock exchange*

^^*NSE as designated stock exchange*

a. *Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.*
b. *Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.*
c. *Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.*

d. *Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.*
e. *Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 230.00 per equity share.*

2. Summary statement of price information of past issues handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30^{th} calendar days from listing date			Nos. of IPOs trading at premium on as on 30^{th} calendar days from listing date			Nos. of IPOs trading at discount as on 180^{th} calendar days from listing date			Nos. of IPOs trading at premium as on 180^{th} calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	26	7,43,520.19	-	3	6	6	4	6	-	1	2	3	1	2
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* This data covers issues up to YTD

Note:
a. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
b. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
c. *30^{th}, 90^{th}, 180^{th} calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30^{th}, 90^{th}, 180^{th} calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	BofA Securities India Limited	www.ml-india.com
3.	Credit Suisse Securities (India) Private Limited	www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html
4.	Edelweiss Financial Services Limited	www.edelweissfin.com
5.	ICICI Securities Limited	www.icicisecurities.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, UPI ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Bidders can contact our Company

Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company has not received investor complaints during the period of three years preceding the date of this Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Our Subsidiaries are not listed on any stock exchange and we do not have any Group Companies. For details in relation to our Subsidiaries' listed debt, see "*Financial Indebtedness*" on page 465.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Thomas Joseph, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see "*General Information*" on page 98. Our Company has constituted a Stakeholders' Relationship Committee comprising Anand Sinha (*Chairperson*), Abhijit Sinha Bose and Ankit Agarwal as members. For details, see "*Our Management*" on page 253.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has filed exemption applications dated March 10, 2022, seeking exemption from strict enforcement of the SEBI ICDR Regulations, under Regulation 300(1)(c) of the SEBI ICDR Regulations, from disclosing (a) a private limited company in which our Promoter holds more than 20% of the equity share capital, and the entities in which such private limited company has shareholding, and (b) an individual who is related to our Promoter, such individual's immediate relatives, and the entities in which such individual or their immediate relatives have an interest, as members of the Promoter Group in accordance with the SEBI ICDR Regulations. For further details, see "*Our Promoter and Promoter Group*" on page 270.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, offered and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. In addition, the Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 522.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 273 and 522, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹100 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Price Band will be decided by our Company, in consultation with the BRLMs and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and all editions of the Kannada newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Issue

The Issue comprises a Fresh Issue by the Company.

Expenses for the Issue shall be borne by our Company in the manner specified in "*Objects of the Issue - Issue Expenses*" on page 126.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 522.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated February 24, 2021 our Company, NSDL and Registrar to the Issue
- Tripartite agreement dated March 1, 2021 amongst our Company, CDSL and Registrar to the Issue

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[●]**(1)
BID/ISSUE CLOSES ON	**[●]**(2)

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.*

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will be accepted only during Working Days.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If, as prescribed, minimum subscription in the issue shall be '90% of the fresh issue portion', our Company does not receive the minimum subscription of 90% of the offer through offer document (except in case of an offer for sale of specified securities) on the date of closure of the issue; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the stock exchanges for the securities so offered under the offer document, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Issue size, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Issue portion is subscribed; and

(ii) once Equity Shares have been Allotted as per (i), such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Issue portion.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, minimum Promoter's contribution and the Anchor Investor lock-in and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Description of Equity Shares and Terms of Articles of Association*" on page 522.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

Eligibility and Transfer Restrictions

As described more fully below, there are certain restrictions regarding the Equity Shares that affect potential U.S. and non-U.S. investors. These restrictions are (i) prohibitions on participation in the Issue by persons in circumstances which would cause our Company to be required to be registered as an investment company under the U.S. Investment Company Act and (ii) restrictions on the ownership of Equity Shares by such persons following the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Draft Red Herring Prospectus as "QPs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits afforded to investors under the U.S. Investment Company Act. Investors may be required to bear the financial risk of an investment in the Equity Shares for an indefinite period.

Eligible Investors

The Equity Shares are being offered and sold:

i. in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both U.S. QIBs and QPs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on section 3(c)(7) of the U.S. Investment Company Act; and

ii. outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States or to U.S. Persons

Each purchaser that is a U.S. Person or acquiring the Equity Shares issued pursuant to this Issue within the United States or for the account or benefit of U.S. Persons, by a declaration included in the Bid cum Application Form and its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed, on behalf of itself and each person for which it is acting, with the Company and the Managers that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

i. the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;

ii. the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

iii. the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is a U.S. QIB and a QP, with respect to which it exercises sole investment discretion;

iv. the purchaser acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the Managers shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

v. the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

vi. the purchaser understands that, subject to certain exceptions, to be a QP, entities must have U.S.$25 million in "investments" (as defined in Rule 2a51- l of the U.S. Investment Company Act);

vii. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

viii. the purchaser is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

ix. the purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

x. the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

xi. it, and each person for which it is acting, was not formed, reformed or recapitalized for the purpose of investing in the Equity Shares and/or other securities of the Company;

xii. if the purchaser, or any person for which it is acting, is an investment company excepted from the U.S Investment Company Act pursuant to section 3(c)(1) or section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

xiii. the purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both QIBs and QPs;

xiv. the purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

xv. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE). The purchaser agrees not to effect any sale, pledge or other transfer unless the purchaser first executes a US Resale Letter in the form of Annexure B to this Draft Red Herring Prospectus and delivers such letter to the Company prior to the settlement if any sale, pledge or other transfer of the Equity Shares. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

xvi. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

xvii. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

xviii. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

xix. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

xx. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT. THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

xxi. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

xxii. the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

xxiii. the purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a covered fund. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

xxiv. the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and

xxv. the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares sold pursuant to this Issue outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of this Draft Red Herring Prospectus and of the Equity Shares sold pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

i. the purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations;

ii. the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

iii. the purchaser is purchasing the Equity Shares issued pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

iv. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Issue, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

v. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

vi. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE). The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Equity Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act;

vii. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

viii. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER

THE U.S. SECURITIES ACT AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT. THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

ix. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

x. the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

xi. the purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a covered fund. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

xii. the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Issue, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company withdraw the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/ offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE STRUCTURE

Initial public offer of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share aggregating up to ₹33,500.00 million by our Company.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue constituting at least [●]% of the post-Issue paid-up Equity Share capital of our Company

The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

The face value of the Equity Shares is ₹100 each. The Issue is being made through the Book Building Process.

Particulars	QIBs[1]	Non-Institutional Bidders	RIBs
Number of Equity Shares available for Allotment/ allocation [2]	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not less than 75% of the Issue shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Issue or the Issue less allocation to QIB Bidders and RIBs shall be available for allocation on a proportionate basis or any other manner as introduced in accordance with applicable laws	Not more than 10% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): 1. At least [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and 2. [●] Equity Shares shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "*Issue Procedure*" on page 503.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds	Such number of Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Particulars	QIBs[1]	Non-Institutional Bidders	RIBs
	₹200,000 and in multiples of [●] Equity Shares thereafter	and in multiples of [●] Equity Shares thereafter	
Maximum Bid	Such number of Equity Shares and in multiple of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding QIB portion), subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply[3] [4]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the *karta*), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

* *Assuming full subscription in the Issue.*

(1) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced from the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added*

to the Net QIB Portion. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Funds portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Issue Structure" on page 500.

(2) *Subject to valid Bids being received at or above the Issue Price. This is an Issue in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(2) of the SEBI ICDR Regulations.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Issue*" on page 490.

The Bids by FPIs with certain structures as described under "*Issue Procedure - Bids by FPIs*" on page 503 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid cum Application Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by RIBs (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus and the Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus. Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis or any other manner as introduced in accordance with applicable laws to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation on or prior to the Bid/ Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form shall be made available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) are required to participate in the Issue only through the ASBA process. Anchor Investors shall not be permitted to participate in the Issue through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that do not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) shall be required to provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall be required to ensure that the Bids are being made on ASBA Forms bearing the stamp of the Designated Intermediary, are submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp will be liable to be rejected. RIBs using UPI Mechanism, shall be required to submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account are required to submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
FPIs applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus shall also made available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries are required to upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

ELECTRONIC REGISTRATION OF BIDS

a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
b. On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by the Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Issue under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Issue under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promotes or Promoter Group of our Company.

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

a. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
b. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
c. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
d. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
e. Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
    i. maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million
    ii. minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
    iii. in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
f. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
g. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
h. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the

Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Issue Price.

i. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
j. Neither the BRLMs or any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoter or Promoter Group" shall apply in the Issue under the Anchor Investor Portion.
k. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
l. For more information, see the General Information Document.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 520. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs are required to be made in the individual name of the *Karta*. The Bidder/Applicant are required to specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs are considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instrument is transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilise the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilise the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilise the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs and AIFs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF or Category I AIFs or Category II AIFs.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies s should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Do's:

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

10. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

12. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. RIBs Bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third-party;

15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

17. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned are liable to be rejected;

19. Ensure that the Demographic Details are updated, true and correct in all respects;

20. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

21. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

23. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

24. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

25. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

26. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

27. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;

29. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;

30. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit your Bid after 3.00 p.m. on the Bid/Issue Closing Date;

20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not Bid for Equity Shares in excess of what is specified for each category;

22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third-party linked bank account UPI ID;

26. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

27. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

28. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by RIBs using the UPI Mechanism);

29. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

30. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" on page 98.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information*" at page 98.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

a. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
b. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
c. Bids submitted on a plain paper;
d. Bids submitted by RIIs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
e. Bids under the UPI Mechanism submitted by RIIs using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank);
f. ASBA Form by the RIIs using third party bank accounts or using third party linked bank account UPI IDs;
g. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
h. Bids submitted without the signature of the First Bidder or sole Bidder;
i. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
j. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
k. GIR number furnished instead of PAN;
l. Bids by RIIs with Bid Amount of a value of more than ₹200,000;
m. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
n. Bids accompanied by stock invest, money order, postal order or cash; and
o. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIIs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 98.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations 2018.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Issue Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RIBs shall not be less than the minimum bid lot, subject to the availability of shares in Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], a English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper and (iii) all editions of [●], a Kannada national daily newspaper (Kannada being the regional language of Karnataka, where our registered office is located) each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is

delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- Promoter's contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and

- except for the Pre-IPO Placement and any allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under the Employee Scheme, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act which is reproduced below:

"*Any person who –*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter alia*, the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company. Please note that investment in our Subsidiaries is also governed under the FDI policy, wherein the foreign investment limit or route may be different from that of our Company.

Further, in terms of the FEMA Non-debt Instruments Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See "*Issue Procedure*" on page 503.

In terms of the FEMA Non-debt Instruments Rules and the FDI Policy, a person resident outside India may make investments into India, subject to certain terms and conditions, and further provided that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India, who is situated in or is a citizen of any such country, shall invest only with the approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the above restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Draft Red Herring Prospectus as "QPs") in transactions exempt from or not subject to the

registration requirements of the U.S. Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE or the NSE). See "*Terms of the Issue – Eligibility and Transfer Restrictions*" beginning on page 490.

As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, our Company may be considered a "covered fund" as defined in the Volcker Rule. See "*Risk Factors – External Risks – Risks Relating to the Issue – U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares*" beginning on page 87.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

*The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of any inconsistency, contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. In case of any inconsistency, contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. However, Part B hall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of our Company on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of our Company without any further action, including any corporate action, by our Company or by the Shareholders. Further, Part B shall remain suspended in its entirety (except for Article 9.4 (a)), till the earlier of: (i) the date of listing of the equity shares of the Company pursuant to its initial public offering; or (ii) December 31, 2022 or the date on which the Issue is withdrawn prior to December 31, 2022 ("**Suspension Period**"). For the avoidance of doubt, it is hereby clarified that during the Suspension Period, all terms of Part B shall remain suspended (except for Article 9.4 (a)). The Articles of Association have been approved by the Board and our Shareholders pursuant to their resolutions dated March 6, 2022 and March 7, 2022, respectively.*

All special rights available to our Shareholders will fall away upon listing of the Equity Shares apart from director nomination rights of our Promoter, which shall be subject to approval of our Shareholders by way of a special resolution, in a general meeting post listing of the Equity Shares, wherein appropriate disclosure in this regard shall be given to the Shareholders.

PART A

Authorised Share Capital

The authorised share capital of our Company shall be such amount, divided into such class(es), denomination(s) and number of Shares in our Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the Equity Shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of Association of our Company, subject to the provisions of applicable law for the time being in force.

Alteration of Capital

Our Company may, by ordinary resolution, from time to time, alter the conditions of MoA as follows:

a. Issue share warrants;

b. Convert Equity Shares into stock;

c. Reduce its Equity Share capital, its capital redemption reserve account, and any share premium account; and

d. Buy back its Equity Shares

Further Issue of Shares

Subject to the provisions of the Companies Act, and these Articles, the shares in the capital of our Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of our Company in the general meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit.

Forfeiture and Lien

Our Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this article will have full effect. Our Company may sell, in such manner as the Board thinks fit, any shares on which our Company has a lien: provided that no sale shall be made unless a sum in respect of which the lien exists in payable or until the expiration of 14 days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder of the share or the person entitled thereto by reason of his death or insolvency.

Share Certificates

Every member of our Company shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors approve, to several certificates, each for one or more of such shares and our Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe. The provisions of the Companies Act, shall be complied with in the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Companies Act.

Every certificate of shares shall be under the Seal of our Company and shall specify the shares to which it relates and the amount paid-up thereon.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to our Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of our Company and on execution of such indemnity as our Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

No fee shall be charged for sub-division and consolidation of share / debenture certificates and for sub-division of letters of allotment, split and consolidation.

Transfer of Shares

The instrument of transfer of any share shall be in writing and all the provisions of the Companies Act, shall be duly complied with in respect of all transfer of shares and registration thereof. Our Company shall use the form of transfer, as prescribed under the Companies Act, in all cases. In case of transfer of shares, where our Company has not issued any certificates and where the shares are held in dematerialised form, the provisions of the Depositories Act, 1996 shall apply. The Board may decline to recognize any instrument of transfer unless the instrument of transfer is in the form prescribed under the Companies Act, is in respect of only one class of shares and is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

Transmission of shares

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom our Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares our Company may require him to obtain a grant of probate or letters of administration or succession certificate or other legal representation as the case may be from a competent court, provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of the probate or letter of administration or a secession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

Borrowing Powers

The Board may, from time to time and at its discretion, raise or borrow or secure the payment of any sums or sum of money for the purposes of our Company in such manner and upon such terms and conditions in all respects as it thinks fit.

General Meetings

All General Meetings of our Company other than the Annual General Meeting shall be called an Extra-ordinary General Meeting. The notice of a General Meeting shall be given to the Members of our Company, legal representative of any deceased Shareholder or the assignee of an insolvent member of our Company the Directors of our Company and the auditors for the time being of our Company.

Meetings of Directors

The Board of Directors shall meet at least once in every three months with a maximum gap of 120 days between two meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Companies Act, provided that at least four such meetings shall be held in every year. Notice of at least seven days, in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad.

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. If within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

Managing Directors

Subject to the provisions of Section 196, 197 and 203 of the Companies Act and of the Articles of Association, the Board shall have the power to appoint from time to time any full time employee of our Company as managing director/ whole time director or executive director or manager of our Company.

Appointment of Directors

Subject to the applicable provisions of the Companies Act, the number of Directors of our Company shall not be less than 3 (three) and not more than 15 (fifteen). Our Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by law from time to time.

Votes of Members

On a show of hands every Member present in person and being a holder of Equity Shares shall have one vote and every person present either as a Proxy on behalf of a holder of Equity Shares or as a duly authorized representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote.

On a poll, the voting rights of holder of Equity Shares shall be in proportion to his share in the paid-up Equity Share capital of our Company. A Member may exercise his vote at a meeting by electronic means in accordance with the Companies Act, and shall vote only once. A person becoming entitled to a share shall not before being registered as Member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to meeting of our Company. No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which our Company has exercised any right or lien.

Dividend

Our Company in General Meeting may declare the dividends, but no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

No dividend shall bear interest against our Company.

Unpaid or Unclaimed Dividend

Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with the provisions of the applicable law.

Where our Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, our Company shall within seven days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank and transfer to such account, the total amount of the dividend which remains unpaid or in relation to which no divided warrant has been posted.

Any money transferred to the said special account of our Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by our Company to the fund known as “Investors Education and Protection Fund” established under the Companies Act.

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and our Company shall comply with the provisions of the applicable laws in respect of such dividend.

Winding Up

Subject to the provisions of applicable law, the assets of our Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application, such assets shall be distributed among the Members according to their rights and interests in our Company.

Indemnity

Subject to the provisions the Companies Act, our Company shall indemnify every Director and Officer of our Company against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in which relief is granted to them by the court or the tribunal. However, such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

PART B

Part B of the AoA of our Company provides for the rights and obligations of the parties to the SHA. The SHA was amended pursuant to the execution of the suspension cum termination agreement to the SHA dated March 6, 2022, pursuant to which, and subject to receipt of approval of the shareholders post completion of the Issue, by way of a special resolution, at the first shareholders meeting held by the Company post completion of the Issue, the Promoter shall have the right to nominate and recommend Directors to the Board of the Company in the following manner:

a. Three (3) Directors, so long as the Promoter holds (together with any of his Affiliates) greater than or equal to 26% of the share capital of the Company on a fully diluted basis;

b. Two (2) Directors, so long as the Promoter holds (together with any of his Affiliates) greater than or equal to 15% of the share capital of the Company on a fully diluted basis; and

c. One (1) Director, so long as the Promoter (or any of his Affiliates) is classified as one of the promoters of the company, or if the Promoter continues to hold an executive position in the Company.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and shall also be available on the web link www.navi.com/[●] from date of the Red Herring Prospectus until the Bid/ Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated March 10, 2022 between our Company and the BRLMs.
2. Registrar Agreement dated March 9, 2022 between our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Public Issue Bank, Refund Bank and Sponsor Bank(s).
4. Syndicate Agreement dated [●] between our Company, the BRLMs, the Registrar to the Issue and Syndicate Members.
5. Underwriting Agreement dated [●] between our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association, and Articles of Association of our Company, updated from time to time.
2. Certificate of incorporation dated December 13, 2018 issued to our Company, under the name 'BAC Acquisitions Private Limited' by the Deputy Registrar of Companies, Central Registration Centre.
3. Fresh certificate of incorporation dated October 14, 2019 pursuant to change of name of our Company from 'BAC Acquisitions Private Limited' to 'Navi Technologies Private Limited' issued by the RoC.
4. Fresh certificate of incorporation dated February 15, 2022 issued to our Company, under the name 'Navi Technologies Limited' by the RoC, pursuant to conversion to a public company.
5. Resolutions of the Board of Directors dated March 6, 2022, authorising the Issue and other related matters.
6. Shareholders' resolution dated March 7, 2022, approving the Fresh Issue and other related matters.
7. Resolution of the Board of Directors dated March 10, 2022, approving the Draft Red Herring Prospectus.
8. Copies of the annual reports of our Company for the Financial Year ended March 31, 2021, March 31, 2020 and March 31, 2019.
9. The examination report dated March 6, 2022 of the Statutory Auditors on our Restated Financial Statements.

10. The statement of possible special tax benefits for our Company, our Shareholders and our Material Subsidiaries dated March 9, 2022 from the Statutory Auditors.

11. Consent of the Directors, CFO, KMPs, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to the Company as to Indian Law, Legal Counsel to the Book Running Lead Managers as to Indian Law, International Legal Counsel to the BRLMs, Registrar to the Issue, Previous Statutory Auditor, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

12. Consent dated March 10, 2022 from Walker Chandiok & Co, LLP, to include their name as required under section 26 (1) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated March 6, 2022 on our Restated Financial Statements; and (ii) their report dated March 9, 2022 on the statement of possible special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

13. Consent letter dated March 10, 2022 from Manian and Rao, Chartered Accountants, independent chartered accountants, to include their name as an "expert" as defined under section 2(38) of the Companies Act in respect of the certificates dated March 10, 2022 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

14. Report titled "*Industry Report on Microfinance*", issued in March 10, 2022 by CRISIL.

15. Consent letter from CRISIL dated March 10, 2022.

16. Report titled "*Indian Fintech Landscape focussed on Digital Lending, Insurance and Asset Management*", issued on March 9, 2022 by RedSeer.

17. Consent letter from RedSeer dated March 9, 2022.

18. Shareholders' Agreement dated June 9, 2020 executed between our Company, our Promoter, Samit Shankar Shetty, Anand Rao, U Raghurama Rao, Sashikala Rao and Smitha Rao, Sharad Sundaramony, Seshadri Kaushika Madhavan, Nitin Jagtap and Namitha Jagtap (Jointly), Samuel Sunil Edwards, Gopikrishnan S Mahadhanapuram, Shweta Mani, Anirban Mukherjee, Praveen Visesh, Varsha Soni, Smita Mukherjee, Subramanian Mambakkam Suryanarayanan, Rohan Gogari, Narayanan Venkitaraman/ Mahalakshmi Narayanan, Paresh Sukthankar and Sangeeta P Sukthankar, Ankit Agarwal, Rekha Shankar, Neeraj Aggarwal and Venkatchelam A Ramaswamy and as amended further by the suspension cum termination agreement to the SHA dated March 6, 2022.

19. SPA dated October 11, 2021 executed between our Company, our Promoter and Neeraj Aggarwal.

20. SPA dated October 25, 2021 executed between our Company, our Promoter and Venkatchalam A. Ramaswamy.

21. SSA dated March 23, 2020 executed between our Company and Sharad Sundaramony, Seshadri Kaushika Madhavan, Nitin Jagtap and Namitha Jagtap (jointly), Sunil Edwards, Gopikrishnan M. S, Shweta Mani, Anirban Mukherjee, Praveen Visesh, Varsha Soni, Smita Mukherjee, Subramanian Mambakkam Suryanarayanan, Rohan Gogari, Narayanan Venkitaraman and Mahalakshmi Narayanan.

22. SSA dated March 23, 2020 executed between our Company and Paresh Sukthankar.

23. SSA dated March 30, 2020 executed between our Company and our Promoter.

24. Navi Stock Option Scheme 2019.

25. Due diligence certificate dated March 10, 2022 addressed to SEBI from the BRLMs.

26. In-principle approvals dated [●] and [●], issued by BSE and NSE, respectively.

27. SEBI observation letter no. [●] dated [●].

28. Tripartite agreement dated February 24, 2021 amongst our Company, NSDL and Registrar to the Issue.

29. Tripartite agreement dated March 1, 2021 amongst our Company, CDSL and Registrar to the Issue.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Sachin Bansal
Chairman, Managing Director and Chief Executive Officer

Place: Northampton, United Kingdom

Date: March 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Ankit Agarwal
Executive Director

Place: Bengaluru

Date: March 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Anand Sinha

Non-Executive Director

Place: Mumbai

Date: March 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Usha A Narayanan

Independent Director

Place: San Francisco

Date: March 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Abhijit Sinha Bose

Independent Director

Place: Bengaluru

Date: March 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Shripad Shrikrishna Nadkarni

Independent Director

Place: Mumbai

Date: March 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

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Ankit Agarwal

Chief Financial Officer

Place: Bengaluru

Date: March 10, 2022