NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

DIRECTORS' REPORT

The Members,
M/s Navarathna Housing Finance Limited.

Your Directors have pleasure in submitting the Annual Report of Navarathna Housing Finance Limited ("NHFL" or "the Company") together with the Audited Statement of Accounts for the year ended 31st March 2026.

State of Company's affairs:

NHFL is a first generation housing finance company, with a clear mandate to serve the underserved segment of the society who are not served by banks & other financial institutions. During the financial year 2025–26, your Company achieved foundational milestones that position it for sustained growth in the affordable housing finance sector.

Financial Results

The key highlights of the Audited Financial Statements of your Company for FY26 and a comparison with the previous financial year ended on 31st March 2026 ("FY26") is summarized below:

(Amount in Rs.)

Particulars	For the period ended 31-03-2026	For the period ended 31-03-2025
Total Income	9,68,14,535	7,98,00,030
Total Expenses	5,45,76,271	5,73,14,420
Profit and Loss before Exceptional and Extraordinary items and Tax	4,22,38,264	2,24,85,610
Profit and Loss before Tax	4,22,38,264	2,24,85,610
Less: Current Tax	93,55,014	57,41,581
Previous Year's Tax	8,126	16,875
Deferred Tax	4,33,660	6,47,179
Profit and Loss After Tax	3,24,41,464	1,60,79,975

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Financial Performance Highlights

(Rs. in Lacs)

Particulars	FY 2024-25	FY 2023-24	Increase (%)
Shareholder's Fund	4057.31	3,732.90	8.69%
Loans & Advances Portfolio	4941.73	3,983.09	24.07%
Average Loans Portfolio	4462.41	4257.81	4.81%
Total Income	968.15	798.00	21.32%
Interest Income	950.13	745.93	27.38%
Average Earning Rate	21.29	17.52	21.52%
Profit Before Tax (PBT)	422.38	224.86	87.84%
Profit After Tax (PAT)	324.41	160.81	101.73%
Earnings Per Share (EPS)	1.40	0.69	102.90%
Gross NPA - Amount	231.39	337.53	-31.45%
- Percent	4.69%	8.47%	-44.63%
Provision for NPA	111.27	109.12	1.97%
Net NPA - Amount	120.12	228.41	-47.14%
- Percent	2.49%	5.90%	-57.80%

Transfer to Special Reserves

In accordance with the provisions of Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer a minimum of 20% of its net profit each year to a Special Reserve prior to declaration of any dividend. Accordingly, during the financial year ended March 31, 2026, the Company transferred ₹64.89 lakhs to the Special Reserve in compliance with Section 29C(i) of the National Housing Bank Act, 1987, read with Section 36(1)(viii) of the Income-tax Act, 1961.

Transfer to General Reserves

The net profit of the Company for the reporting period has been aggregated to the surplus in Profit and Loss account.

Dividend

Your directors do not recommend any dividend for the financial year ended 31st March 2026.

NAVARATHNA HOUSING FINANCE LTD Chennai-600 020

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Statutory and Regulatory Compliances

Your company has complied with all the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India in respect of meetings of the board of directors and general meetings held during the period and has complied with all applicable compliances as required under the Companies Act, 2013, Reserve Bank of India, National Housing Bank, Foreign Exchange Management Act, 1999 and other applicable statutes and regulations.

Disclosure under section 67(3)(c) of the Companies Act, 2013

The disclosure with regard to voting rights not exercised directly by the employees of the Company as required under proviso to Section 67(3)(c) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable to the Company.

Disclosure regarding issue of equity shares with differential rights

The Company has not issued any Equity Shares with differential rights during the Financial Year 2025-26 and there are no outstanding Equity Shares with differential rights as on 31st March 2026.

Employee Stock Option Scheme

As on the date of this report, your Company does not have any Employee Stock Option Scheme in place. Your Directors are contemplating about adopting an ESOP scheme with a view to attract, reward and retain talented and key employees and encourage them to align individual performance with Company objectives and to grant share-based benefits to eligible employees.

The provisions of Section 197(12) of the Act is not applicable to the Company, hence the disclosure required under the section has been dispensed with.

Annual Return: (u/s 134 (3)(a))

As per Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the period ended 31st March 2026 will be made available at the website: https://www.navarathnahousing.com/finance.html

Internal Financial Controls

Your Company has an internal control system commensurate with the size, scale and complexity of its operations. The Company has policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com

GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

accounting records and prevention and detection of frauds and errors. The Audit Committee regularly reviews the adequacy and effectiveness of the internal financial systems and controls. Your Company has formed a Risk Management Committee, a sub-committee to the Board of Directors to review various risks which are faced by the Company.

In line with our commitment to robust governance practices, the Company has framed a risk based internal audit mechanism to effectively manage and mitigate risks inherent in its operations. This ensures comprehensive coverage and meticulous scrutiny of our operational processes. The internal audit activities are meticulously planned and executed based on an annual audit plan, which undergoes thorough review and approval by the Audit Committee, ensuring alignment with strategic objectives and regulatory requirements.

The Management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March 2026 and found the same to be adequate and effective.

Further, Statutory Auditors of the Company have conducted a comprehensive review of our internal control systems, culminating in an unmodified opinion, thus endorsing the robustness of our internal control environment. This validation underscores our steadfast dedication to upholding the highest standards of corporate governance and financial integrity.

Risk Management Framework

The Company adheres to a structured and systematic approach to identify and manage risks across the diverse operations. By conducting meticulous risk assessments, evaluating potential impact and developing mitigation strategies, we ensure proactive risk management.

The Company operates within a dynamic financial landscape, inherently exposed to a spectrum of risks inherent to the financing sector. These encompass capital risk, credit risk, interest rate risk, market risk, operational risk, liquidity risk, information technology risk, as well as regulatory and compliance risk.

Acknowledging the potential impact of these risks on both our financial resilience and operational efficacy, we have instituted a comprehensive framework of Board-approved risk-related policies. Under the oversight of the Risk Management Committee, the implementation of these policies is rigorously monitored to ensure proactive identification, assessment, and mitigation of potential risks.

We give due importance to prudent lending practices and have put in place suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of customer's business place and residence, inhouse technical and legal verification, conservative loan to value and required term cover for insurance.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Directors and Key Managerial Personnel

As on the financial year end, the composition of the Board of Directors of the Company is as given below:

1. Mr. Chokkalingam Palaniappan, Managing Director
2. Mr. Balamurugan Neelamegam, Director (Independent Category)
3. Mr. Rajamanickam Kamaraj, Director (Independent Category)
4. Mr. Thirunavukarasu Sockaligam, Director
5. Mr. Ramanathan Thirupathi, Director
6. Mrs. Devikala Venkatkumar, Director

During the year under review, the following changes took place in the composition of the Board of Directors:

1. Mr. Palaniappan Alagappan, Independent Director, retired from his office with effect from 24th December 2025.
2. Mr. Balamurugan Neelamegam was regularized as a Director (Independent Category) with effect from 26th July 2025.

Board and Committee meetings

The Board met Seven (7) times during the year under review. Details on the composition of the Board and various Committees of the Board and particulars of meetings of the Board and Committees during the year under review are given in the Corporate Governance Report enclosed as Annexure A to this Annual Report.

Maintenance of cost records and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not applicable to the business activities carried out by the company.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Changes in Share Capital

The details of the share capital of the Company is as given below:

Particulars	No. of Equity shares of Rs. 10/- each	Amount (Rs.)
Authorised Capital (Rs)	3,05,00,000	30,50,00,000
Paid Up Capital (Rs)	2,32,13,057	23,21,30,570

There were no changes that took place in the share capital of the Company during the year under review.

Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

Particulars of Contracts or Arrangement made with Related Parties: (Sec. 188)

During the year under review, the Company did not enter into any Contracts or Arrangements made with related parties made pursuant to Section 188.

Explanation on Qualifications, Reservations or Adverse Remarks: (Sec 134 (3)(f))

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

NAVARATHNA HOUSING FINANCE LTD ★ Chennai-600 020

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

Risk Management Policy Statement: Sec 134 (3)(N)

The Company does have any Risk Management Policy. The Company has been addressing various risks impacting the Company as stated in the Policy. However, as the elements of risk threatening the Company's existence are very minimal. The Risk Management Committee conducted one meeting on 18th April 2025 during the FY 2025-26and all the three members were present at the meeting.

Statutory Auditors

M/s. T Selvaraj & Co., (FRN: 003703S) Chartered Accountants, Chennai were appointed as Statutory Auditors at the Annual General Meeting of the Company held on 19th July 2024 for a period of two financial years upto the conclusion of the AGM to be held during the year 2026.

Conservation of Energy, Technology Absorption, Foreign Exchange: Rule 8(iii)

The provisions of Section 134(m) of the Companies Act, 2013 apply to our Company.

- Foreign Exchange Inflow - NIL
- Foreign Exchange Outflow - NIL
- Conservation of Energy - NIL
- Technology Absorption - NIL

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The company has not declared dividend during the FY 2024-25. Previous year also the company has not declared the dividend. Hence there was no balance outstanding in the Unclaimed Dividend Account. As such, the provisions of Section 124(5) of the Companies Act, 2013 do not apply.

Compliances of Secretarial Standards

The Company has complied with the applicable Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI).

Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no requirement for appointing a Secretarial Auditor for the Financial Year 2025-26.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 020

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Compliance with the National Housing Bank (NHB) Act 1987 and NHB Directions, 2010

The Company is registered with the NHB as a Non–Deposit accepting Housing Finance Company. The Company has complied with and continues to comply with all applicable provisions of the Act, the National Housing Bank Act, 1987, NHB Directions, 2010 and other applicable rules/regulations/guidelines, issued from time to time.

Subsidiaries, Associates and Joint Ventures

During the year ended 31st March 2026, your Company did not have a Subsidiary / Associate / Joint Venture Company. Also, the Company did not become a part of any Joint Venture during the reporting period.

Disclosure of Significant & Material Orders passed by the Regulators or Court or Tribunal

During the period under review, there were no significant and material orders passed by the regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Non-acceptance of Deposits

Your Company being a non-deposit-taking Housing Finance Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the financial year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

Declaration from Independent Directors

The Independent Directors of the Company have submitted declarations as required under Section 149(7) of the Companies Act, 2013 ("the Act") stating that they meet the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the rules made thereunder for appointment as Independent Directors including their integrity, expertise and experience and confirm that they are independent of the Management.

During the year under review, the Non-executive Director of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com

GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual Directors. The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and Structure, effectiveness of Board processes, information and functioning, etc.

In a separate meeting of Independent Directors, performance of non-independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Non-Executive Director. The Independent Directors have expressed their satisfaction with the review process.

Corporate Social Responsibility

The Company does not fall under the purview of the provisions of Section 135 of the Companies Act, 2013, hence the requirement to devise a Policy for the implementation of the CSR framework is not applicable.

Whistle Blower Policy and Vigil Mechanism

In our commitment to upholding the highest standards of ethics and transparency, the Company has established a whistle-blower mechanism to foster a culture of accountability and integrity within our organization. This mechanism serves as a vital avenue for our directors and employees to report any instances of unethical behavior or violations of our code of conduct without fear of reprisal.

The Company has established a Board approved policy on whistle blowing and separate email addresses are designated wherein the employees or the stakeholders can report the matters falling under the purview of Vigil Mechanism. There was no complaint received under this category during the Financial Year ended March 31, 2026. The policy may be accessed at the website of the Company.

Management Discussion and Analysis

The Management Discussion and Analysis report as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, is enclosed and forms part of this Annual Report as Annexure B.

NAVARATHNA HOUSING FINANCE LTD ★ Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Corporate Governance

Reserve Bank of India, vide its Master Direction - Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February 2021, has mandated all Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed internal guidelines on Corporate Governance.

Your Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

A report on corporate governance is attached and is forming part of this report as Annexure A.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy in the name and style of "Prevention of Sexual Harassment Policy", in line with the requirements stipulated under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said policy is available on the website of the Company. The Company has complied with the formation of the Internal Complaints Committee as prescribed under the Companies Act, 2013. During the period under review, no complaint of sexual harassment was received and there were no unresolved complaints as of 31st March 2026.

Code of Conduct

The Company has adopted a "Code of Conduct" for all the Board Members and the senior management of the Company, which can be accessed at the website of the Company.

Details of application made or any proceeding pending under the Insolvency Bankruptcy Code, 2016

There were no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 for the Company during the period under review.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Details of difference between valuation at one-time settlement and valuation for bank loans

During the financial year under review, there was no instance of one-time settlement with any bank or financial institution and that there was no difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statements, since various economic, legal, policy and regulatory factors may affect or influence the performance of the Company.

Directors' Responsibility Statement

The Board of Directors have instituted/put in place a framework for internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal and statutory auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirms that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
2. they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March 2026 and the profit of the Company for the year ended on that date;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended 31st March 2026; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31st March 2026.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com

GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Acknowledgements

Your Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from shareholders, customers, banks, debenture holders, debenture trustees, Reserve Bank of India, National Housing Bank, Registrar of Companies, Registrar & Share Transfer Agents and other Statutory and Regulatory Authorities for the kind co-operation and assistance provided to the Company. Your Directors also wish to express their sincere gratitude to employees at every level for their invaluable contributions to the Company's growth, made possible through their diligence, dedication, and unwavering support.

For and on behalf of Board of Directors of Navarathna Housing Finance Limited

Place: Chennai

Date: 15th July 2026

NAVARATHNA HOUSING FINANCE LTD Chennai-600 028

Chokkalingam Palaniappan	**Neelamegam Balamurugan**
DIN: 00884596	DIN: 01254031
Managing Director	Director

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Annexure A

REPORT ON CORPORATE GOVERNANCE

The fundamental objective of "Good Corporate Governance and Ethics" is to ensure the commitment of an organization in managing its affairs in an ethical, legal and transparent manner in order to maximize the long-term value of the company for its stakeholders including shareholders, customers, employees and other partners. Your Company is committed to good corporate governance in all its activities.

1. Company's philosophy on Corporate Governance

Your Company's philosophy on corporate governance envisages adherence to the highest levels of commitment, integrity, transparency, accountability and fairness, in all areas of its business and in all interactions with its stakeholders.

The details regarding the composition of the Board and its various committees that constitute the governance framework of the organization are covered in detail in this report.

2. Board of Directors

2.1 Composition of Board

The composition of the Board is in conformity with Sections 149 and 152 of the Companies Act, 2013 ("the Act").

Your Board of Directors currently comprises of Six (6) members including the Chairman. None of the Directors are inter-se related to each other.

The Company adheres to the Secretarial Standards on the Board, Committee and General Meetings as prescribed by the Institute of Company Secretaries of India. The Board is regularly briefed and updated on the key activities of the business and is provided with presentations on operations, quarterly financial statements, performance of the subsidiary, and other specific matters concerning the Company.

The Board meets at least once in a quarter to review the quarterly performance and approve the financial results of the Company.

During the financial year ended 31st March 2026, Eight (8) Board Meetings were held. The gap between two meetings of the Board was not more than 120 days during the financial year under review.

NAVARATHNA HOUSING FINANCE LTD ★ Chennai-600 020

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Details of Attendance of Directors in the Board meetings held during the financial year ended 31st March 2026 is given below:

S No	Date/Day of Board Meeting	Board Strength	No of Directors Attended
1	18-04-2025	6	6
2	23-05-2025	6	6
3	04-07-2025	6	4
4	12-09-2025	6	6
5	28-10-2025	6	6
6	18-12-2025	6	6
7	23-01-2026	5	5

Details of change in composition of the Board

During the year under review, the following changes took place in the composition of the Board of Directors:

1. Mr. Palaniappan Alagappan, Independent Director, retired from his office with effect from 24th December 2025.
2. Mr. Balamurugan Neelamegam was regularized as a Director (Independent Category) with effect from 26th July 2025.

2.3 Independent Directors

Independent Directors are appointed for a specific term based on the recommendations of the Nomination and Remuneration Committee by the Board and the members at their respective meetings.

None of the Independent Directors are Promoters and are related to Promoters. They do not have any pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

2.4 Meeting of Independent Directors

In compliance with Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was held for FY 2025-26, without the presence of Non-Independent Directors and members of the management.

NAVARATHNA HOUSING FINANCE LTD Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

2.5 Declaration by Independent Directors

The Independent Directors have submitted a declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Act stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

2.6 Code of Conduct for Directors and Senior Management

Your Company has adopted a Code of Conduct for Independent Directors as per Schedule IV to the Companies Act, 2013. The Code aims at ensuring transparency and independence and at the same time to bring value to the company by providing input on strategy, business, and other matters including performance of monitoring functions.

Your Company has also adopted a Company's General Code of Conduct for Directors, Key Managerial Personnel and Employees. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

Your Company continues to ensure effective implementation and enforcement of these codes to achieve the objectives enshrined in these Codes.

3. Committees of the Board of Directors

3.1 Audit Committee

The Audit Committee has been constituted as required under the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and Section 177 of the Companies Act, 2013.

3.1.1 Composition, Meetings and Attendance

The Audit Committee of the Board is comprised of three members namely,

1. Mr. Balamurugan Neelamegam - Chairman
2. Mr. Rajamanic Kamkamaraj-Member (Since 23rd January 2026)
3. Mr. Palaniappan Alagappan – Member (Resigned on 25th Dec 2025)
4. Mr. T Sockalingam - Member

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Details of Attendance of Directors in the Audit Committee meetings held during the financial year ended 31st March 2026 is given below:

S No	Date/Day of Board Meeting	Committee Strength	No of Directors Attended
1	18-04-2025	3	3
2	23-05-2025	3	3
3	04-07-2025	3	3
4	12-09-2025	3	3
5	18-12-2025	3	3
6	23-01-2026	3	3

3.1.2 Terms of reference

5. Oversight of the Company's financial reporting process and the disclosure of its financial interest to ensure that the financial statements are correct, sufficient and credible.
6. The recommendation for appointment, remuneration and terms of appointment of statutory, secretarial and internal auditors of the company.
7. Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board, with reference to matters in the Director's Responsibility Statement, changes in accounting policies, major accounting entries, significant adjustments, compliance requirements, related party transactions, and qualifications in draft Auditors Report.
8. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, including structure, staffing and seniority of the department, reporting structure and frequency of internal audit.
10. Discussion with internal auditors about any significant findings and follow up thereon.
11. Reviewing the findings of any internal investigations by the internal auditors into matters of suspected fraud, irregularity or failure of internal control systems, and reporting to the Board.
12. Discussion with statutory auditors before the audit commences about the nature & scope of audit, and post-audit discussion to ascertain any areas of concern.
13. Laying down the review of procedures relating to risk assessment & risk minimization.
14. Laying down guidelines on KYC Norms.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

15. Review on a quarterly basis the securitization/bilateral assignment transactions and investment activities of the Company.
16. Annual Review of Company's policies framed pursuant to RBI and NHB guidelines and suggesting changes required to the Board for adoption.
17. Review and monitor the auditor's independence and performance, and effectiveness of the audit process.
18. Examination of the financial statement and the auditors' report thereon.
19. Approval or any subsequent modification of transactions of the company with related parties.
20. Scrutiny of inter-corporate loans and investments.
21. Valuation of undertakings or assets of the company, wherever necessary.
22. Evaluation of internal financial controls and risk management systems.
23. Quality and integrity of the accounting, reporting practices of the Company, adequacy and reliability of the Internal Control system.
24. Overall compliance by the Company with legal and regulatory requirements.
25. Any other area that the Board of Directors of the Company may mandate/direct the Audit Committee to take up.

The Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operation;
- Statement of significant related party transactions;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit report relating to internal control weaknesses.

3.2 Nomination and Remuneration Committee

The Nomination & Remuneration Committee has been constituted as required under the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and Section 178 of the Act.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

3.2.1 Composition, Meetings and Attendance

The Nomination and Remuneration Committee of the Board is comprised of three members namely:

1. Mr. Balamurugan Neelamegam - Chairman
2. Mr. Palaniappan Alagappan – Member (Resigned on 25th Dec 2025)
3. Mr. Rajamanickam Kamaraj- Member (Since 23rd January 2026)
4. Mr. Chokkalingam Palaniappan - Member

Details of Attendance of Directors in the Nomination and Remuneration Committee meetings held during the financial year ended 31st March 2026 is given below:

S No	Date/Day of Board Meeting	Committee Strength	No of Directors Attended
1	18-04-2025	3	3
2	04-07-2025	3	3
3	18-12-2025	3	3
4	23-01-2026	3	3

3.2.2 Terms of reference

5. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's Corporate Strategy.
6. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for Directorships.
7. To assess the independence of Independent Non-Executive Directors.
8. To review the result of the performance evaluation process that relates to the composition of the Board.
9. To make a recommendation to the Board regarding the appointment and re-appointment of Directors and succession planning for Directors and CEO.
10. To recommend the remuneration payable to Directors of the Company from time to time.
11. Annual appraisal of the performance of CEO and fixing his terms of remuneration.
12. Annual appraisal of the Senior Management Team reporting to the CEO.

NAVARATHNA HOUSING FINANCE LTD Chennai-600 020

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

13. All decisions, determinations and interpretations in respect of the Scheme shall be at the sole discretion of the Nomination & Remuneration Committee and shall be final and binding on all the Eligible Employees and Option Holders.
14. Identification of persons who are qualified to become directors and 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 evaluation of every director's performance.
15. Formulation of criteria for determining qualifications, positive attributes and independence of a director, and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

3.3 Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee has been constituted as required Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025.

3.3.1 Composition, Meetings and Attendance

The Nomination and Remuneration Committee of the Board is comprised of three members namely:

1. Mr. Balamurugan Neelamegam - Chairman
2. Mr. Chokkalingam Palaniappan – Member
3. Mr. Sarathkumar- Member

Details of Attendance of Directors in the Asset Liability Management Committee meetings held during the financial year ended 31st March 2026 is given below:

S No	Date/Day of Board Meeting	Committee Strength	No of Directors Attended
1	18-04-2025	3	3
2	12-09-2025	3	3
3	23-01-2026	3	3

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

3.3.2 Terms of reference

1. Ensure adherence to Board-approved ALM policies and limits, and implement the Company's liquidity risk management strategy
2. Decide the desired maturity profile and mix of incremental assets and liabilities, including asset sales as a funding source
3. Determine structure, responsibilities, and controls for managing liquidity risk; oversee liquidity positions across all branches
4. Recommend liquidity risk tolerance, funding strategies, prudential limits, and the stress-testing/contingency funding framework to the Board
5. Review Gap Reports (interest rate risk — earnings and economic value perspectives) and set/monitor individual gap limits
6. Approve the investment portfolio policy note (including maturity profiling and Trading Book parameters) before Board/DoS submission
7. Approve behavioural/empirical classification of assets and liabilities into time buckets, where applicable
8. Monitor the Structural Liquidity Statement (SLS) and ensure cumulative mismatches stay within prescribed tolerances
9. Monitor key stock-based liquidity ratios against Board-approved internal limits
10. Oversee HQLA adequacy and maintenance of minimum 100% LCR (where applicable)
11. Oversee the internal funds transfer pricing mechanism
12. Review MIS/stress-test outputs and report liquidity and IRR positions to the Board
13. Ensure timely submission of regulatory returns (STDL, Structural Liquidity and IRS returns)

3.4 Risk Management Committee (RMC)

The Risk Management Committee has been constituted as required under the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and Section 178 of the Act.

NAVARATHNA HOUSING FINANCE LTD Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

3.4.1 Composition, Meetings and Attendance

The Risk Management Committee of the Board is comprised of three members namely:

1. Mr. Balamurugan Neelamegam - Chairman
2. Mr. Chokkalingam Palaniappan – Member
3. Mr. Sarathkumar- Member

Details of Attendance of Directors in the Risk Management Committee meetings held during the financial year ended 31st March 2026 is given below:

S No	Date/Day of Board Meeting	Committee Strength	No of Directors Attended
1	18-04-2025	3	3
2	12-09-2025	3	3
3	23-01-2026	3	3

3.4.2 Terms of reference

1 Evaluate the overall risks faced by the Company, including liquidity risk, and report to the Board.

2 Review and recommend the Company's risk management framework, policies, and risk appetite for Board approval.

3 Oversee identification, measurement, monitoring, and mitigation of credit, market, operational, liquidity, and other material risks.

4 Oversee the Chief Risk Officer's (CRO) functioning, ensuring independence — direct reporting to the MD & CEO or the RMC, no reporting relationship with business verticals, and no dual-hatting with other responsibilities (applicable where CRO appointment is mandatory, i.e., asset size above ₹5,000 crore)

5 Meet the CRO without the presence of the MD & CEO at least quarterly, where the CRO reports to the MD & CEO

6 Ensure all credit products (retail and wholesale) are vetted by the CRO from an inherent and control risk perspective

7 Review risk dashboards, key risk indicators, and stress test outcomes at prescribed intervals

8 Coordinate with the ALCO on liquidity and interest rate risk, and with the Audit Committee on internal control and audit findings relating to risk

9 Coordinate with the Nomination and Remuneration Committee to align compensation structures with prudent risk-taking

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

10 Review adequacy of risk management systems, MIS, and escalation mechanisms, and recommend improvements to the Board
11 Monitor compliance with Board-approved risk limits and escalate breaches
12 Report periodically to the Board on the risk profile of the Company and emerging risks

3.5 Business & Resource Committee

The Resourcing & Business Committee is responsible for reviewing and approving matters relating to the Company's funding and financial resources, including borrowings from banks and financial institutions, terms of issuance of Non-Convertible Debentures etc.

3.5.1 Composition, Meetings and Attendance

The Business & Resource Committee of the Board is comprised of three members namely:

1. Mr. Balamurugan Neelamegam (DIN: 01254031) – Chairman
2. Mr. Chokkalingam Palaniappan (DIN: 00884596) – Member
3. Mr. Ramanathan Thirupathi (DIN: 01680773) – Member

Details of Attendance of Directors in the Business & Resource Committee meetings held during the financial year ended 31st March 2026 is given below:

S No	Date/Day of Board Meeting	Committee Strength	No of Directors Attended
1	28-10-2025	3	3
2	30-10-2025	3	3

3.5.2 Terms of reference

1. Borrowing such sum or sums of moneys, availing all kinds and types of loans, debt and credit facilities including debentures and other debt instruments, commercial paper, from time to time, upto such sum / limit as may be fixed by the Board of Directors / Shareholders, for and on behalf of the Company, from its directors, shareholders, banks, NBFCs, financial institutions, companies, firms, bodies corporate, Co-operative Banks, investment institutions and their subsidiaries, or from any other person as may be permitted under applicable laws, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and/or properties, whether movable including stocks, fixed assets,

NAVARATHNA HOUSING FINANCE LTD Chennai-600 020

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

book debts and to create security over the assets and / or properties of the Company in relation to such borrowings and loan/ credit facilities, modification or satisfaction of the charge/ security created on the assets and/or properties of the Company from time to time.

2. To approve investments as per the limits laid down by the Board of Directors under the investment policy by way of mutual funds, fixed maturity plans and fixed deposits. (either placement, early withdrawal or closures).

3. To review, modify and approve investment policy of the Company and delegation of authority for investments from time to time.

4. Monitor the Company's investment portfolio and determine the quality, term, and features of the investments to be made by the Company.

5. To mortgage / charge/ hypothecate or otherwise provide as security all or any of the properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to with the Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company to or in favour of the financial institutions, Non-Banking Financial Companies, Co-operative Banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures/bonds and/or other instruments or any other person.

6. To establish current and other banking accounts with various banks upon such terms and conditions as may be agreed upon with the said bank and various other entities; to specify and change the authorized signatories and their transaction limits to the said banking accounts; to close current and other banking accounts or any other person.

7. To consider, finalize and approve securitization arrangements and to authorize carrying out of all actions connected therewith.

8. To authorize affixing the common seal of the Company in accordance with the manner laid down in the Articles of Association and to authorize taking the Common Seal out of the registered office of the Company.

9. To exercise such other powers as may be vested by the Board from time to time.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 020

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

10. To delegate one or more of the powers vested in the Committee by the Board vide this resolution to one or more members of the Committee or to any other person or persons and to do all acts, deeds and things to give effect to and complete the debenture offer and allotment process.

4. Details of non-compliance with requirements of Companies Act, 2013

During the period under review, there were no instances of non-compliance with requirements of the Companies Act, 2013, Accounting Standards and Secretarial Standards.

5. Details of Penalties and Strictures

There were no instances of penalties or strictures imposed on the Company by the Reserve Bank or any other statutory authority or regulator.

6. Board Procedure and Responsibilities

The Board plays a key role in ensuring that the Company adopts good corporate governance practices. The Board has a formal schedule of matters reserved for its consideration and decision. Amongst other things, the Board considers and approves:

- Operational and financial policies;
- Annual business strategy, plans and budgets;
- Strategy and plans for mobilization of resources;
- Quarterly/half-yearly/annual financial statements.

The Board takes decisions after careful consideration of the issues involved with inputs from the Management, wherever needed, and ensures that appropriate action is taken by the Company to implement Board decisions and directions.

The Board also reviews periodically the Company's compliance with various statutory and regulatory requirements. The Board has constituted various Internal committees with appropriate delegated authority. The day-to-day operations of the Company are looked after by the CEO under the overall superintendence and guidance of the Board. The CEO is assisted by senior management personnel with well-defined responsibilities.

NAVARATHNA HOUSING FINANCE LTD Chennai-600 028

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com

GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

7. Means of Communication

The primary source of information for shareholders, customers and other stakeholders of the Company as well as public at large is accessible through Company's website.

The Company also sends periodical newsletters to its shareholders updating them about the operations and affairs of the Company.

For and on behalf of Board of Directors of Navarathna Housing Finance Limited

Place: Chennai

Date: 15th July 2026

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Chokkalingam Palaniappan DIN: 00884596 Managing Director	Neelamegam Balamurugan DIN: 01254031 Director

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Annexure - B

Management Discussion and Analysis & Managing Director's Message

Macro-Economic Outlook

The global economy continues to progress steadily, supported by several favourable macroeconomic factors. Inflation is returning to targeted levels, though geopolitical tensions — including the recent conflicts between Iran, the United States and Israel, and the ongoing conflicts involving Israel, Lebanon, Gaza, and Russia and Ukraine — continue to pose risks of commodity price volatility and inflationary pressure.

Global GDP, per IMF data, stood at approximately $117.17 trillion, reflecting global economic growth of 3.16% in 2025, while global headline inflation averaged approximately 4.1%, down from 5.6% in 2024. Major central banks have begun easing monetary policy; in India, the Reserve Bank of India reduced the repo rate once during the fiscal year, a cumulative decrease of 0.25% from 5.5% to 5.25%, to stimulate growth.

Indian Economic Outlook

India remains one of the fastest-growing major economies in the world, with a GDP growth rate of 6.60% recorded in FY 2025. This sustained momentum has been supported by structural reforms, robust domestic consumption, and strong economic policies implemented over the past decade.

India's aspirational demographic — with 65% of the population under the age of 35 — is increasingly focused on financial independence and homeownership. With the availability of subsidised housing loans, homeownership is now more attainable than ever.

India's housing finance sector stands at a critical inflection point, benefiting from rapid urbanisation, supportive policy initiatives, and fiscal incentives such as tax rebates. The Indian housing finance market, currently valued at approximately ₹33 lakh crore, is expected to grow at a CAGR of 15–16%. Housing Finance Companies (HFCs) account for 53% of this market, while banks contribute the remaining 47%, comprising approximately 39% EWS/LIG, 44% MIG and 17% HIG customers — indicating significant growth opportunities for HFCs.

NAVARATHNA HOUSING FINANCE LTD Chennai-600 020

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Company Overview: Navarathna Housing Finance Limited

FY 2025-26 was a year of strong financial performance for the Company, with healthy growth in income, profitability and the loan book, alongside a deliberate shift in the funding mix towards short-term borrowings and co-lending. The financial highlights below are drawn from the Company's audited financial statements for the year ended 31st March 2026 and should be read together with the Board's Report and the audited financial statements.

During FY 2025-26, the Company achieved notable progress in expanding its loan portfolio across product lines:

- Housing Loans: ₹34.83 crore (FY 2024-25: ₹25.82 crore)
- Mortgage Loans: ₹13.05 crore (FY 2024-25: ₹8.50 crore)
- Jewel Loans: ₹1.44 crore (FY 2024-25: ₹5.34 crore)
- Other Small Loans: ₹0.08 crore
- Primary Business Criteria (PBC): 65.68% (FY 2024-25: 56.40%)

The Company's core focus during the year remained on increasing Housing Loan disbursements to meet the Primary Business Criteria (PBC) stipulated by the National Housing Bank (NHB). The Company met the NHB's 60% PBC target ahead of the 30th June 2025 deadline and closed FY 2025-26 at 65.68%, well above the mandated threshold. Total secured advances stood at 99.82%, with the balance 0.18% remaining unsecured.

In line with its mission to serve underserved and rural communities under the theme "shelter to all", the Company continued to emphasise EWS/LIG loans through branches strategically located in deep rural pockets that typically fall outside the eligibility norms of banks. The average ticket size increased from ₹4.90 lakhs to ₹7.12 lakhs during the year, alongside longer repayment tenures designed to accommodate borrower needs.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Financial Performance Highlights (₹ in Lakhs, unless stated)

Particulars	FY 2025-26	FY 2024-25	YoY Change
Total Income	968.15	798.00	+21.3%
Revenue from Operations	950.13	745.93	+27.4%
Total Expenses	545.77	573.14	(4.8%)
Profit Before Tax	422.38	224.86	+87.8%
Profit After Tax	324.41	160.81	+101.8%
Earnings Per Share (Basic & Diluted, ₹)	1.40	0.69	+101.7%
Balance Sheet Size (Total Assets)	5,303.40	4,584.01	+15.7%
Loan Book (Long-Term Loans & Advances)	4,797.02	3,448.58	+39.1%
Net Worth (Shareholders' Funds)	4,057.31	3,732.90	+8.7%
Total Borrowings	985.66	615.24	+60.2%
Capital Adequacy Ratio (CRAR)	130.11%	122.64%	+7.5 pp

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 020

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Key Financial Ratios

Ratio	FY 2025-26	FY 2024-25	Remarks
Current Ratio (x)	0.63	2.52	Working capital turned negative; needs monitoring
Debt-Equity Ratio (x)	0.24	0.16	Rise driven by fresh short-term borrowings
Debt Service Coverage Ratio (x)	0.46	0.76	Decline tracks the increase in borrowings
Return on Equity (%)	8.33%	4.40%	Nearly doubled on higher profitability
Net Profit Margin (%)	34.14%	21.56%	Improved operating leverage
Return on Capital Employed (%)	13.44%	9.25%	Improved
Return on Investment (%)	21.46%	11.78%	Aided by redemption of mutual fund investments

The year's most notable development is the sharp swing in the current ratio, from 2.52x to 0.63x, as current liabilities rose faster than current assets — largely on account of a 105% increase in short-term borrowings used to fund the growing loan book. The Debt Service Coverage Ratio has moved in the same direction. While profitability metrics have improved meaningfully, the Board and management should treat the liquidity and coverage trend as a priority monitoring item going into FY 2026-27, and should consider terming out a portion of short-term borrowings to better match the tenor of the housing loan book.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 028

Asset Quality

As per the sectoral exposure disclosure (Note 33.3), the Gross NPA ratio on the Company's personal loan book (housing and non-housing loans combined) is reported at 8.49% of total exposure, as against 3.94% in the corresponding prior-year figures carried in the same note. If confirmed, this represents a meaningful deterioration in asset quality alongside the strong growth in the loan book, and warrants closer attention from the collections team and more conservative underwriting on incremental disbursements.

Business Development Initiatives

- New Branches: Inaugurated branches in Tanjore, Theni and a second branch in Sivakasi during FY 2025-26
- Geographic Expansion: Commenced sourcing of proposals from the Salem region
- Distribution Network: Expanded the DSA/Connector network across all operating regions to 80 empanelled partners by the close of FY 2025-26, contributing business volume of ₹445.38 lakhs during the year
- Digital Strategy: Continued a digital marketing campaign to generate leads
- Affordable Housing Push: Signed an MoU with the National Housing Bank (NHB) under the PMAY scheme for subsidised housing loans to EWS/LIG customers

These initiatives contributed to the 39.1% growth in the loan book during the year, and are expected to continue supporting disbursement growth in FY 2026-27, particularly as the Salem, Tanjore, Theni and Sivakasi markets mature.

Prudent Growth Approach

The Company remains committed to sustainable and risk-mitigated growth. A dedicated collections team has been deployed to strengthen recovery efforts, employing both personal follow-ups and legal recourse for chronic defaults. Given the increase in the Gross NPA ratio noted above and the tightening current ratio, the Company intends to reinforce this approach in FY 2026-27 through stronger portfolio monitoring, staggered disbursement limits, and closer tracking of early-bucket delinquencies.

NAVARATHNA HOUSING FINANCE LTD. Chennai-600 020

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL
Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Funding Sources

Historically, the Company has relied on equity infusion, bank loans, and director contributions to fund its operations. Total borrowings grew by 60.2% during the year, to ₹985.66 lakhs (FY 2024-25: ₹615.24 lakhs), with short-term borrowings more than doubling to ₹584.49 lakhs (FY 2024-25: ₹285.20 lakhs) and long-term borrowings rising 21.6% to ₹401.17 lakhs (FY 2024-25: ₹330.04 lakhs).

New Developments: A co-lending agreement has been signed with Bharat Housing Network in a 70:30 ratio, and discussions are at an advanced stage with multiple banking partners for additional funding lines. During the year, the Company also raised Inter-Corporate Deposits (ICDs) of ₹2,00,00,000 from M/s Prakala Wealth Private Limited and M/s Behind Force Solutions Private Limited, and ₹2.49 crore through Non-Convertible Debentures (NCDs), to keep pace with the increasing fresh disbursement demand.

External Credit Rating

The Company's current credit rating from CRISIL stands at BB- (Stable). Management has requested a re-evaluation to support enhanced borrowing capacity; given the strong growth in profitability (PAT more than doubling year-on-year) alongside the increase in leverage and the softer current ratio, the outcome of this re-rating exercise should be watched closely, as rating agencies are likely to weigh both trends.

Capital Adequacy

As of 31st March 2026, the Company's Capital Adequacy Ratio (CRAR), computed from the underlying capital adequacy working papers, stood at 130.11% (Tier-I: 129.67%; Tier-II: 0.44%), as against 122.64% as at 31st March 2025 — substantially higher than the RBI-mandated minimum of 15%, and reflecting the Company's robust capital position even as the loan book has scaled.

Technology Upgrades

To modernise and scale operations, the Company has discontinued its association with its earlier technology partner, CloudBankin, and entered into an agreement with AllCloud Enterprise Solutions Private Limited to implement the Loan Origination System (LOS), Loan Management System (LMS) and Finance & Accounting (F&A) modules. The LOS is approximately 95% complete and is currently in the User Acceptance Testing (UAT) stage, with go-live expected by the middle of the second quarter of FY 2026-27. Data migration has been completed and is under testing, and the LMS and F&A modules are expected to be ready by the end of the second quarter.

NAVARATHNA HOUSING FINANCE LTD ★ Chennai-600 028

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com
GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Internal Control Systems

Internal controls have been strengthened in line with the growing complexity of operations:

- Appointed internal audit personnel, including CA V. Thiyagarajan, FCA, to cover both the Corporate Office and the Branches
- Discontinued jewel loan operations at Pudukottai at the close of FY 2025-26
- Retained the Ponnamaravathy branch alone for Jewel Loans, with third-party appraisals and CCTV surveillance to enhance operational security

Human Resources

The Company's people-centric approach remains a strategic pillar; overall employee strength stood at 62 at the close of FY 2025-26, with key HR initiatives including:

- Mandatory background verification for new hires
- Training and upskilling programmes
- Employee benefits comprising ESI and PF coverage, Personal Accident Insurance for all field sales staff, and Medical Insurance after one year of service

Cautionary Statement

This report may contain forward-looking statements that involve risks and uncertainties. Actual outcomes may differ materially due to changes in market dynamics, regulatory developments, or other unforeseen events, including the asset-quality and liquidity trends flagged elsewhere in this Annexure.

NAVARATHNA HOUSING FINANCE LTD
Chennai-600 020

NHFL
NAVARATHNA
HOUSING FINANCE LTD.
SHELTER TO ALL

Flat No. 1 & 2, Ground Floor, Krishna Towers,
No. 9-13, Sardar Patel Road, Taramani, Adyar, Chennai - 600 020.
98846 58222 / 91767 33999
corporateoffice@navarathnahousing.com
navarathnahousing.com

GST: 33AAECN9105E1ZS CIN: U65922TN2015PLC100156

Acknowledgements

The Board extends its sincere appreciation to the National Housing Bank, the Reserve Bank of India, other regulatory authorities, auditors, bankers, promoters and shareholders. Most importantly, the Board thanks its dedicated employees, whose efforts have been critical to the Company's continued success.

For and on behalf of the Board of Directors of Navarathna Housing Finance Limited

Place: Chennai
Date: 15th July 2026

NAVARATHNA HOUSING FINANCE LTD Chennai-600 028

Chokkalingam Palaniappan
DIN: 00884596
Managing Director

Neelamegam Balamurugan
DIN: 01254031
Director