LENDINGKART

Think cash, Think Lendingkart Group!

Annual Report

FOR THE YEAR ENDED MARCH 31, 2023

LENDINGKART TECHNOLOGIES PRIVATE LIMITED

MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

As we reflect upon the conclusion of FY 23, we are proud of all the great things we have achieved through our journey. The year 2022-23 stands as a testament to our commitment to growth, profitability, and innovation. In these twelve months, we have not only met our goals but also charted new areas of success, marking numerous remarkable firsts along the way. This year's accomplishments further solidify our position in the financial landscape, setting the stage for even greater accomplishments in the years to come.

Empowering MSME Lending: Unleashing Tremendous Potential through Data and Technology

At the core of our mission, Lendingkart stays committed to empower Micro, Small, and Medium Enterprises (MSMEs) through cutting-edge technology and insightful data utilization. Our suite of products seamlessly integrate advanced algorithms, artificial intelligence, machine learning and data analytics, enabling us to gain unparalleled insights into the unique needs and aspirations of each MSME we serve. By leveraging these tools, we not only provide tailored financial solutions but also foster an environment where businesses can thrive.

The Result of Our Digital Asset Construction

Lendingkart's journey reflects our pioneering spirit in the digital lending realm, focused on uplifting the MSME sector. We've processed a remarkable 1.6 million applications through our smart credit platform, powered by advanced machine learning models. This achievement has allowed us to gather a vast amount of data – over 7 billion data points, making us a key hub of MSME insights.
Our digital strength goes further, with our XLR8 platform enabling a network of over 5000 dedicated Direct Selling Agents (DSAs), collaborations with 110+ valued channel partners, and partnerships with **10+** prominent internet companies. Notably, our website drew an average of ~3 million visits every month with a significant portion coming directly or via organic search, a sign of our strong digital presence. Additionally, we grew our android app installs to 39,000 per month. This robust setup let us serve about 200,000+ valued customers across 14,500+ pin codes (out of 19,000 in India). Our reach spans 4,300+ towns and cities, covering 28 states and 6 Union Territories. Committed to digital innovation, we proudly lead in MSME support, shaping a brighter future.

The Year Of Growth And Profitability

Looking back at FY23, Lendingkart's journey was a story of remarkable growth and thriving collaborations, resulting in a series of accomplishments. Our disbursals recorded an impressive growth rate of 44%, summing up to Rs 3,959 Cr disbursed to businesses. Our revenues also experienced a substantial increase, reaching Rs 828 Cr, reflecting a notable 29% rise. Notably, our Profit After Tax (PAT) emerged as the star of our financial performance, standing at Rs 120 Cr, showcasing an extraordinary growth of 164%. This remarkable surge in profitability was underlined by six consecutive quarters of profit, signifying our resilience, and marking the first profitable year after the challenges posed by Covid-19. This impressive stride was further bolstered by our platform business, with 2gthr platform disbursals soaring to Rs 3,169 Cr, depicting a remarkable 146% increase.

First ever Brand Marketing Campaign

FY-23 stands out as a year defined by numerous remarkable firsts that have fortified Lendingkart's position as an industry leader. Among the highlights, one of the most significant "firsts" was the launch of our inaugural integrated brand marketing campaign – Business Loan bole toh sirf Lendingkart, a defining moment that showcased our commitment to growth. This exciting campaign was complemented by our choice of our very first brand ambassador, Rajkummar Rao, who resonates with our values of determination and progress.

Upwards Acquisition

In what marks a significant stride towards enhanced customer experiences, the acquisition of Upwards by Lendingkart has opened a new chapter of possibilities. MSME employees, who have long been underserved in the financial realm, are now at the forefront of our focus, thus enabling us to address the loan requirements of these MSME employees directly. This strategic move aligns perfectly with our vision for a brighter financial landscape, as we aim to cater specifically to the needs of this segment. This partnership not only propels Upwards but also places us in an optimal position to actualize our strategy of seamlessly facilitating personal loans for customers within the lower ticket size pie, fostering inclusivity and catering to a wider range of financial needs. Moreover, the acquisition underscores our collective commitment to empowering individuals on their financial journeys, ensuring that even self-employed individuals have access to much-needed personal loans. Thus this partnership stands as a testament to our collective commitment to empower individuals on their financial journeys and underscore the promising path ahead.

Awards and recognitions

Over the year, Lendingkart garnered an array of prestigious recognitions and accolades that speak volumes about our commitment and excellence:

Best BFSI Brand: We were honoured to be acknowledged as one of the Best BFSI brands in the nation by none other than The Economic Times. This recognition underscores our dedication to innovation and our impact in the financial sector.

Great Place to Work® Certification: Our team's passion and collaborative spirit shone brightly as we earned the esteemed Great Place to Work® Certification. This achievement reflects the positive and inspiring work environment we have collectively cultivated.

Best Fintech Brand: The Financial Express recognized our unwavering efforts by awarding us as the Best Fintech brand. This accolade serves as a testament to our innovative approaches in revolutionizing financial services.
These honours not only motivate us to continue striving for excellence but also affirm the impact we've made in the financial sector. We're grateful for the trust and recognition extended to us and look forward to building upon these achievements in the times ahead.

On the tech front

Experience and engagement have taken centre stage in our recent initiatives. Leveraging the born cloud infrastructure, we have embraced the cutting-edge capabilities of cloud technology to revolutionize the lending landscape. This transformation has allowed us to focus on delivering personalized pricing, tailoring loan offerings to the unique needs of each customer.

Launched Pricing Recommendation: Enabled operations with pricing recommendation engine powered by AI/ML model based on customer lookalike to empower agents for systemic negotiations [Terms acceptance conversion improvement by ~5%]

Enabled 100% Zero-Touch Coverage: Extended end-to-end automation digital self-serve journey for loan origination, digital KYC, and e-NACH for non-proprietor businesses.

Launched Distribution-as-a-Service (DaaS) capability: New mobile app for O2O agents and new customer journeys to offer a wider selection of credit products enabled through other financial institutes on-boarded onto the platform.

Launched alternate options for Digital KYC journey: Enabled Digilocker integration for Aadhar-based VKYC and Digital OVD verification capability for non-Aadhaar VKYC flow for better success [Improved zero-touch success by 8%]

Co-Lending Prioritization framework: Built algorithm to efficiently allocate cases among co-lenders to ensure optimal risk mix at a minimal cost.

Vision ahead

Looking ahead, our vision remains steadfast: to solidify our position as the ultimate MSME finance specialist. We are committed to expanding our product portfolio to

include an array of offerings, ranging from credit cards to gold loans to monetizing our capabilities. We are poised to lead through technology and innovation, spearheading a tech-led revolution that redefines the financial landscape. Collaboration will remain a cornerstone of our approach, with co-lending initiatives further fortifying our resolve. As we embrace the road ahead, our unwavering focus is on empowering the MSME sector, catalysing growth, and revolutionizing the landscape of financial services.
We wish to thank you for your continued support. We are grateful to have you along in our journey and value your advice and feedback on a regular basis. We are sure that we will together build Lendingkart further and scale new peaks in this financial year. Together we will build Lendingkart as a company we are all proud of.

Yours sincerely,

Harshvardhan Lunia
Chairman & Managing Director

Management Discussion and Analysis (MD&A)

Industry Outlook & Economy

Financial Year 2022-23 (FY2023) began on a positive note with receding Covid-19 pandemic - thanks to World's Largest Vaccination Drive. However, the impact of inflationary trends, supply chain disruptions emanating from China, and the Russia-Ukraine conflict have been impacting commodity prices. Rising international crude prices kept prices high, fuelling retail inflation. The government cut excise and customs duties and restricted exports to cool off inflation. RBI raised the monetary policy rates and reduced excess systemic liquidity.

Despite these challenges, India has emerged as the fastest growing major economy in the world. India's GDP growth is expected to remain robust in FY24. GDP forecast for FY24 to be in the range of 6-6.8%.

The Indian FinTech ecosystem has emerged as a formidable global force and continues to grow as one of the largest FinTech markets globally. One of the best digital payments ecosystems in terms of value and volume, phenomenal growth in the consumer and SME digital credit access are testimonials that Indian FinTech companies are on the right trajectory.

EY's recent study shows that the next decade will record a 10X growth in the India FinTech market and the digital lending market will grow to $515 Bn book size by 2030.

The innovative spirit of FinTech is anchored around the collaborative ecosystem where banks and insurers are actively partnering with FinTech companies. FinTech and traditional financial services (FS) firms are creating symbiotic relations that leverage the willingness towards mutual benefits and monetization.

Financial inclusion remains an agenda for the government in the wake of traditional FS players under penetration in rural, ageing population, unorganised, and gig segments. The overall financial services market is undergoing a major transformation, leveraging new and cutting-edge technologies such as blockchain, AI, ML, and cloud infrastructures. The driving force behind FinTech sector' growth are Tech-enabled collaborations, Emerging Tech Adoption and Access to Skilled Talents.

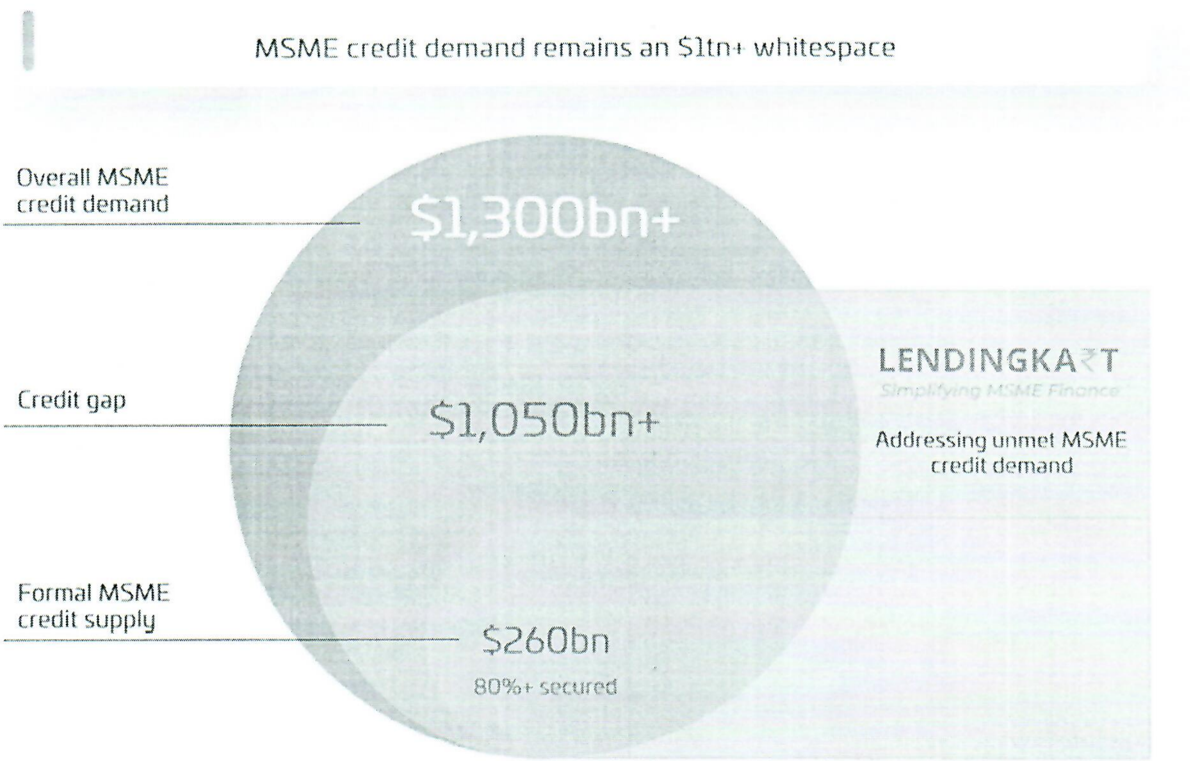
Collaborations between traditional financial services players (primarily banks) and FinTech startups are business as usual now and enabled by the proliferation of APIs and data sharing norms. Modern infrastructures and emerging technologies such as blockchain, e-KYC, video KYC, IoT, AI, digital signatures, and account aggregation infrastructures are creating the underlying infrastructure for the future of digital-native financial services.

MSME Sector and Digital Adoption

Indian business ecosystem is majorly dominated by MSMEs, largely sitting on the fence about digital adoption. The micro, small and medium enterprises (MSME) sector is dynamic and fast expanding, contributing ~35% to India's GDP and employing ~111 million people. It's very crucial to improve MSMEs' access to finance and explore innovative solutions to unlock sources of capital. According to a recent survey by CRISIL, around 65% of MSMEs surveyed had adopted or improved the use of digital channels.

Credit Demand, Supply and Credit Growth

Demand for MSME loans has picked up in the last one year and have grown to 1.6 times of pre-pandemic attributed to improvement in broader economic activity post-pandemic, various government schemes, availability of enriched credit data and higher adoption towards digital lending. The total loan sanctioned to MSME across ticket sizes and various player groups has increased by 10% YoY to $ 98 bn FY 2022-23. Total MSME credit exposure was at $ 280 Bn reflecting a YoY growth rate of 10.6%. It is clear that the lending community is actively promoting the growth of MSME sector. However, there is still a massive untapped credit gap to be addressed owing to complex documentation & collateral requirements, higher turnaround times.

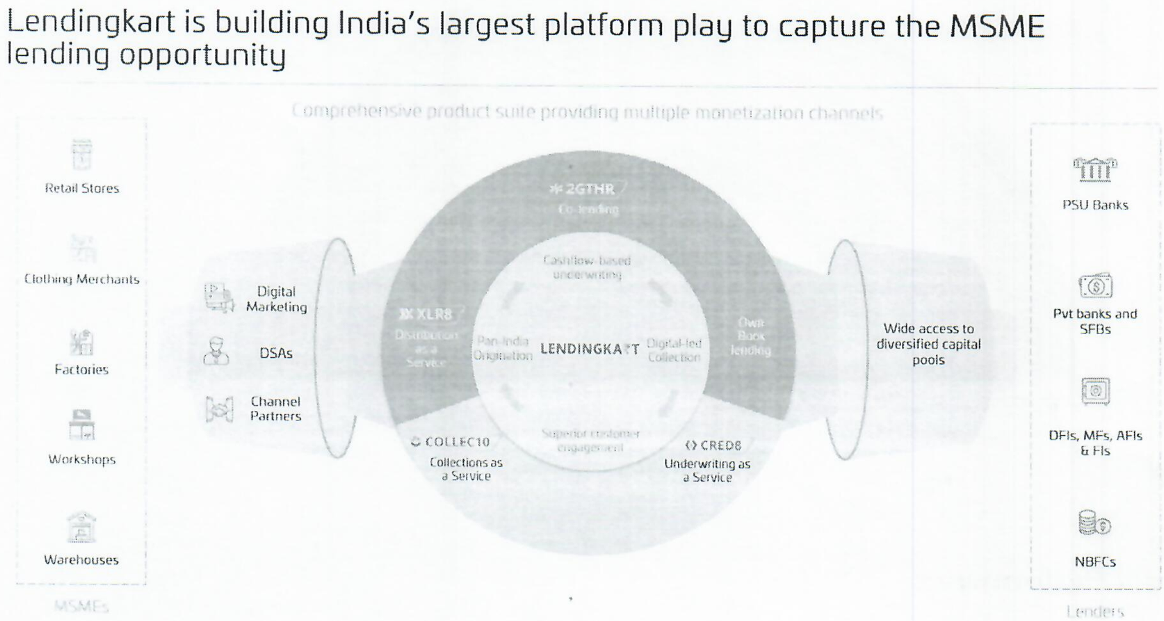


Digital Lending 2gthr Platform

Lendingkart Finance had envisioned phenomenal growth in credit requirements of MSMEs, leveraging the state-of-art technologies such as AI, ML, big data analytics has built tech-enabled proprietary platform to address the credit gap between the MSMEs and lenders thereby establishing itself as pioneers in Lending Fin-Tech Space.

Formalisation of MSMEs and their adoption of platform-based banking services, has enabled us to capture more data making credit processing, underwriting and loan delivery & debt collection seamless. Many banks are capitalising on this and are tying up to augment such capabilities. This combination of scale and digital prowess of Lendingkart Finance is driving an exponential growth in the MSME segment.

An e2e digital MSME lending service enabled by productized distribution, underwriting, and collection engines. Lendingkart 2gthr platform acts as core to connect the Banks and NBFCs with MSMEs from origination discovery and data-driven platform access to the robust loan disbursal process.

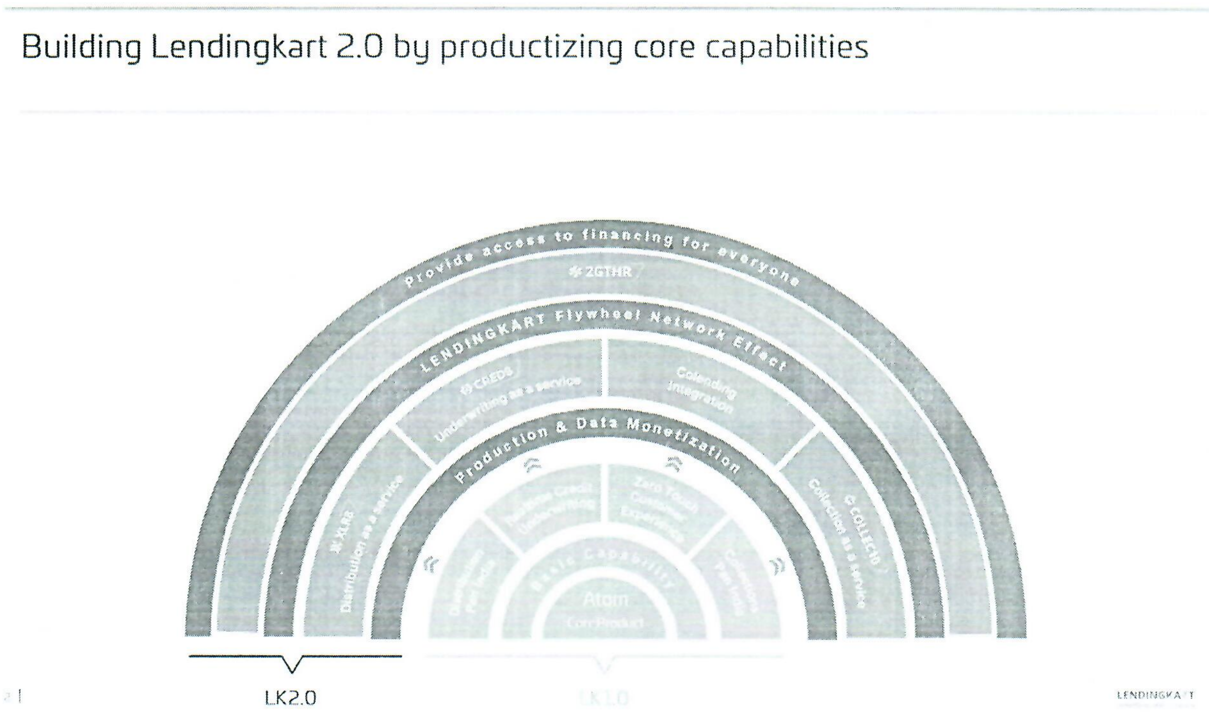


<u>**Distribution (Xlr8):**</u> An origination engine enabling sourcing, approval & instant payouts. Xlr8 provides a zero-touch and seamless onboarding of distributors and channel partners, real-time visibility into customer lifecycle and instant payouts. For Financial Institutions, Xlr8 offers listing of products for customers, algo-driven lead matching for better conversions & disbursements.

<u>**Underwriting (Cred8):**</u> A credit intelligence platform built leveraging Lendingkart's proprietary underwriting models. Cred8 enables segmentation of profile into different risk buckets, provides probability of default, suggest amount to lend and serves the NTC. Cred8 uses AI and ML based models with 5000+ parameters such as bank statements, statutory returns, bureau records along other data sources SMS data, geo-location, platform

interaction information for evaluation of credit worthiness. Lendingkart has evaluated 15.5 million applicants using Cred8 reducing the turnaround process of manual evaluation in 80% of the cases.

Collections (Collec10): A collections platform extending LK's collection capabilities and network to ecosystem. Collec10 empowers banks and NBFCs to collect dues from their customers by digital customer communication, providing payment links, cash deposit physical points, collections intelligence, geo-location tagging and PAN India field coverage for collections.



Financial Performance

It gives us immense pride to state that we have touched a gross disbursal of Rs 13,000+ crore since inception. In FY 22-23 itself, Lendingkart disbursed 61,000 loans to MSMEs amounting to INR ~4,000 crore having a YoY of 44%. Though the company has offices at only six cities, it has disbursed loans in more than 4100+ cities and towns in India & has cumulatively touched and improved lives of more than 2.25 lacs small/medium businessmen by enabling them to grow their businesses.

Enabling access to credit in every nook and corner of the country

LENDINGKART
Simplifying MSME Finance

2016
- # cities and towns covered – **42**
- Started with Western & Southern Region
- # new borrowers: **0.7k**

2017
- # cities and towns covered – **600+**
- Expanded to North & Central India
- # new borrowers: **6.6k**

2018
- # cities and towns covered – **1100+**
- Started catering to East India
- # new borrowers: **17k**

2019
- # cities and towns covered – **2,000+**
- Expanded coverage to remote areas of North-East and UTs
- # new borrowers: **42k**

2020
- # cities and towns covered – **3,100+**
- Among the few lenders to have nationwide
- # borrowers: **90k**

2021
- # cities and towns covered – **3,900+**
- Pan India coverage
- # borrowers: **100k**

2022
- # cities and towns covered – **4,100+**
- Pan India coverage
- # borrowers: **134k**

2023
- # cities and towns covered – **4,100+**
- Pan India coverage
- # borrowers: **225k**

Platform disbursements has seen a steady growth up during the year contributing ~80% of the total disbursements.

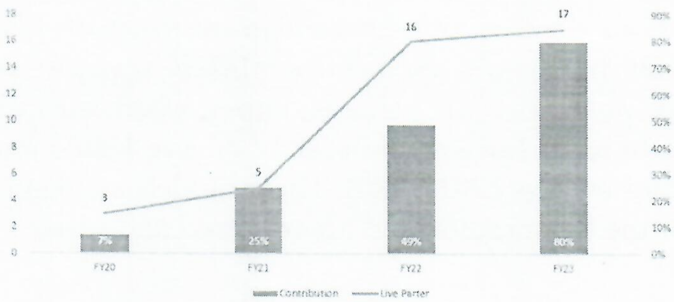
LENDINGKART
Simplifying MSME Finance

2GTHR

Co-lending As AService

e2e digital MSME-lending service enabled by productized distribution, underwriting and collection engines

Distribution		Underwriting		Collection
XLR8	+	CRED8	+	COLLEC10



Assets Liability Management

Lendingkart's objective is to maintain its growth business strategy as well as maintaining a strong and sustainable capital base. The inherent business risks are mitigated through a robust underwriting process, financial analysis, assessments and risk scoring models.

Lendingkart endeavours to maintain a higher capital base than the mandated regulatory capital at all times. Lendingkart monitors its capital to risk-weighted asset ratio (CRAR) on a quarterly basis through its Assets Liability Management Committee (ALCO). Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth. This approach enables us to maintain a healthy loan book and manage credit losses effectively.

Our Capital Markets team focuses on minimising the cost of borrowings, liquidity management and control, diversifying fundraising sources, managing interest rate risk and investing funds in accordance with the criteria set forth in investment policy. Our borrowing sources include public/private & small finance Banks, NBFCs, DFI, AMCs. Short term liquidity is monitored on a dynamic basis to maintain adequate liquidity. Company reviews its policy periodically to factor in macro and micro events. Stress testing forms an integral part of the overall governance and liquidity risk management. The company thus follows a prudent strategy to ensure a solid foundation for its asset liability management.

Risks Management

The company has built a strong culture of managing risk in a structured manner. The risk management framework focuses attention on key areas such as credit, liquidity, operational and IT security risks.

Credit Risk

With advance risk assessment capabilities and evolved models for early warning triggers, phasing out manual interventions which is subjective and prone to errors; LK has pioneered an algorithm driven cash-flow based u/w models for MSME segment and launched a robust "Cred8" platform that provides SME score as output, which includes Lendingkart Score (300-900), Risk Bucket (A to F), Loan amount for 1/ 2/ 3 yr. loan duration, Expected bad amount rate and Key ratios such as EMI/ADB. These models are regularly monitored against desired outcomes for the organization and are reviewed and revised as required.

Operational Risk

Operational risk is inherent to processes and systems and a dedicated team monitors operational risks and incidents, including the robustness of various processes, systems and information security related matters. We have a state-of-the-art technology driven process flow and operational control system. A responsive customer portal "Atom/Zero Touch" platform for enhanced efficiency and deeper engagements with customers. The customer journey has been modularized via micro-processes, built in a product and industry agnostic fashion scalable across a wide array of services.

IT Security Risk

Cybersecurity and InfoSec policies are continuously monitored to mitigate the risk. We have robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information available with the Company. Frequent Back up procedures, restricted access to applications and other security restrictions are followed. Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users are educated on adherence to the policies to eliminate data leakages.

Internal Controls & their adequacy

Lendingkart has an independent internal management assurance function which is commensurate with its size and scale. Internal control systems comprising policies, procedures, well-defined risk and control matrices. These are designed to ensure orderly and efficient conduct of business operations, safeguard our assets, prevention and detection of errors and frauds, ensure strict compliance with applicable laws, assure reliability of financial statements and financial reporting. An extensive programme of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The efficacy of internal control systems is tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors. During the financial year under review, no material observation has been received from the Statutory Auditors and the Internal Auditors of the Company on such controls.

Our people

At Lendingkart, we believe that our employees are our most valuable resources and important enablers of our success. It gives us immense pride & happiness to share that Lendingkart has been officially certified as a Great Place to Work®! (Feb 2023 - Feb 2024). This achievement reflects our commitment to creating a positive, inclusive, and empowering work environment for all our employees.

This achievement is a result of our collective efforts to foster an environment where everyone feels valued, respected, and empowered. It is a testament to our commitment to promoting work-life balance, career growth opportunities, and providing a safe and inclusive workplace for all.

Moving forward, we will continue to build upon our strengths and further enhance our workplace culture. Together, we will strive to maintain our Great Place to Work status and continue to provide an environment that brings out the best in each of us.

Awards and Recognitions

Lendingkart Group have been awarded with the following recognitions and awards in past years including the following.

- Innovation and Emerging Tech award from Business Leader of the year, 2021
- Fintech Personality of the year, Harshvardhan Lunia from Business Leader, 2021
- Best fintech company from ET BSFI, 2022
- Most Admired BFSO Professional, Harshvardhan Lunia from ET BFSI, 2022
- Best BFSI Brand from Economic Times, 2023
- Top 50 Financial Technology CEOs from The Financial Technology Report, 2023
- Certified as Great Place to Work, 2023

In conclusion, Lendingkart Finance Limited is well-positioned in the market, catering to the financing needs of SMEs. We have demonstrated consistent financial performance, robust risk management practices, and a customer-centric approach. With a clear strategic roadmap, a diversified loan portfolio, and a commitment to innovation & technology, we are confident in our ability to achieve sustained success in providing business loans and supporting the growth of businesses in the dynamic and evolving business lending landscape.

REPORT OF THE DIRECTORS'

To the Members,
Lendingkart Technologies Private Limited.

The Directors are pleased to present their 9th Report along with the audited financial statements (Standalone & Consolidated) of the Company for the financial year ended 31st March, 2023.

FINANCIAL PERFORMANCE

The Company's financial performance for the financial year ended 31st March, 2023, is summarized below:

(Amount: ₹ in Lakh)

Particulars	Standalone		Consolidated	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022[1]
Revenue from operations and other income	8,572.06	882.25	85,801.95	64,311.24
Profit/ (Loss) before Tax	(3,586.87)	(6,203.75)	10,650.25	(24,588.04)
Provision for Tax [2]	(5,200.00)	-	(1,230.88)	(4,251.28)
Net Profit/ (Loss) after Tax	1,613.13	(6,203.75)	11,881.13	(20,336.76)
Other comprehensive income, net of tax	26.47	27.64	31.81	52.08
Total comprehensive income	1,639.60	(6,176.11)	11,912.94	(20,284.68)

[1] Previous year's figures have been regrouped based on the current years' classification.
[2] Net of deferred tax.

PERFORMANCE OVERVIEW

During the year under review, the total revenue on a consolidated basis stood at ₹ 85,801.95 Lakh, and the total assets under management on a consolidated basis stood at ₹ 5,00,470.16 Lakh.

The total revenue of the Company on a standalone basis stood at ₹ 8,572.06 Lakh. The Company is continuously taking multiple initiatives on the technology front to provide end-to-end lending solutions to the lenders.

LENDINGKART TECHNOLOGIES PRIVATE LIMITED
CIN:U72900GJ2014PTC081539
Registered& Corporate Office:401, 4th Floor, Iconic Shyamal, Nr. Shyamal Cross Road,Ahmedabad, 380 015, Gujarat, India.
Phone: +91-79-49132800**Email:** info@lendingkart.com**Website:** www.lendingkart.com

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Report.

SECURITIES

(i) Share Capital

During the year under review, there was no change in the authorized equity share capital of the Company.

Further, as on 31st March, 2023, the issued and subscribed share capital of the Company stood at ₹ 2,54,35,420 and the paid up share capital of the Company stood at ₹ 2,51,79,307 consisting of (i) 54,940 equity shares of ₹ 10 each; (ii) 16,982 Initial Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each; (iii) 36,081 Series A Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each; (iv) 44,396 Series B Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each; (v) 24,711 Series C1 Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each; (vi) 86,109 Series C2 Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each; (vii) 1,336 Series C3 Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each, partly paid up to the extent of ₹ 1 each; (viii) 38,884 Series D1 Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each; (ix) 14,394 Series D2 Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each; and (x) 1,251 Series D3 Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each, partly paid up to the extent of ₹ 1 each.

During the year under review, the Company made the following allotments:

- 1,251 Series D3 Compulsorily Convertible Cumulative Preference Shares of face value ₹ 100 each, partly paid up to the extent of ₹ 1 each on private placement basis; and

- 1,987 equity shares of ₹ 10 each, upon the conversion of 1,205 Initial Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each and 913 Series A Compulsorily Convertible Cumulative Preference Shares of ₹ 100 each.

(ii) Debentures

During the financial year 2021-22, the Company had raised ₹ 75,00,00,000 from Grand Anicut Fund 2, by issuance and allotment of non-convertible debentures. The details of the non-convertible debentures as on 31st March, 2023 are mentioned below:

Date of allotment	Number of debentures	Nominal Value Per Debenture (₹)	Total Amount Raised (₹)	Maturity Date (Date for final redemption amount)
23rd March, 2022	750	10,00,000	75,00,00,000	September 19, 2024

During this financial year 2023-24, the Company issued and allotted 20,000 non-convertible debentures of face value INR 1,00,000 each, at a discount of INR 1,250 to the face value, per debenture to Evolution X Debt Capital Master Fund 1 Pte. Ltd. (Registered Foreign Portfolio Investor). The details of the non-convertible debentures are mentioned below:

Date of allotment	Number of debentures	Nominal Value Per Debenture (₹)	Total Amount Raised (₹) [Net of discount of INR 1,250 Per Debenture]	Maturity Date (Date for final redemption amount)
23rd June, 2023	20,000	1,00,000	197,50,00,000	23rd June, 2026

Details of the Debenture Trustee for the non-convertible debentures:
Catalyst Trusteeship Limited
Address: GDA House, First Floor,
Plot No. 85 S. No. 94 & 95,
Bhusari Colony (Right), Kothrud Pune - 411038
Phone No.: +91 020 2528 0081
Fax No.: +91 020 2528 0275
Email: dt@ctltrustee.com
Website: www.catalysttrustee.com

EMPLOYEE STOCK OPTIONS

The employee stock options granted to the employees (of the Company and Lendingkart Finance Limited, subsidiary company of the Company) are governed in accordance with the provisions of the "Lendingkart Technologies Employee Stock Option Plan 2015" ("**ESOP 2015**"). During the year under review, the Company granted 2,740 employees stock options exercisable into an equal number of equity shares of the face value of ₹ 10 each fully paid, upon the payment of the exercise price to the Company and as per the provisions of ESOP 2015.

The details of the Employees' Stock Option Scheme pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014:

For the year under review:

<table>
<tr><th colspan="2">Details</th><th colspan="3">ESOP 2015</th></tr>
<tr><td colspan="2">Options granted</td><td colspan="3">5,820*</td></tr>
<tr><td colspan="2">Options vested</td><td colspan="3">1,853</td></tr>
<tr><td colspan="2">Options exercised</td><td colspan="3">Nil</td></tr>
<tr><td colspan="2">The total number of shares arising as a result of the exercise of the options</td><td colspan="3">Not applicable</td></tr>
<tr><td colspan="2">Options lapsed</td><td colspan="3">930</td></tr>
<tr><td colspan="2">Exercise Price (granted during the year)</td><td colspan="3">2,740 options at ₹ 59,9917.66 each; and
3,080 options at ₹ 10 each*</td></tr>
<tr><td colspan="2">Variation of terms of Options granted during the year</td><td colspan="3">None</td></tr>
<tr><td colspan="2">Money realized by Exercising of Options</td><td colspan="3">Nil</td></tr>
<tr><td colspan="2">Total number of Options in force as on 31st March, 2023</td><td colspan="3">15,786*</td></tr>
<tr><td colspan="5">Employee wise details of Options granted to:-</td></tr>
<tr><td>(i)</td><td>key managerial personnel (KMP) of-
- the Company
- the Subsidiary company of the Company.</td><td colspan="3">- Not applicable
- Mr. Gaurav Singhania, CFO of Lendingkart Finance Limited , was granted 35 stock options on 23rd March, 2023.*</td></tr>
<tr><td rowspan="4">(ii)</td><td rowspan="4">any other employee who receives a grant of options in any one year (during Financial Year 2022-23) amounting to five percent or more of options granted during that year.</td><td>Name of the employee</td><td>No. Of options granted (more than 5 percent of total options granted)</td><td>Date of grant</td></tr>
<tr><td>Asit Kumar</td><td>375</td><td>11th May, 2022</td></tr>
<tr><td>Dhanesh Padmanabhan</td><td>376</td><td>11th May, 2022</td></tr>
<tr><td>Sandeep Sonpatki</td><td>334</td><td>05th August, 2022</td></tr>
</table>

(iii)	identified employees who were granted an option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None

*3,080 options that are considered for computing the aforementioned numbers were cancelled on 9th May 2023 by the Board of Directors.

SUBSIDIARY COMPANIES

Lendingkart Finance Limited

Lendingkart Finance Limited, the Company's wholly-owned subsidiary company, a non-deposit taking NBFC, registered a total income of ₹82,407.25 Lakh. Profit before tax stood at ₹15,530.26 Lakh.

Lendingkart Account Aggregator Private Limited

Lendingkart Account Aggregator Private Limited, is a wholly-owned subsidiary company of the Company.

In accordance with the first proviso to Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies of the Company in Form AOC-1 is enclosed to this report as **Annexure-A.**

The Company does not have any joint venture or associate company.

KEY AWARD AND RECOGNITION

Lendingkart Group have been awarded with the following recognitions and awards:

- Recognized as one of the Best BFSI Brand, 2023 in the country by the Economic Times; and
- Earned the Great Place to Work certification.

DIVIDEND

The Directors have not recommended any dividend for the financial year 2022-23.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the provisions of section 125(2) of the Companies Act, 2013.

RESERVES

The Directors have not proposed to carry any amount to reserves for the financial year ended 31st March, 2023.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the year falling under the ambit of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and further, there were no outstanding deposits at the end of the year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and the applicable Accounting Standards, the consolidated financial statements of the Company are provided in the Annual Report.

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies, Ahmedabad, shall be uploaded on Company's website at https://www.lendingkart.com once the same is finalized.

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

Disclosure on particulars relating to loans, guarantees, and investments are provided in note no. 47 of the standalone financial statements.

BOARD AND ITS STATUTORY COMMITTEE(S)

Meetings of the Directors

The Board of Directors met 4 (four) times during the year under review. The meeting of the Board of Directors held on 11th May, 2022, 4th August, 2022, 7th November, 2022 and 14th February, 2023.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprised of:

Mr. Harshvardhan Lunia	Chairman
Mr. Raichand Lunia	Member

The Corporate Social Responsibility Policy (the "**CSR Policy**") is available on the website of the Company https://www.lendingkart.com. The CSR Policy gives an overview of the projects or programmes which could be undertaken by the Company from time to time. The Policy, *inter alia,* covers the following:

- CSR Vision
- CSR Objectives
- Focus Areas
- Scope of the Policy
- Responsibility of CSR Committee
- Governance Structure
- CSR budget and expenditure
- CSR implementation process
- CSR activities through external specialized agencies
- Monitoring & reporting

During the year under review, the Company was not required to incur any CSR expenditure. The Annual Report on CSR activities as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure-B**.

INTERNAL FINANCIAL CONTROLS

The Company's Internal Financial Control systems are commensurate with the nature of its business and the size and complexity of its operations.

The Company has put in place adequate internal financial controls with reference to financial statements. Such a system has been designed to provide for:

• Adoption of accounting policies in line with applicable accounting standards;

• Uniform accounting treatment is prescribed to the subsidiaries of the Company;

• Proper recording of transactions with internal checks and reporting mechanism; and

• Compliance with applicable statutes, policies, management policies, and procedures.

The management of the Company periodically reviews the financial performance against the approved plans across various parameters and takes necessary action, wherever required.

APPOINTMENTS, RE-APPOINTMENTS AND RESIGNATION OF DIRECTORS

During the year under review:

(i) The Board of Directors of the Company on 11th May, 2022, re-appointed Mr. Harshvardhan Lunia (DIN: 01189114) as the Managing Director, of the Company for a period of 3 (three) years with effect from 2nd June, 2022;

(ii) Mr. Anand Pande (DIN: 08233960) Non-Executive Director of the Company, tendered his resignation, with effect from 27th December, 2022;

(iii) The Board of Directors of the Company on 28th December, 2022, appointed Mr. Pavan Pal Kaushal (DIN: 07117387) as an Additional Non-Executive Director of the Company with effect from 28th December, 2022 to hold office till the ensuing 9th Annual General Meeting. It is proposed to re-appoint Mr. Pavan Pal Kaushal (DIN: 07117387) as a Non-Executive Director of the Company at the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors hereby report that:

(a) in the preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 have been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the financial year ended 31st March, 2023;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis; and

(e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company complies with all the applicable secretarial standards.

PARTICULARS OF REMUNERATION

The details as required to be disclosed under Section 197(12) of Companies Act, 2013 are not applicable for the financial year 2022-2023.

INTERNAL COMPLAINTS COMMITTEE

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder. During the year under review, no complaints were received by the Internal Complaints Committee established under the Policy for Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace of the Company.

RELATED PARTY TRANSACTIONS

All contract(s)/arrangement(s)/transaction(s) entered into/by the Company during the financial year with related parties were at arm's length basis and in the ordinary course of business.

The details concerning the related party transaction(s) as per accounting standards are disclosed in note no. 39 to the standalone financial statement.

The details of material contract entered into by the Company and Lendingkart Finance Limited, wholly-owned subsidiary company of the Company are enclosed as **Annexure C.**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of Energy

(i) The Steps taken or impact on the conservation of energy

The Company continues to make all efforts to conserve and optimize the use of energy including efficient use of office equipment and like manners.

(ii) The Steps taken by the Company for utilizing alternate sources of energy

The Company already uses minimal energy, there is no cost-effective way to use any alternate source of energy.

(iii) The Capital investment on energy conservation equipment

There was no capital investment made on energy conservation equipment.

(b) Technology Absorption

The Company continues to use the latest technologies for improving the productivity and quality of its services.

(c) Foreign Exchange earnings and outgo

During the year under review, the Company did not have any Foreign Exchange earnings. The Foreign Exchange outgo was ₹ 911.55 Lakh towards Software expense, Professional Fees, Advertisement Expenses, Travelling expenses, Subscription Expense and Recruitment expenses.

AUDITORS AND AUDITORS' REPORTS

M/s. S.R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), Chartered Accountants, were re-appointed as Statutory Auditors of the Company, for a second term of 5 (five) consecutive years from conclusion of 6th annual general meeting till the conclusion of the 11th annual general meeting. The Auditors' reports for the financial year 2022-23 do not contain any qualification or reservation or adverse remark.

The Statutory Auditors have issued an unqualified report in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 regarding compliance of downstream investment norms.

Further, no fraud was reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS

During the year under review, the Company was not required to maintain cost records as specified by the central government under sub-section (1) of Section 148 of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant and material orders passed by any regulator or court or tribunal, which may impact the going concern status of the Company and its operations in future.

RISK MANAGEMENT

The Company has a proper risk management framework commensurate with the nature and size of its business. The Board of Directors have not come across any risk which in the opinion of the Board may threaten the existence of the Company.

GENERAL DISCLOSURES

Your directors state that no disclosures or reporting is required in respect of the following items as introduced by the Companies (Accounts) Amendment Rules, 2021, effective 01 April 2021, since the same is not applicable to the Company:

a) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
b) the details of 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 along with the reasons thereof.

ACKNOWLEDGEMENT

The Directors acknowledge with gratitude the encouragement, assistance, support, and cooperation extended by its investors, customers, bankers, employees and all other stakeholders of the Company.

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

LENDINGKART TECHNOLOGIES PVT. LTD. ★ AHMEDABAD

Harshvardhan Lunia
Chairman & Managing Director
DIN: 01189114
Date: **August 08, 2023**
Place: Bengaluru

Annexure-A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

<u>Part "A": Subsidiaries</u>

(Information in respect of each subsidiary to be presented with amounts (₹) in Lakhs.)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Lendingkart Finance Limited	Lendingkart Account Aggregator Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 1st April, 2022 to 31st March, 2023	From 1st April, 2022 to 31st March, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share capital	4,418.79	400.00
5.	Reserves & surplus	68,247.84	(43.11)
6.	Total assets	2,85,926.52	357.12
7.	Total Liabilities	2,13,259.89	0.23
8.	Investments	0.00	0.00
9.	Turnover	80,288.93	0.00
10.	Profit/(Loss) before taxation	15,530.26	(40.55)
11.	Provision for taxation	3,964.52	4.60
12.	Profit/(Loss) after taxation	11,565.74	(45.15)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

1. Names of subsidiaries which are yet to commence operations –
   (i) Lendingkart Account Aggregator Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - Not applicable

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman & Managing Director
DIN: 01189114
Date: August 08, 2023
Place: Bengaluru

LENDINGKART TECHNOLOGIES PVT. LTD.
AHMEDABAD

Annexure-B

Annual Report on CSR Activities for the Financial Year 2022-23

1. Brief outline on CSR Policy of the Company.

Corporate Social Responsibility (CSR) initiative aims at having a long term sustainable impact on the community. The CSR Policy of the Company gives an overview of the projects or programs that could be undertaken by the Company from time to time.

The CSR Policy, *inter alia,* covers the following:

- CSR Vision
- CSR Objectives
- Focus Areas
- Scope of the Policy
- Responsibilities of the CSR Committee
- Governance Structure
- CSR budget and expenditure
- CSR implementation process
- CSR activities through external specialized agencies
- Monitoring & reporting

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Harshvardhan Lunia	Chairman	2	2
2	Mr. Raichand Lunia	Member	2	2

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

Composition of CSR Committee	Lendingkart Composition of CSR Committee https://www.lendingkart.com/constitution-of-csr-committee/
CSR Policy	Lendingkart CSR Policy https://lendingkart.s3-ap-southeast-1.amazonaws.com/Corporate-Social-Responsibility-Policy.pdf
CSR projects approved by the board	Not applicable (Until March 31, 2023, the Company was not statutorily required to make any CSR contribution)

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

Not applicable.

5. **(a) Average net profit of the company as per sub-section (5) of section 135.**

The Average **net loss** incurred by the Company, as per section 135(5) is ₹ 53,32,56,601.

(b) Two percent of average net profit of the company as sub-section (5) of section 135.

Not Applicable.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Not Applicable.

(d) Amount required to be set off for the financial year, if any

Not Applicable.

(e) Total CSR obligation for the financial year (b+c-d).

Not Applicable.

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**

Not Applicable.

(b) Amount spent in Administrative Overheads.

Not Applicable

(c) Amount spent on Impact Assessment, if applicable.

Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

Not Applicable

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

<table>
<tr><td rowspan="2">Total Amount Spent for the Financial Year. (in Rs.)</td><td colspan="5">Amount Unspent (in Rs.)</td></tr>
<tr><td colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</td><td colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</td></tr>
<tr><td></td><td>Amount.</td><td>Date of transfer.</td><td>Name of the Fund</td><td>Amount.</td><td>Date of transfer.</td></tr>
<tr><td colspan="6">Not Applicable</td></tr>
</table>

(f) **Excess amount for set off, if any: Not applicable**

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

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub¬section (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
	Not applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

   Not Applicable.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

   Not Applicable.

Harshvardhan Lunia Chairman & Managing Director DIN: 01189114	Harshvardhan Lunia Chairman - CSR Committee DIN: 01189114
Date: August 08, 2023	

Annexure-C

FORM NO. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

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

The Company had entered into transaction/ arrangement with Lendingkart Finance Limited during the year ended 31st March, 2023. The details of the said transaction are as follows:

(a)	**Name(s) of the related party and nature of relationship:**	Lendingkart Finance Limited, wholly owned subsidiary company of the Company ("**LFL**").
(b)	**Nature of contracts / arrangements / transactions**	The License Agreement dated 19th June, 2015 (read with amendment agreements) executed between the Company and LFL ("**License Agreement**"), lays down terms and conditions concerning usage of, inter-alia, the Company's technology platform, trademarks, domain name(s), etc., by LFL. The License Agreement was amended in February, 2023 vide the Fourth Amendment Agreement dated 14th February, 2023, to the License Agreement ("**Amendment Agreement**"). The Amendment Agreement lays down, inter-alia, the revised terms and conditions pertaining to:

		- usage of the Company's technology platform, etc., by LFL - usage of the Company's trademarks, domain name(s), etc., by LFL. Further, the provisions are incorporated for the payment of guarantee commission concerning the corporate guarantee being provided by the Company in respect of certain credit/loan facilities availed/being availed by LFL.
(c)	**Duration of the contracts / arrangements / transactions**	Effective from 1st April, 2022. Tenure of the Agreement – Till 18th June, 2025.
(d)	**Salient terms of the contracts or arrangements or transactions including the value, if any**	The Amendment Agreement, *inter alia,* are provides as follows: 1. Provisions pertaining to payment of guarantee commission by LFL to the Company in lieu of the Company providing corporate guarantee in respect of the certain credit/loan facilities availed/being availed by LFL; 2. Revision in the terms of the License Fee being paid by LFL to the Company in respect of usage of, inter-alia, the technology platform and the Company's trademarks, domain name(s), etc. The Amendment Agreement is effective from 1st April, 2022.
(e)	**Date of approval by the Board / ~~Shareholders~~**	14th February, 2023
(f)	**Amount paid in advance, if any:**	Nil

Notes:

1. As per Notification No. GSR 464(E), dated 5th June, 2015, the aforementioned transaction between the Company and Lendingkart Finance Limited, wholly-owned subsidiary company of the Company, will not fall within the purview of Section 188 of the Companies Act, 2013, this disclosure is made as a part of good governance practice.

2. The License Agreement was further modified in August, 2023 and the tenure is extended up to 23rd June, 2027.

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

LENDINGKART TECHNOLOGIES PVT. LTD.
AHMEDABAD

Harshvardhan Lunia
Chairman & Managing Director
DIN: 01189114

Date: August 8, 2023
Place: Bengaluru

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Lendingkart Technologies Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Lendingkart Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the

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financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope

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and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position, as disclosed in note 47 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other

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person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 23102102BGXIZH7673
Place of Signature: Mumbai
Date: May 09, 2023

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Lendingkart Technologies Private Limited ("the Company")

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(i)(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(i)(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii)(b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the sanction letter provided by the bank, there was no requirement to file any return/ statement with the bank.

(iii)(a) During the year the Company has made investments and given guarantees to companies, firms, Limited Liability Partnerships or any other parties as follows:

Particulars	Guarantees (Amount in lakhs)	Investments (Amount in lakhs)
Aggregate amount granted/ provided during the year		
- Subsidiaries (Lendingkart Finance Limited)	Nil	Rs. 1,053.71
- Others	Rs. 86,500	Nil
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries (Lendingkart Finance Limited)	Nil	Rs. 72,754.95
- Others	Rs. 66,225	Nil

Further, during the year the Company has not provided loans and advances, or given securities to companies, firms, Limited Liability Partnerships or any other parties.

(iii)(b) During the year investments made and guarantees given to companies, firms, Limited Liability Partnerships or any other parties, are not prejudicial to the Company's interest. Further, during the year the Company has not provided loans and advances, or given securities to companies, firms, Limited Liability Partnerships or any other parties.

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MUMBAI
CHARTERED ACCOUNTANTS

(iii)(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii)(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii)(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Further, during the year, sales-tax, service tax, duty of custom, duty of excise, and value added tax are not applicable to the Company.

(vii)(b) There are no dues of goods and services tax, provident fund, income tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

(ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix)(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

S.R. BATLIBOI & CO. LLP MUMBAI * CHARTERED ACCOUNTANTS * (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 1,165 lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 3,429 lakhs.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 54 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) During the year, section 135 regarding Corporate Social Responsibility of the Act is not applicable to the company, accordingly, the requirements to report on clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Shrawan

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 23102102BGXIZH7673
Place: Mumbai
Date: May 09, 2023

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LENDINGKART TECHNOLOGIES PRIVATE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Lendingkart Technologies Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these [standalone]financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 23102102BGXIZH7673
Place of Signature: Mumbai
Date: May 09, 2023

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Lendingkart Technologies Private Limited
Standalone Balance sheet as at 31 March 2023

(₹ in lakhs unless otherwise stated)

Particulars	Notes	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	95.43	76.23
Intangible assets	7	6,350.84	3,897.21
Intangible assets under Development	8	337.16	181.23
Right-of-use assets	6	203.83	296.31
Financial assets			
(i) Investments	9	73,154.95	72,101.24
(ii) Other non-current financial assets	10	54.83	44.58
Current tax assets (net)	11	159.49	95.37
Deferred tax assets (net)	12	5,200.00	-
Other non-current assets	13	54.82	-
Total Non-current assets		**85,611.35**	**76,692.17**
Current assets			
Financial assets			
(i) Trade receivables	14	1,031.30	119.70
(ii) Cash and cash equivalents	15	2,533.38	6,306.82
(iii) Bank Balance other than above	16	1,722.20	1,594.94
Other current assets	17	560.70	1,983.31
Total Current assets		**5,847.58**	**10,004.77**
Total Assets		**91,458.93**	**86,696.94**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	5.50	5.30
Equity component of CCCPS	18	246.29	247.31
Other equity	19	79,541.42	77,074.04
Total equity		**79,793.21**	**77,326.65**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	20	7,538.24	7,430.81
(ia) Lease Liabilities	21	156.25	250.81
Non-current provisions	22	295.74	190.28
Other non-current liabilities	23	54.82	-
Total Non-current liabilities		**8,045.05**	**7,871.90**
Current liabilities			
Financial liabilities			
(i) Current borrowings	24	1,379.59	245.10
(ia) Lease Liabilities	25	94.57	73.21
(ii) Trade Payables:	26		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Other Creditors		309.67	364.74
(iii) Other current financial liabilities	27	864.52	504.72
Current provisions	28	108.79	141.24
Other current liabilities	29	863.53	169.38
Total Current liabilities		**3,620.67**	**1,498.39**
Total Equity and Liabilities		**91,458.93**	**86,696.94**

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 09 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN: 01189114

LENDINGKART TECHNOLOGIES PVT. LTD. ★ AHMEDABAD

Kumudini Aggarwal
Company Secretary
Membership No: A19536

Place: Ahmedabad
Date: 09 May 2023

Lendingkart Technologies Private Limited
Standalone statement of profit & loss for year ended 31 March 2023

(₹ in lakhs unless otherwise stated)

Particulars	Notes	31 March 2023	31 March 2022
Revenue from operations			
Revenue from contract with customers	30	6,111.59	546.39
Other income	31	2,460.47	335.86
Total income		**8,572.06**	**882.25**
Expenses			
Employee benefits expenses	32	3,557.38	2,735.15
Finance costs	33	1,253.84	134.06
Depreciation and amortisation expenses	34	2,770.20	2,030.64
Other expenses	35	4,577.51	2,186.15
Total expenses		**12,158.93**	**7,086.00**
Profit before exceptional items and tax		**(3,586.87)**	**(6,203.75)**
Profit / (loss) before tax		**(3,586.87)**	**(6,203.75)**
Tax expense / (credit)			
Current tax		-	-
Deferred tax charge / (credit)	36	(5,200.00)	-
		(5,200.00)	**-**
Profit / (loss) for the period		**1,613.13**	**(6,203.75)**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefit obligations		26.47	27.64
Tax effect on above		-	-
Other comprehensive income / (loss) for the year (net of tax)		**26.47**	**27.64**
Total comprehensive income / (loss) for the period		**1,639.60**	**(6,176.11)**
Earning per equity share (In absolute ₹) :			
Basic (computed on the basis of total profit/(loss) for the year)	37	3,015.03	(11,715.58)
Diluted (computed on the basis of total profit/(loss) for the year)	37	3,015.03	(11,715.58)

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 09 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN: 01189114

LENDINGKART TECHNOLOGIES PVT. LTD. AHMEDABAD

Kumudini Aggarwal
Company Secretary
Membership No: A19536

Place: Ahmedabad
Date: 09 May 2023

Lendingkart Technologies Private Limited
Standalone Statement of changes in equity for the year ended 31 March 2023 **(₹ in lakhs unless otherwise stated)**

(a) Equity share capital

Particulars	No of shares	Amount
Balance as at 01 April 2021	52,953	5.30
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current year	52,953	5.30
Changes in equity share capital during the year	-	-
Balance at 31 March 2022	52,953	5.30
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current year	52,953	5.30
Changes in equity share capital during the year	1,987	0.20
Balance at 31 March 2023	54,940	5.50

(b) Equity component of compulsorily convertible cumulative preference shares (CCCPS)

(i) CCCPS of ₹ 10 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	18,187	1.82
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	18,187	1.82
Changes in share capital during the year	-	-
Balance at 31 March 2022	18,187	1.82
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	18,187	1.82
Changes in share capital during the year	(1,205)	(0.12)
Balance at 31 March 2023	16,982	1.70

(ii) Series A CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	36,994	36.99
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	36,994	36.99
Changes in share capital during the year	-	-
Balance at 31 March 2022	36,994	36.99
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	36,994	36.99
Changes in share capital during the year	(913)	(0.91)
Balance at 31 March 2023	36,081	36.08

(iii) Series B CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	44,396	44.40
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	44,396	44.40
Changes in share capital during the year	-	-
Balance at 31 March 2022	44,396	44.40
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	44,396	44.40
Changes in share capital during the year	-	-
Balance at 31 March 2023	44,396	44.40

(iv) Series C1 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	24,711	24.71
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	24,711	24.71
Changes in share capital during the year	-	-
Balance at 31 March 2022	24,711	24.71
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	24,711	24.71
Changes in share capital during the year	-	-
Balance at 31 March 2023	24,711	24.71

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

LENDINGKART TECHNOLOGIES PVT. LTD. * AHMEDABAD

Standalone Statement of changes in equity for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

(v) Series C2 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	**86,109**	**86.11**
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**86,109**	**86.11**
Changes in share capital during the year	-	-
Balance at 31 March 2022	**86,109**	**86.11**
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	**86,109**	**86.11**
Changes in share capital during the year	-	-
Balance at 31 March 2023	**86,109**	**86.11**

(vi) Series C3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	No of shares	Amount
Balance as at 01 April 2021	**1,336**	**0.01**
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**1,336**	**0.01**
Changes in share capital during the year	-	-
Balance at 31 March 2022	**1,336**	**0.01**
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	**1,336**	**0.01**
Changes in share capital during the year	-	-
Balance at 31 March 2023	**1,336**	**0.01**

(vii) Series D1 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	**38,884**	**38.88**
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**38,884**	**38.88**
Changes in share capital during the year	-	-
Balance at 31 March 2022	**38,884**	**38.88**
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	**38,884**	**38.88**
Changes in share capital during the year	-	-
Balance at 31 March 2023	**38,884**	**38.88**

(viiI) Series D2 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	**14,394**	**14.39**
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**14,394**	**14.39**
Changes in share capital during the year	-	-
Balance at 31 March 2022	**14,394**	**14.39**
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	**14,394**	**14.39**
Changes in share capital during the year	-	-
Balance at 31 March 2023	**14,394**	**14.39**

(ix) Series D3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	No of shares	Amount
Balance as at 01 April 2021	-	-
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	-	-
Changes in share capital during the year	-	-
Balance at 31 March 2022	-	-
Changes in share capital due to prior period errors	-	-
Restated balance at the beginning of the year	-	-
Changes in share capital during the year	1,251	0.01
Balance at 31 March 2023	**1,251**	**0.01**

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

LENDINGKART TECHNOLOGIES PVT. LTD. ★ AHMEDABAD

Lendingkart Technologies Private Limited
Standalone Statement of changes in equity for the year ended 31 March 2023

(₹ in lakhs unless otherwise stated)

(c) Other equity

Particulars	Reserves and Surplus				Total Reserves and Surplus	Other Comprehensive Income	Total
	Securities premium	Treasury Shares	Stock option outstanding account	Retained earnings			
Balance as at 01 April 2021	1,04,543.67	(3,456.05)	267.78	(19,046.05)	82,309.35	62.06	82,371.41
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,04,543.67	(3,456.05)	267.78	(19,046.05)	82,309.35	62.06	82,371.41
Total comprehensive Income	-	-	-	(6,176.11)	(6,176.11)	-	(6,176.11)
Other comprehensive income (net of tax)	-	-	-	(27.64)	(27.64)	27.64	-
Expenses on employee stock options scheme	-	-	878.74	-	878.74	-	878.74
Balance at 31 March 2022	1,04,543.67	(3,456.05)	1,146.52	(25,249.80)	76,984.34	89.70	77,074.04
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,04,543.67	(3,456.05)	1,146.52	(25,249.80)	76,984.34	89.70	77,074.04
Total comprehensive Income	-	-	-	1,639.60	1,639.60	-	1,639.60
Other comprehensive income (net of tax)	-	-	-	(26.47)	(26.47)	26.47	-
Expenses on employee stock options scheme	-	-	832.71	-	832.71	-	832.71
Premium on issue of share capital	0.83	-	-	-	0.83	-	0.83
Share issue expense	(5.76)	-	-	-	(5.76)	-	(5.76)
Balance at 31 March 2023	1,04,538.74	(3,456.05)	1,979.23	(23,636.67)	79,425.25	116.17	79,541.42

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 09 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN: 01189114

LENDINGKART TECHNOLOGIES PVT. LTD. ★ AHMEDABAD

Kumudini Aggarwal
Company Secretary
Membership No: A19536

Place: Ahmedabad
Date: 09 May 2023

Lendingkart Technologies Private Limited
Standalone Cashflow statement for the year ended 31 March 2023

(₹ in lakhs unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Operating activities		
Profit/(loss) before tax	(3,586.87)	(6,203.75)
Adjusted for:		
Corporate Guarantee fees considered as deemed investment	(1,053.71)	-
Provision for gratuity	13.93	16.68
Provision for leave encashment	59.08	(25.12)
Depreciation and amortisation	2,770.20	2,030.64
(Profit)/Loss on sale and write off of fixed assets	(0.29)	(1.08)
Employee stock option expense	832.71	878.74
Interest expense on borrowings and lease obligation	1,252.21	133.39
Interest income on bank deposits	(135.46)	(172.30)
Actuarial gain / (loss) recognised in other comprehensive income	26.47	27.64
Cash from operations before working capital changes	**178.27**	**(3,315.16)**
Changes in working capital:		
Decrease / (Increase) in financial assets	(921.85)	22.90
Decrease / (Increase) in other assets	1,477.43	(624.02)
Decrease / (Increase) in lease liabilities	(73.20)	(55.57)
Decrease / (Increase) in trade payables	(55.07)	88.54
Decrease / (Increase) in financial liabilities	359.80	(33.63)
Increase / (decrease) in other liabilities	639.33	68.33
Cash generated / (used in) from operating activities	**1,604.71**	**(3,848.61)**
Income tax paid (net)	64.12	2.87
Net cash flows generated from / (used in) operating activities	**1,540.59**	**(3,851.48)**
Investing activities:		
Purchase of property, plant and equipment and intangible assets	(5,310.51)	(3,377.56)
Proceeds from sale of fixed assets	4.31	2.84
Decrease/(increase) in fixed deposits with original maturity of greater than three months	(121.57)	6,001.18
Interest received on bank deposit	129.77	195.68
Net cash flow generated from/ (used in) investing activities	**(5,298.00)**	**2,822.14**
Financing activities:		
Share issue expenses	(5.75)	-
Proceeds from debt securities	-	7,500.00
Repayment of debt securities	-	(328.30)
Change in overdraft	1,134.49	245.10
Repayment of lease liabilities	(49.16)	(61.87)
Repayment of finance cost	(1,095.61)	(144.30)
Net cash flow generated from/ (used in) in financing activities	**(16.03)**	**7,210.63**
Net increase/(decrease) in cash and cash equivalents	**(3,773.44)**	**6,181.29**
Cash and cash equivalents at the beginning of the year	6,306.82	125.53
Cash and cash equivalents at the end of the year	**2,533.38**	**6,306.82**
Components of cash and cash equivalents		
Cash on hand	-	0.01
Balance with banks		
(i) In Current accounts	1,532.80	5.13
(ii) In deposit accounts with original maturity of less than 3 months	1,000.58	6,301.68
Total cash and cash equivalents	**2,533.38**	**6,306.82**

Note: The above cash flow statement has been prepared under the indirect method as prescribed in Ind AS 7 on Statement of Cash Flow.

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

Shrawan

per Shrawan Jalan
Partner
Membership No. : 102102

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 09 May 2023

For and on behalf of the Board of Directors of Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN: 01189114

Kumudini

Kumudini Aggarwal
Company Secretary
Membership No: A19536

Place: Ahmedabad
Date: 09 May 2023

LENDINGKART TECHNOLOGIES PVT. LTD. AHMEDABAD

1. Corporate information

Lendingkart Technologies Private Limited ('LTPL' or 'the Company') is a private limited company domiciled in India. LTPL has developed a digital lending platform that enables Co-origination/Co-lending of MSME loans by leveraging the technology architecture built over the period of time. The platform is proprietary technology that solves all aspects of lending i.e. distribution, underwriting, collections and capital. It helps partners build their MSME loan portfolio in a digital environment with customers. The platform not only brings the lender and borrower together, but also plays the central role at every stage of the lending process.
The Company has its registered office at A-602, 6th Floor, The First, The First Avenue Road, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad, India.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

2.1 Presentation of financial statements

The financial statement has been prepared on a historical cost basis, except for:

- Certain financial assets and liabilities that are measured at fair value at the end of each reporting period; and
- Defined benefit plans (plan assets measured at fair value at the end of each reporting period)

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Summary of significant accounting policies

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

(a) Use of estimates and judgement

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Revenue from contract with customer

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115. Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

- **Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- **Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- **Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance

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LENDINGKART TECHNOLOGIES PVT. LTD. * AHMEDABAD

obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

- **Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation.

Major revenue stream of the company is license fees from the wholly owned subsidiary company for use of the platform, which is proprietary technology that solves all aspects of lending i.e. distribution, underwriting, collections and capital. It helps partners build their MSME loan portfolio in a digital environment with customers. License fees also includes fees charged by the Company for use of brand name 'Lendingkart' by the subsidiary company and Guarantee fees charged by the Holding company for providing guarantee to the lenders of the subsidiary company.

(c) Fair Value Measurement

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(d) Financial Instruments

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

- **Recognition and initial measurement**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

- **Classification and subsequent measurement**

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

(i). Financial assets

The Company subsequently classifies its financial assets in the following measurement categories:
- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

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The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.

- **De-recognition and transfer**

  The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:
  - The contractual rights to the cash flows from the financial asset expire, or
  - The Company transfers the rights to receive the contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

  On derecognition of a financial asset in its entirety, the difference between:
  - the carrying amount (measured at the date of derecognition) and
  - the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

- **Write off**

  The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

- **Reclassification**

  If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets.

(ii). Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

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- **Initial measurement**
  All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

- **Subsequent measurement**
  After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR

- **The effective interest rate method**
  Interest expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

  The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

- **Derecognition**
  The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and 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.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(f) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a. Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

➢ **Right-of-use assets**

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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➢ **Lease liabilities**
At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

➢ **Short-term leases and leases of low-value assets**
The Company applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b. Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(g) Foreign Currency translation

a. Functional and presentational currency
The Company financial statements are presented in ₹ which is also the functional currency of the Company.

b. Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

(h) Taxes
Tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that are recognised in other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or

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LENDINGKART TECHNOLOGIES LTD. AHMEDABAD

substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

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

Deferred tax
Deferred tax is recognised using balance sheet approach. Deferred tax is provided on temporary differences between the tax base of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities.

(i) Property, plant and equipment
Recognition and measurement
Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss arising from disposal of an item of property, plant and equipment is recognised as profit or loss respectively.

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Depreciation on property, plant and equipment
- Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets.
- Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.
- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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(j) Intangible assets

Intangible assets representing software used for business purposes are capitalised. Incidental cost representing upgrades to such software are considered as additions to core software on the basis of management estimates. Useful life of a base software and additions there to (i.e. upgrades or new features to the base software) are arrived by the management based on factors including the effects of obsolescence, demand, competition, and other economic factors such as stability of the industry and known technological advances. Where the Company assesses that the upgrades to the base software can be independently used, such upgrades are amortised on a straight-line basis over the estimated useful life or tested for impairment from the date such upgrades are available for use. Software related expenditure which are incurred for maintaining existing technical architecture and not resulting into future economic benefits are charged to the statement of profit and loss.

Software is initially stated at cost and subsequently carried at cost less accumulated amortisation and impairment losses if any. Amortisation methods and useful lives of each software, module, features or upgrades are reviewed and evaluated periodically for impairment and technology changes at each reporting date.

(k) Impairment of Non-Financial Assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be

impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

(l) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(m) Retirement and other employee benefits

i. Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method.

Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately

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in the Statement of Profit or Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Provident Fund
The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contribution to the provident fund scheme are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

iii. Compensated absences
Privilege leave entitlements are recognised as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognised using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes.

(n) Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments
A Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset.
Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

(o) Employee Stock Option Scheme
The Company operates Employee Stock Option Scheme through a trust formed for the purpose. Equity shares are issued to the trust based on the Company's expectation of the number of options that may be exercised by employees.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised in employee benefits expenses together with a corresponding increase in employee stock option outstanding account in other equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

(p) Share issue expenses
Direct expenses in connection with issue of shares are adjusted from securities premium account to the extent available.

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(q) Treasury shares

The Company has constituted the Lendingkart Employee Welfare Trust ("ESOP trust" or "Lendingkart Employee Welfare Trust"), for the benefit of providing share based payments to its employees. As part of the Trust deed, the ESOP trust acquires and holds the shares of the Company and subsequently disributes it to the employees under the Employee Stock Option Plan. The Company treats the ESOP Trust as an extension of itself and shares held by ESOP trust are treated as treasury shares, to the extent not granted to the employees.

(r) Earnings Per Share

Basic earnings per share is computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the profit per share.

4. Critical accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Business model assessment
- Fair value of financial instruments
- Effective Interest Rate (EIR)
- Impairment on financial assets
- Provisions and other contingent liabilities
- Provision for tax expenses
- Residual value and useful life of property, plant and equipment and intangible assets

5. On 31 March 2023, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

(i) Ind AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

(ii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

(iii) Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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Notes to Standalone financial statements for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

6 Property, Plant And Equipment

Particulars	Property, Plant and equipment				Right-of-use assets
	Computers and networks	Furniture and fittings	Office equipments	Total	
Cost					
As at 01 April 2021	216.64	11.46	44.45	272.55	454.28
Additions	52.70	-	1.44	54.14	0.23
Disposals	31.74	-	-	31.74	-
As at 31 March 2022	**237.60**	**11.46**	**45.89**	**294.95**	**454.51**
Additions	86.34	-	0.11	86.45	-
Disposals	74.73	-	1.63	76.36	3.69
As at 31 March 2023	**249.21**	**11.46**	**44.37**	**305.04**	**450.82**
Accumulated depreciation					
As at 01 April 2021	154.97	6.73	33.49	195.19	67.35
Charge for the year	47.38	1.22	4.92	53.52	90.85
Disposals	29.99	-	-	29.99	-
As at 31 March 2022	**172.36**	**7.95**	**38.41**	**218.72**	**158.20**
Charge for the period	59.83	0.91	2.49	63.23	88.79
Disposals	70.83	-	1.51	72.34	-
As at 31 March 2023	**161.36**	**8.86**	**39.39**	**209.61**	**246.99**
Net book value					
As at 31 March 2022	**65.24**	**3.51**	**7.48**	**76.23**	**296.31**
As at 31 March 2023	**87.85**	**2.60**	**4.98**	**95.43**	**203.83**

7 Intangible Assets

Particulars	Computer software
Cost	
As at 01 April 2021	6,128.21
Additions	3,220.38
Disposals	-
As at 01 April 2022	**9,348.59**
Additions	5,071.82
Disposals	-
As at 31 March 2023	**14,420.41**
Accumulated amortisation	
As at 01 April 2021	3,565.11
Charge for the year	1,886.27
Disposals	-
As at 01 April 2022	**5,451.38**
Charge for the period	2,618.19
Disposals	-
As at 31 March 2023	**8,069.57**
Net book value	
As at 31 March 2022	**3,897.21**
As at 31 March 2023	**6,350.84**

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8 Intangible Assets Under Development

Particulars	31 March 2023	31 March 2022
Intangible assets under development	337.16	181.23
Total	**337.16**	**181.23**

Intangible assets under development ageing schedule	Projects in progress	
	31 March 2023	31 March 2022
Less than 1 year	337.16	181.23
1-2 years	-	-
Total	**337.16**	**181.23**

9 Investments

Particulars	31 March 2023	31 March 2022
Unquoted-measured at cost		
Investment in wholly owned subsidiary		
4,41,87,931 (31 March 2022: 4,41,87,931) Equity shares of ₹ 10 each fully paid-up in Lendingkart Finance Limited	71,701.24	71,701.24
40,00,000 (31 March 2022: 40,00,000) Equity shares of ₹ 10 each fully paid-up in Lendingkart Account Aggregator Private Limited	400.00	400.00
Deemed investment in Lendingkart Finance Limited*	1,053.71	-
Total	**73,154.95**	**72,101.24**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	73,154.95	72,101.24
Aggregate amount for impairment in value of investments	-	-
Total	**73,154.95**	**72,101.24**

*Deemed investment in Lendingkart Finance Limited is with respect to Corporate guarantee fees charged by the Company on guarantee provided to lenders of the subsidiary company, for which no payment is recovered from the subsidiary company.

10 Other non-current financial assets

Particulars	31 March 2023	31 March 2022
Security Deposit at amortised cost		
Security deposit, considered good - unsecured	54.83	44.58
Total	**54.83**	**44.58**

11 Current tax assets (net)

Particulars	31 March 2023	31 March 2022
Advance income tax	159.49	95.37
Total	**159.49**	**95.37**

12 Deferred tax assets (net)

Particulars	31 March 2023	31 March 2022
Tax effect of items constituting deferred tax assets		
Carry forward of unabsorbed losses	6,166.74	5,702.36
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	173.39	32.20
Deferred tax on account of Ind AS 116	16.64	13.92
Security deposit discounting	1.10	0.96
	6,357.87	**5,749.44**
Tax effect of items constituting deferred tax liabilities		
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	6.66	(101.30)
EIR of borrowings	10.52	18.71
	17.18	**(82.59)**
Net deferred tax assets (net)	**6,340.69**	**5,832.03**
Deferred tax asset recognised	**5,200.00**	-

During the year ended March 31, 2023, the Company has accounted for deferred tax assets of Rs. 5,200 lakhs on carried forward business losses and other components. Such deferred taxes assets have been recognized based on business plans approved by the Board of Directors in its meeting dated May 9, 2023.

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13 Other non-current assets

Particulars	31 March 2023	31 March 2022
Guarantee Assets*	54.82	-
Total	**54.82**	**-**

*Guarantee asset is recognised as per Ind AS with corresponding liability recorded under Other non-current liabilities in note no. 23.

14 Trade Receivables

Particulars	31 March 2023	31 March 2022
Trade Receivables considered good – Unsecured;		
(i) Undisputed trade receivables - considered good		
Receivable from subsidiary company	681.94	115.65
Receivable from Others	349.36	4.05
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade receivable – credit impaired	-	-
(iv) Disputed Trade receivables - considered good	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade receivables – credit impaired	-	-
Total	**1,031.30**	**119.70**

*Receivable from subsidiary includes amount receivable towards license fees and Recovery of common expenses done on behalf of subsidiary companies. The receivable towards license fees as on 31 March 2023 : ₹526.44 (31 March 2022 : ₹56.85) and receivable towards Recovery of common expenses as on 31 March 2023: ₹ 81.11 (31 March 2022 : ₹33.36) and receivable towards sale of other services as on 31 March 2023 : ₹74.39 (31 March 2022 : ₹25.44).

Trade receivables ageing schedule	31 March 2023	31 March 2022
Curent but not due	-	-
Outstanding for less than 6 months	1,019.12	119.70
Outstanding for 6 months – 1 year	12.18	-
Outstanding for 1-2 years	-	-
Outstanding for 2-3 years	-	-
Outstanding for more than 3 years	-	-
Total	**1,031.30**	**119.70**

15 Cash and cash equivalents

Particulars	31 March 2023	31 March 2022
Cash on hand	-	0.01
Balances with banks - in current accounts	1,532.80	5.13
Bank deposit with maturity of upto 3 months	1,000.58	6,301.68
Total	**2,533.38**	**6,306.82**

16 Other bank balances

Particulars	31 March 2023	31 March 2022
Deposits with remaining maturity for less than 12 months	1,722.20	1,594.94
Total	**1,722.20**	**1,594.94**

* Fixed deposit pledged against overdraft facility ₹ 1,706.80 (31 March 2022: ₹ 1,594.94)

17 Other current assets

Particulars	31 March 2023	31 March 2022
Indirect tax credits available for utilisation*	52.24	1,542.24
Prepaid expenses	92.31	94.86
Advances against expenses	242.25	346.00
Guarantee assets**	171.94	-
Other advances	1.96	0.21
Total	**560.70**	**1,983.31**

*During the year, the Company has suo-moto discharged GST liability on Corporate guarantee fees not charged by the Company in the previous years. In this regard, during the year, Company had also received Summons from the GST Department.

**Guarantee asset is recognised as per Ind AS with corresponding liability recorded under Other current liabilities in note no. 29.

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18 Equity share capital

Particulars	31 March 2023	31 March 2022
Authorised capital		
(i) 1,70,000 (31 March 2022 : 1,70,000) equity shares of ₹ 10 each	17.00	17.00
(ii) 40,000 (31 March 2022 : 40,000) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	4.00	4.00
(iii) 37,410 (31 March 2022 : 37,410) 0.0001% Series A Compulsorily Convertible Cumulative preference shares (Series A CCCPS) of ₹ 100 each	37.41	37.41
(iv) 44,396 (31 March 2022 : 44,396) 0.0001% Series B Compulsorily Convertible Cumulative preference shares (Series B CCCPS) of ₹ 100 each	44.40	44.40
(v) 25,000 (31 March 2022 : 25,000) 0.0001% Series C1 Compulsorily Convertible Cumulative preference shares (Series C1 CCCPS) of ₹ 100 each	25.00	25.00
(vi) 86,200 (31 March 2022 : 86,200) 0.0001% Series C2 Compulsorily Convertible Cumulative preference shares (Series C2 CCCPS) of ₹ 100 each	86.20	86.20
(vii) 1500 (31 March 2022 : 1500) 0.0001% Series C3 Compulsorily Convertible Cumulative preference shares (Series C3 CCCPS) of ₹ 100 each	1.50	1.50
(viii) 41,000 (31 March 2022 : 41,000) 0.0001% Series D1 Compulsorily Convertible Cumulative preference shares (Series D1 CCCPS) of ₹ 100 each	41.00	41.00
(ix) 88,000 (31 March 2022 : 88,000) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each	88.00	88.00
(x) 1500 (31 March 2022 : 1500) 0.0001% Series D3 Compulsorily Convertible Cumulative preference shares (Series D3 CCCPS) of Rs. 100 each	1.50	1.50
Issued, subscribed and fully paid up - Equity Shares		
54,940 (31 March 2022 : 52,953) Equity shares of ₹ 10 each	5.50	5.30
Issued, subscribed and paid up - Equity component of Compulsorily Convertible Cumulative preference shares (CCCPS)		
(i) 16,982 (31 March 2022 : 18,187) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	1.70	1.82
(ii) 36,081 (31 March 2022 : 36,994) 0.0001% Series A Compulsorily Convertible Cumulative preference shares (Series A CCCPS) of ₹ 100 each	36.08	36.99
(iii) 44,396 (31 March 2022 : 44,396) 0.0001% Series B Compulsorily Convertible Cumulative preference shares (Series B CCCPS) of ₹ 100 each	44.40	44.40
(iv) 24,711 (31 March 2022 : 24,711) 0.0001% Series C1 Compulsorily Convertible Cumulative preference shares (Series C1 CCCPS) of ₹ 100 each	24.71	24.71
(v) 86,109 (31 March 2022 : 86,109) 0.0001% Series C2 Compulsorily Convertible Cumulative preference shares (Series C2 CCCPS) of ₹ 100 each	86.11	86.11
(vi) 1,336 (31 March 2022 : 1,336) 0.0001% Series C3 Compulsorily Convertible Cumulative preference shares (Series C3 CCCPS) of ₹ 100 each partly paid up to the extent of ₹ 1	0.01	0.01
(vii) 38,884 (31 March 2022 : 38,884) 0.0001% Series D1 Compulsorily Convertible Cumulative preference shares (Series D1 CCCPS) of ₹ 100 each.	38.88	38.88
(viii) 14,394 (31 March 2022 : 14,394) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each.	14.39	14.39
(ix) 1,251 (31 March 2022 : Nil) 0.0001% Series D3 Compulsorily Convertible Cumulative preference shares (Series D3 CCCPS) of ₹ 100 each partly paid up to the extent of ₹ 1	0.01	-
Total	**251.79**	**252.61**

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

(i) Equity Shares

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	52,953	5.30	52,953	5.30
Add: Converted from CCCPS to equity	1,987	0.20	-	-
Outstanding at the end of the year	**54,940**	**5.50**	**52,953**	**5.30**

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(ii) CCCPS of ₹ 10 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	18,187	1.82	18,187	1.82
(Less): Converted from CCCPS to equity	(1,205)	(0.12)	-	-
Outstanding at the end of the year	**16,982**	**1.70**	**18,187**	**1.82**

(iii) Series A CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	36,994	36.99	36,994	36.99
(Less): Converted from CCCPS to equity	(913)	(0.91)	-	-
Outstanding at the end of the year	**36,081**	**36.08**	**36,994**	**36.99**

(iv) Series B CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	44,396	44.40	44,396	44.40
Issued during the year	-	-	-	-
Outstanding at the end of the year	**44,396**	**44.40**	**44,396**	**44.40**

(v) Series C1 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	24,711	24.71	24,711	24.71
Issued during the year	-	-	-	-
Outstanding at the end of the year	**24,711**	**24.71**	**24,711**	**24.71**

(vi) Series C2 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	86,109	86.11	86,109	86.11
Issued during the year	-	-	-	-
Outstanding at the end of the year	**86,109**	**86.11**	**86,109**	**86.11**

(vii) Series C3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,336	0.01	1,336	0.01
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,336**	**0.01**	**1,336**	**0.01**

(viii) Series D1 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	38,884	38.88	38,884	38.88
Issued during the year	-	-	-	-
Outstanding at the end of the year	**38,884**	**38.88**	**38,884**	**38.88**

(ix) Series D2 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	14,394	14.39	14,394	14.39
Issued during the year	-	-	-	-
Outstanding at the end of the year	**14,394**	**14.39**	**14,394**	**14.39**

(x) Series D3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	1,251	0.01	-	-
Outstanding at the end of the year	**1,251**	**0.01**	-	-

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(b) Terms and rights attached to equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by Board of Directors is subject to the approval of the shareholders in Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in terms of articles of association, in proportion to their shareholdings.

(c) Terms of conversion/redemption/buyback of CCCPS of ₹ 10 each fully paid

During the year ended 31 March 2015, the Company issued 20,683 CCCPS of ₹ 10 each fully paid-up at a premium of ₹ 1,830.68 per share. Each CCCPS holder shall, on a pari passu basis inter se, be entitle to a preference dividend on per share basis @ 0.001% cumulative dividend per year in the respect of the CCCPS. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis.)

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company (ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The CCCPS shall be converted into Equity shares at a conversion ratio of 1:1 ("Conversion Ratio"). The conversion ratio shall be adjusted in case of split or consolidation, etc.
The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.
The CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of CCCPS shall be entitled to vote on an "as-if-converted basis".

(d) Terms of conversion/ redemption/buyback of Series A CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2016, the Company issued 37,410 Series A CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 10,107.21 per share. Each Series A CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series A CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis.)

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 1,788 series A CCCPS of ₹ 100 each will be 1:1.004 and the conversion ratio for 34,293 series A CCCPS of ₹ 100 each will be 1:0.857. The conversion ratio shall be adjusted in case of split or consolidation, etc.
The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.
The Series A CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series A CCCPS shall be entitled to vote on an "as-if-converted basis".

(e) Terms of conversion/ redemption/buyback of Series B CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2017, the Company issued 44,396 Series B CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 29,534.36 per share. Each Series B CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series B CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company (ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

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The conversion ratio for 44,396 series B CCCPS of ₹ 100 each will be 1:1. The conversion ratio shall be adjusted in case of split or consolidation, etc.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series B CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series B CCCPS shall be entitled to vote on an "as-if-converted basis".

(f) Terms of conversion/ redemption/buyback of Series C1 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2018, the Company issued 23,294 Series C1 CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 29,534.36 per share. The Company further issued 1,417 Series C1 CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 29,534.36 per share during the year ended 31 March 2019. Each Series C1 CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series C1 CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 24,711 series C1 CCCPS of ₹ 100 each will be 1:0.6887.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series C1 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series C1 CCCPS shall be entitled to vote on an "as-if-converted basis".

(g) Terms of conversion/ redemption/buyback of Series C2 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2019, the Company issued 86,109 Series C2 CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 59,817.6532 per share. Each Series C2 CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series C2 CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 86,109 series C2 CCCPS of Rs. 100 each will be 1:1.01204

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series C2 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series C2 CCCPS shall be entitled to vote on an "as-if-converted basis".

(h) Terms of conversion/ redemption/buyback of Series C3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/-each

During the year ended 31 March 2020, the Company issued 1336 Series C3 CCCPS of ₹ 100 each partly paid-up to the extent of ₹ 1/- each. The dividend coupon rate of Series C3 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series C3 CCCPS shall be cumulative. Dividend shall be paid as and when it is paid and declared on Equity Shares of the Company. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

Series C3 CCCPS shall be converted into Equity Shares of the Company upon happening of any of the following events:
(i)at the election of the Series C3 CCCPS Holder; or (ii)occurrence of the Liquidation Event as provided in articles of association of the Company; or (iii)exercise of drag along or other any other exit right by the Fund Investors of the Company; or (iv) public listing of securities of the Company, if required under applicable law; or (v) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series C3 CCCPS.

The conversion ratio for 1,336 series C3 CCCPS of ₹ 100 each will be 1:1.09519

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

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The Series C3 CCCPS shall carry voting rights pari passu with the Equity Shares, provided that the voting rights for the Series C3 CCCPS until such Series C3 CCCPS remain partly-paid up shall be in accordance with the applicable law.

(i) Terms of conversion/ redemption/buyback of Series D1 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2020, the Company issued 35,381 Series D1 CCCPS of ₹ 100 each on 8th August, 2019. On 14th August, 2019, the Company issued 3,212 Series D1 CCCPS of ₹ 100 each and on 21st August, 2019, the Company issued 291 Series D1 CCCPS of ₹ 100 each.

The dividend coupon rate of Series D1 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D1 CCCPS shall be cumulative. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The conversion ratio for 38,884 series D1 CCCPS of ₹ 100 each will be 1:1.09051

The Series D1 CCCPS shall be automatically converted into Equity Shares, as per the formula mentioned above, on the earliest of (i) the latest date on which the Series D1 CCCPS are required to be converted into Equity Shares under applicable Law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company (ii) the date specified in writing by the holder of the outstanding Series D1 CCCPS, or (iii) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series D1 CCCPS.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series D1 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series D1 CCCPS shall be entitled to vote on an "as-if-converted basis".

(j) Terms of conversion/ redemption/buyback of Series D2 CCCPS of Rs. 100 each fully paid

During the year ended 31 March 2021, the Company issued 13,455 Series D2 CCCPS of ₹ 100 each on 27th May, 2020 and on 1st June, 2020, the Company issued 939 Series D2 CCCPS of ₹ 100 each The dividend coupon rate of Series D2 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D2 CCCPS shall be cumulative. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 14,394 series D2 CCCPS of Rs. 100 each will be 1:1

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however,, the Company has sole discretion to buy-back the CCCPS.

The Series D2 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series D2 CCCPS shall be entitled to vote on an "as-if-converted basis".

(k) Terms of conversion/ redemption/buyback of Series D3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/-each

During the year ended 31 March 2023, the Company issued 1251 Series D3 CCCPS of ₹ 100 each partly paid-up to the extent of ₹ 1/- each. The dividend coupon rate of Series D3 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D3 CCCPS shall be cumulative. Dividend shall be paid as and when it is paid and declared on Equity Shares of the Company. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

Series D3 CCCPS shall be converted into Equity Shares of the Company upon happening of any of the following events:
(i)at the election of the Investor; or (ii)occurrence of the Liquidation Event as provided in articles of association of the Company; or (iii)exercise of drag along or any other exit right by the Fund Investors of the Company; or (iv) public listing of Equity Securities of the Company, if required under applicable law; or (v) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series D3 CCCPS.
The conversion ratio for 1,251 series D3 CCCPS of ₹ 100 each will be 1:1
The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

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Notes to Standalone financial statements for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

The Series D3 CCCPS shall carry voting rights pari passu with the Equity Shares, provided that the voting rights for the Series D3 CCCPS until such Series D3 CCCPS remain partly-paid up shall be in accordance with the applicable law.

(l) Details of the Shareholders holding more than 5% shares (of each class) in the Company

Name of the shareholder	31 March 2023		31 March 2022	
	Number of shares held	% of share holding	Number of shares held	% of share holding
Equity shares of ₹ 10 each fully paid				
Raichand Lunia	20,574	37.45%	20,574	38.85%
Harshvardhan Lunia	18,395	33.48%	18,395	34.74%
Mukul Sachan	7,521	13.69%	7,521	14.20%
Lendingkart Employees Welfare Trust	5,769	10.50%	5,769	10.89%
CCCPS of ₹ 10 each fully paid				
Ananyashree Ashish Goenka	8,560	50.41%	8,560	47.07%
Mayfield India II Limited	3,112	18.33%	3,112	17.11%
Saama Capital III Limited	3,722	21.92%	3,722	20.47%
India Quotient Investment Trust	-	-	1,205	6.63%
Rhythm Ventures Limited	1,095	6.45%	1,095	6.02%
Series A CCCPS of ₹ 100 each fully paid				
Mayfield India II, Limited	20,264	56.16%	20,264	54.78%
Saama Capital III, Limited	14,029	38.88%	14,029	37.92%
Series B CCCPS of ₹ 100 each fully paid				
Bertelsmann Nederland B.V.	21,934	49.41%	21,934	49.41%
Mayfield India II, Limited	10,340	23.29%	10,340	23.29%
Saama Capital III, Limited	6,723	15.14%	6,723	15.14%
Darrin Capital Management	4,387	9.88%	4,387	9.88%
Series C1 CCCPS of ₹ 100 each fully paid				
Bertelsmann Nederland B.V.	7,677	31.07%	7,677	31.07%
Saama Capital III, Limited	2,410	9.75%	2,410	9.75%
Sistema Asia Fund Pte. Limited	6,580	26.63%	6,580	26.63%
Mayfield India II, Limited	4,650	18.82%	4,650	18.82%
UTPL Corporate Trustees Pvt. Ltd. (Trustee of Grand Anicut Trust - I)	1,417	5.73%	1,417	5.73%
Series C2 CCCPS of ₹ 100 each fully paid				
Fullerton Financial Private Limited	84,976	98.68%	84,976	98.68%
Series C3 CCCPS of ₹ 100 each partly paid				
Milestone Trusteeship Services Private Limited (Trustee of Alteria Capital India Fund I)	1,336	100.00%	1,336	100.00%
Series D1 CCCPS of ₹ 100 each fully paid				
Fullerton Financial Private Limited	28,372	72.97%	28,372	72.97%
Bertelsmann Nederland B.V.	5,841	15.02%	5,841	15.02%
Sistema Asia Fund Pte. Ltd.	3,212	8.26%	3,212	8.26%
Series D2 CCCPS of Rs. 100 each fully paid				
Fullerton Financial Private Limited	7,197	50.00%	7,197	50.00%
IQ Opportunities Fund	2,503	17.39%	2,503	17.39%
Bertelsmann Nederland B.V.	2,503	17.39%	2,503	17.39%
Saama Capital III Ltd.	1,252	8.70%	1,252	8.70%
Sistema Asia Fund Pte. Ltd.	939	6.52%	939	6.52%
Series D3 CCCPS of ₹ 100 each partly paid				
Grant Anicut Fund 2, acting through its Trustee, UTPL Corporate Trustees Private Limited and represented by its investment manager, Anicut Capital LLP.	1,251	100.00%	-	-

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(m) Shares held by promoters

Name of the promoter	31 March 2023		31 March 2022	
	Number of shares held	% of share holding	Number of shares held	% of share holding
Equity shares of ₹ 10 each fully paid				
Raichand Lunia	20,574	37.45%	20,574	38.85%
Harshvardhan Lunia	18,395	33.48%	18,395	34.74%

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19 Other equity

Particulars	31 March 2023	31 March 2022
Securities premium account		
Balance as per the last financial statements	1,04,543.67	1,04,543.67
Add: Premium on conversion of CCCPS to equity shares	0.83	-
(Less): Expenses on issue of shares	(5.76)	-
Balance at the end of the year (A)	**1,04,538.74**	**1,04,543.67**
Treasury shares		
Balance as per the last financial statements	(3,456.05)	(3,456.05)
Add: Transfer during the year	-	-
Balance at the end of the year (B)	**(3,456.05)**	**(3,456.05)**
Employee stock options outstanding		
Balance as per the last financial statements	1,146.52	267.78
Add: Expenses during the year	832.71	878.74
Balance at the end of the year (B)	**1,979.23**	**1,146.52**
Other Comprehensive Income		
Balance at the beginning of the year	89.70	62.06
Item of other comprehensive income		
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	26.47	27.64
Balance at the end of the year (C)	**116.17**	**89.70**
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(25,249.80)	(19,046.05)
Add: Profit / (Loss) for the year	1,639.60	(6,176.11)
Item of other comprehensive income		
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	(26.47)	(27.64)
Balance at the end of the year (D)	**(23,636.67)**	**(25,249.80)**
Total of other equity(A+B+C+D)	**79,541.42**	**77,074.04**

20 Non-Current Borrowings

Particulars	31 March 2023	31 March 2022
Measured at amortised cost		
Secured		
750 (31 March 2022: 750) 14.50% Non-convertible redeemable debentures of Rs.10,00,000 each (secured)	7,538.24	7,430.81
Total	**7,538.24**	**7,430.81**

(i) Proceeds from issue of Debt securities are utilised for the purpose for which the securities are issued and is in line with the Debenture Trust Deed entered by the Company.

(ii) There has been no default in repayment of Principal and Interest on borrowings.

(iii) The non-convertible redeemable debentures are secured by Hypothecation over all the moveable assets / receivables, intangible assets / intellectual property rights of the Company.

Terms of Repayment - Debentures as at 31 March 2023

Repayment frequency	Monthly/Quarterly repayment
Rate of interest	14.50%
Due 1 to 2 years	
No. of instalments	6.00
Amount	7,500.00
Impact of EIR and accrued interest	38.24
Total	**7,538.24**

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Terms of Repayment - Debentures as at 31 March 2022

Repayment frequency	Monthly/Quarterly repayment
Rate of interest	14.50%
Due 2 to 3 years	
No. of instalments	6.00
Amount	7,500.00
Impact of EIR and accrued interest	(69.19)
Total	**7,430.81**

21 Non-current Lease Liabilities

Particulars	31 March 2023	31 March 2022
Lease obligation	156.25	250.81
Total	**156.25**	**250.81**

22 Non-current provisions

Particulars	31 March 2023	31 March 2022
Provision for employee benefits		
- Provision for gratuity benefits	137.59	133.90
- Provision for leave benefits	158.15	56.38
Total	**295.74**	**190.28**

23 Other non-current liabilities

Particulars	31 March 2023	31 March 2022
Guarantee Liability*	54.82	-
Total	**54.82**	-

*Guarantee liability is recognised as per Ind AS with corresponding asset recorded under Other non-current assets in note no. 13.

24 Current Borrowings

Particulars	31 March 2023	31 March 2022
Overdraft from bank (secured)	1,379.59	245.10
Total	**1,379.59**	**245.10**

(i) There has been no default in repayment of Principal and Interest on borrowings.

(ii) The Company is not required to file monthly/quarterly returns or statements with banks and financial institutions.

(iii) Overdraft availed from a bank secured by pledge of ₹ 1,700.00 lakhs fixed deposits (31 March 2022: ₹1,580.00 lakhs).

(iv) Funds raised on short term basis have not been used for long term purpose.

25 Current Lease Liabilities

Particulars	31 March 2023	31 March 2022
Lease obligation	94.57	73.21
Total	**94.57**	**73.21**

26 Trade Payables

Particulars	31 March 2023	31 March 2022
Trade payables		
(i) MSME	-	-
(ii) Others	309.67	364.74
Total	**309.67**	**364.74**

Trade payable ageing schedule	31 March 2023	31 March 2022
Outstanding for less than 1 year	309.67	364.74
Outstanding for 1-2 years	-	-
Outstanding for 2-3 years	-	-
Outstanding for more than 3 years	-	-
Total	**309.67**	**364.74**

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(₹ in lakhs unless otherwise stated)

27 Other current financial liabilities

Particulars	31 March 2023	31 March 2022
Employee related payables	864.52	504.72
Total	**864.52**	**504.72**

28 Current provisions

Particulars	31 March 2023	31 March 2022
Provisions for employee benefits		
- Provision for gratuity benefits	40.75	30.51
- Provision for leave benefits	68.04	110.73
Total	**108.79**	**141.24**

29 Other current liabilities

Particulars	31 March 2023	31 March 2022
Guarantee Liability	171.94	-
Statutory dues	323.46	169.38
Other	368.13	-
Total	**863.53**	**169.38**

*Guarantee liability is recognised as per Ind AS with corresponding asset recorded under Other current assets in note no. 17.

30 Revenue from contract with customers

Particulars	31 March 2023	31 March 2022
Sale of Services		
License Fees	5,192.14	440.02
Commission Income	66.39	34.27
Income from FHR	853.06	72.10
Total	**6,111.59**	**546.39**
(A) Geographical Markets		
Within India	6,111.59	546.39
Outside India	-	-
Total	**6,111.59**	**546.39**
(B) Timing of revenue recognition		
Services transferred at a point in time	919.45	106.37
Services transferred over time	5,192.14	440.02
Total	**6,111.59**	**546.39**
Note: For receivable balance against the income, refer note no. 14		

License fees includes :

(i) Platform fees of ₹ 3,928.49 for use of digital lending platform by the subsidiary company.

(ii) Guarantee fees of ₹ 1,053.71 for providing guarantee to lenders of the subsidiary company.

(iii) Branding fees of ₹ 209.94 for use of brand name 'Lendingkart' by the subsidiary company.

31 Other income

Particulars	31 March 2023	31 March 2022
Interest income on fixed deposits	135.46	172.30
Unwinding discount of security deposit	7.92	6.72
Advertisement and marketing income	2,309.77	155.07
Interest on Income Tax refund	7.03	0.42
Profit on sale of fixed assets	0.29	1.08
Other income	-	0.27
Total	**2,460.47**	**335.86**

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32 Employee benefits expenses

Particulars	31 March 2023	31 March 2022
Salaries, bonus and incentives	6,898.66	4,923.43
Contribution to provident and other funds	170.25	111.86
Leave benefits expense	95.10	32.29
Gratuity benefits expense	66.48	67.90
Employee stock option scheme	724.19	852.23
Staff welfare expenses	88.34	70.64
(Less) : Considered for capitalisation	(4,485.64)	(3,323.20)
Total	**3,557.38**	**2,735.15**

Salary for employees involved in development of softwares has been capitalised based on management's estimate of time spent by such employees on development of software.

33 Finance costs

Particulars	31 March 2023	31 March 2022
Interest expenses on financial liabilities measured at amortised cost		
Non-convertible debentures	1,194.93	54.77
Overdraft from bank	7.21	17.38
Lease obligations	49.16	61.87
Other finance cost	2.54	0.04
Total	**1,253.84**	**134.06**

34 Depreciation and amortization expenses

Particulars	31 March 2023	31 March 2022
Depreciation and amortization	2,770.20	2,030.64
Total	**2,770.20**	**2,030.64**

35 Other expenses

Particulars	31 March 2023	31 March 2022
Rent	26.54	19.07
Rates and taxes	1.03	8.43
Insurance	12.52	10.81
Legal and professional expenses	509.15	223.38
Software expenses (Net off capitalisation: 31 March 2023 : ₹742.11 lakhs) (31 March 2022: ₹Nil)*	1,020.58	483.27
Printing and stationery	0.61	0.24
Electricity expenses	10.76	7.92
Internet and communication expenses	16.71	20.57
Travelling and conveyance	99.29	36.59
Advertisement expenses	2,756.33	1,316.30
Franking and stamping expenses	25.19	2.55
Courier expenses	1.15	2.59
Repairs and maintenance	6.92	12.16
Payment to auditors (Refer note below)	45.50	25.25
Security expenses	3.63	2.71
Housekeeping expense	5.38	3.64
Debtors Written off	30.74	-
Miscellaneous expenses	5.48	10.67
Total	**4,577.51**	**2,186.15**

*Software expenses which are directly attributable for development of Intangible assets has been capitalised based on management's estimate.

(a) Detail of payment to auditors

- Statutory audit fees	42.50	23.75
- Tax audit fees	2.50	1.00
- Certification fees	0.50	0.50
Total	**45.50**	**25.25**

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36 Tax Expense

Particulars	31 March 2023	31 March 2022
Current tax expense		
Current tax for the year	-	-
Total current tax expense	-	-
Deferred taxes		
Change in deferred tax assets	(6,357.87)	-
Change in deferred tax liabilities	17.18	-
Net deferred tax expense/ (income)	(6,340.69)	
Total income tax expense/(income) recognised	**(5,200.00)**	-

During the year ended March 31, 2023, the Company has accounted for deferred tax assets of Rs. 5,200 lakhs on carried forward business losses and other components. Such deferred taxes assets have been recognized based on business plans approved by the Board of Directors in its meeting dated May 9, 2023.

36.1 The reconciliation of estimated income tax expense at tax rate to income tax expense reported in statement of profit and loss is as follows for 31 March 2023 and 31 March 2022:

Particulars	31 March 2023	31 March 2022
Profit/(loss) before income tax expense	(3,586.87)	(6,203.75)
Income tax rate	25.17%	25.17%
Income tax expense	**(902.74)**	**(1,561.36)**
Expenses disallowed	242.58	(6.88)
Unabsorbed Business loss c/f	660.17	1,568.25
Deferred tax expense/(income) recognised	(5,200.00)	-
Income tax expense/(income)	**(5,200.00)**	-

36.2 Deferred tax assets (net) Movement in Deferred tax balance

Particular	31 March 2023	Changes in deferred tax recognised through		31 March 2022
		Profit & loss	Other comprehensive income/ loss	
Deferred tax assets on account of:				
Carry forward of unabsorbed losses	6,166.74	(464.38)	-	5,702.36
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	173.39	(141.19)	-	32.20
Deferred tax on account of Ind AS 116	16.64	(2.72)	-	13.92
Security deposit discounting	1.10	(0.14)	-	0.96
	6,357.87	**(608.43)**	-	**5,749.44**
Deferred tax liabilities on account of:				
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	6.66	(107.96)	-	(101.30)
EIR of borrowings	10.52	8.19	-	18.71
	17.18	**(99.77)**	-	**(82.59)**
Net Deferred Tax	**6,340.69**	**(508.66)**	-	**5,832.03**
Net Deferred Tax recognised	**5,200.00**	**(5,200.00)**	-	-

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Unused tax losses under the income tax

Assessment Year	Business losses	Unabsorbed Depreciation	Short Term Capital Loss	Total
2015-16	-	6.27	-	6.27
2016-17	-	85.92	-	85.92
2017-18	1,652.11	160.58	8.63	1,821.32
2018-19	1,813.87	508.44	-	2,322.31
2019-20	2,112.86	908.72	-	3,021.58
2020-21	3,667.40	1,216.59	-	4,883.99
2021-22	3,037.83	1,483.24	-	4,521.07
2022-23	4,264.16	2,006.33	-	6,270.48
Total	**16,548.23**	**6,376.09**	**8.63**	**22,932.94**

37 Earnings per share

Particulars	31 March 2023	31 March 2022
Earning Per Share		
Net profit/(loss) after tax for the year	1,613.13	(6,203.75)
Weighted average number of outstanding equity shares	53,503	52,953
Weighted average number of equity shares diluted	3,19,162	3,17,964
Basic earning per share (In absolute ₹)	3,015.03	(11,715.58)
Diluted earning per share* (In absolute ₹)	3,015.03	(11,715.58)
[Nominal value of shares ₹ 10 each (Previous Year: ₹10)]		

* Since the impact of conversion of potential equity share is anti-dilutive in nature, the same has not been considered in calculation of diluted earning per share.

38 Segment Information

The Company operates in a single reportable segment i.e. rendering software services which has similar risk and return profiles and accordingly there are no separate reportable segments as per Ind AS 108 dealing with operating segment. The Company operates in a single geographical segment i.e. domestic.

39 Related parties disclosures*

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below:

a. List of Related parties

Nature of Relationship	Name of Related Parties
Wholly Owned Subsidiary	Lendingkart Finance Limited
	Lendingkart Account Aggregator Private Limited
Employee Welfare Trust	Lendingkart Employee Welfare Trust
Entity having significant influence	Fullerton Financial Private Limited
Director of Company is KMP	Bertelsmann Corporate Services India Private Limited
Key Management Personnel	Mr. Harshvardhan Lunia - Chairman and Managing Director
	Mr. Raichand Lunia - Director and shareholder
	Mr. Sudeep Bhatia - Chief Financial Officer (Resigned on 06 October 2022)
	Ms. Kumudini Agrawal – Company Secretary and General Counsel

***(as per Indian Accounting Standard 24)**

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b. Transactions during the year with related parties

Sr. No.	Nature of transactions	31 March 2023	31 March 2022
1	**Lendingkart Finance Limited**		
	Income earned towards license fee (refer note (i) below)	(5,192.14)	(440.02)
	Recovery of business support charges	(58.90)	(36.39)
	Recovery of ESOP expenditure	(108.53)	(26.51)
	Recovery for sale of other services (refer note (ii) below)	(578.33)	(72.10)
	Deemed investment in the subsidiary company	1,053.71	-
2	**Salary to Key Management Personnel**		
	Salary and perquisites (refer note (iii) & (iv) below)	535.56	445.21

c. Balance receivable/(payable) to Related parties

Sr. No.	Nature of transactions	31 March 2023	31 March 2022
1	Lendingkart Finance Limited	681.94	115.65
2	Salary to Key Management Personnel	(86.70)	(96.76)

d. Guarantees given to subsidiary Company i.e. Lendingkart Finance Limited

Sr. No.	Nature of transactions	31 March 2023	31 March 2022
1	Loans borrowed from financial institutions and Banks guaranteed by the Holding Company (including CC facility)		
	Sanctioned amount	1,13,700.00	1,02,600.00
	Outstanding amount	65,563.14	56,330.70
2	Non-Convertible debentures issued to financial institutions, banks and other Company guaranteed by the Holding Company		
	Sanctioned amount	33,200.00	46,900.00
	Outstanding amount	34,963.33	43,228.92

(i) The Company has entered into License Agreement with Lendingkart finance limited dated 19 June 2015 for a term of 5 years, which was further renewed on September 03, 2020 for a term of 5 years, which is being used by Subsidiary Company for use of the licensed software to digitally lend money to its customers. The Company has further entered into an amendment agreement with LFL on February 14, 2023 and revised the its platform fee for platform use and has also added Branding fees and Guarantee fees with effect from April 1, 2022.

License fees includes Platform fees for use of platform of the company, Branding fees for use of Brand name of the Company and Guarantee fees charged by the Company is for providing guarantees to the lenders of the Subsidiary Company.

(ii) Lendingkart Technologies Private Limited issues financial health report to the borrowers of Lendingkart Finance Limited, consideration of which is received by Lendingkart Finance Limited and later remitted to Lendingkart Technologies Private Limited.

(iii) The Shares of the Company are held by the Lendingkart Employees Welfare Trust. The Company has issued employees stock option schemes for its employees. The equity shares of the Company have been purchased and held by ESOP Trust and the Trust will transfer such shares to employees at the time of exercise of option by employees.

The Company treats the Lendingkart Employee Welfare Trust as its extension and shares held by the trust as treasury shares.

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(iv) The liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole. Therefore, the amounts pertaining to the KMP is not included above.

40 Fair value

Fair value 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 a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation framework
The Company's valuation framework includes:
- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation methodologies adopted
- Fair values of financial assets and financial liabilities are measured at amortised cost except cash and bank balances which are measured at fair value through profit and loss.

Fair value hierarchy
The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

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

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

Financial instruments by category:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	FVTPL	Carrying value	FVTPL
Financial assets - Non-current				
Other Financial assets	54.83	-	44.58	-
Financial assets - Current				
Trade receivables	1,031.30	-	119.70	-

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Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	FVTPL	Carrying value	FVTPL
Financial liabilities - Non-Current				
Borrowings	7,538.24	-	7,430.81	-
Lease liabilities	156.25	-	250.81	-
Financial liabilities - Current				
Borrowings	1,379.59	-	245.10	-
Lease liabilities	94.57	-	73.21	-
Trade payables	309.67		364.74	
Other financial liabilities	864.52	-	504.72	-

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	Fair value hierarchy at each reporting date	31 March 2023	31 March 2022
Financial assets - Non-current			
Other Financial assets	Level 3	54.83	44.58
Financial Liabilities - Non-current			
Borrowings	Level 3	7,538.24	7,430.81
Lease liabilities	Level 3	156.25	250.81

During the year ended 31 March 2023 and Previous year ended 31 March 2022, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of cash and bank balances, loans, other current financial assets, short term borrowings and other current financial liabilities are considered to be approximately equal to the fair value during the years mentioned above.

41 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The Company's principal financial assets include investment, loans, trade receivables, bank deposits, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

The Company provides services to its wholly owned subsidiary and dues get repaid within 30 days of invoice generation. Hence there is no credit risk involved in amount receivable from subsidiaries & trust.

The Company does not foresee any risks on its investments in wholly owned subsidiaries.

Bank balances and deposits are held with only high rated banks and security deposits are placed for lease of office premises only. Hence, in such cases, the credit risk is negligible.

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B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and lease contracts. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities and financial assets based on contractual undiscounted payments.

Financial Liabilities	31 March 2023		31 March 2022	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial liabilities - Non-Current				
Borrowings	-	9,074.83	-	10,164.38
Lease liabilities	-	173.76	-	304.15
Financial liabilities - Current				
Borrowings	1,379.59	-	245.10	-
Lease liabilities	130.39	-	123.71	-
Trade payables	309.67	-	364.74	-
Other financial liabilities	864.52	-	504.72	-
Total	**2,684.17**	**9,248.59**	**1,238.27**	**10,468.53**

Financial Assets	31 March 2023		31 March 2022	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial Assets - Non-Current				
Investments	-	73,154.95	-	72,101.24
Other financial assets	-	54.83	-	44.58
Financial Assets - Current				
Trade receivables	1,031.30	-	119.70	-
Cash and cash equivalents	2,533.38	-	6,306.82	-
Bank Balance other than cash and cash equivalents	1,722.20	-	1,594.94	-
Total	**5,286.88**	**73,209.78**	**8,021.46**	**72,145.82**

C. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments.

(i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates :

Particulars	31 March 2023		31 March 2022	
	USD	₹ in Lakhs	USD	₹ in Lakhs
Amount in foreign currency	93,924	77.21	49,229	37.91

Foreign currency sensitivity
The Company's exposure to the risk of changes in foreign exchange rates is immaterial, and therefore the sensitivity analysis of the risk in not disclosed.

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(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company has no long-term variable rate borrowing; hence no interest rate risk prevails.

(iii) Price risk

The Company do not carry any investment and hence is not exposed to price risk.

42 Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, the Company monitors its capital by using gearing ratio, which is net debt divided to total equity plus net debt. Net debt includes non-current and current borrowings net of cash and bank balances and capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves.

The amounts managed as capital by the Company are summarised as follows:

Particulars	31 March 2023	31 March 2022
Borrowings other than CCCPS	8,917.83	7,675.91
Less: Cash and bank balances	(4,255.58)	(7,901.76)
Net debt (A)	**4,662.25**	**(225.85)**
Equity (including CCCPS) (B)	**79,793.21**	**77,326.65**
Gearing ratio (A/(A+B))	**5.52%**	**(0.29)%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

43 Retirement and other employee benefits

(A) Defined benefit obligation

Contribution to Gratuity fund (funded scheme)
The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

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(i) **Key actuarial assumptions:**

Particulars	31 March 2023	31 March 2022
Discount rate (per annum)	7.30%	6.10%
Rate of salary increase	12.00%	12.00%
Rate of employee turnover (per annum)		
Age band		
25 & 25 below	30.00%	28.00%
25 to 35	45.00%	26.00%
35 to 45	35.00%	24.00%
45 to 55	15.00%	22.00%
55 & above	00.00%	20.00%

(ii) **Movement in defined benefit obligation:**

Particulars	31 March 2023	31 March 2022
Present value of obligation at the beginning of the year	164.41	147.73
Interest expense	9.11	9.19
Current service cost	57.37	58.71
Past service cost	-	-
Benefits paid	(26.08)	(23.58)
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	(40.59)	(13.34)
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(7.12)	2.63
Actuarial (gains) / losses on obligations - due to experience	21.24	(16.93)
Present Value of obligation at the end of the year	**178.34**	**164.41**

(iii) **Assets and liabilities recognised in the balance sheet:**

Particulars	31 March 2023	31 March 2022
Present value of the defined benefit obligation at the end of the year	178.34	164.41
Fair Value of Plan Assets at the end of the year	-	-
Net (liability) / asset recognised in the balance sheet	**(178.34)**	**(164.41)**

(iv) **Expenses recognised in the Statement of Profit and Loss:**

Particulars	31 March 2023	31 March 2022
Current Service Cost	57.37	58.71
Past service cost	-	-
Net interest (income)/ expense	9.11	9.19
Net gratuity cost recognised in the year	**66.48**	**67.90**

(v) **Expenses recognised in the Statement of Other comprehensive income (OCI):**

Particulars	31 March 2023	31 March 2022
Actuarial gain/ loss on post employment benefit obligation		
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	(40.59)	(13.34)
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(7.12)	2.63
Actuarial (gains) / losses on obligations - due to experience	21.24	(16.93)
Total remeasurement cost / (credit) for the year recognised in OCI	**(26.47)**	**(27.64)**

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(vi) Reconciliation of net asset / (liability) recognised:

Particulars	31 March 2023	31 March 2022
Opening Net Liability	164.41	147.73
Expenses recognised at the end of year	66.48	67.90
Benefits Paid	(26.08)	(23.58)
Amount recognised in other comprehensive income	(26.47)	(27.64)
Net Liability/(Asset) Recognized in the Balance Sheet	**178.34**	**164.41**

(vii) Sensitivity analysis:

Particulars	31 March 2023	31 March 2022
Delta effect of +0.5% change in rate of discounting	175.54	161.13
Delta effect of -0.5% change in rate of discounting	181.22	167.81
Delta effect of +0.5% change in rate of salary increase	179.98	166.72
Delta effect of -0.5% change in rate of salary increase	176.61	162.56
Delta effect of +10% change in rate of employee turnover	170.83	159.60
Delta effect of -10% change in rate of employee turnover	186.36	169.29

(viii) Maturity analysis of projected benefit obligation:

Year	31 March 2023	31 March 2022
1	40.75	30.51
2	39.52	22.67
3	30.64	25.23
4	28.47	23.34
5	23.64	22.97
Sum of Years 6 to 10	50.15	64.94

(ix) The experience adjustment on plan assets:

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Defined benefit obligation	178.34	164.41	147.73	132.80	73.06
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(178.34)	(164.41)	(147.73)	(132.80)	(73.06)
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	21.24	(16.93)	(58.36)	(2.83)	(10.68)

(B) Compensated absences

Maturity profile

Particulars	31 March 2023	31 March 2022
Present value of unfunded obligations	226.19	167.11
Expense recognised in the Statement of Profit and Loss	95.10	32.29
Discount rate (p.a.)	7.30%	6.10%
Salary escalation rate (p.a)	12.00%	12.00%

(C) Defined contribution plan

The Company contributes towards Provident Fund towards employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised ₹170.18 (31 March 2022: ₹111.81) for provident fund contributions in the Statement of profit and loss.

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44 The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The said code is made effective prospectively from May 3, 2023. The Company has assessed and there is no impact of the Code.

45 Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2023, an employee stock option plan ("ESOP") was in existence. The relevant details of the scheme and the grant are given below.

According to the 'Lendingkart Technologies Employee Stock Option Plan 2015' (amended), the employee selected by the Board of Directors will be entitled to the stock options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment as on date of vesting, including subsidiary Company. The other relevant terms of the grant are as below:

Vesting period	As may be decided by the Board of Directors (Currently, 1 to 4 years from date of grant of options)
Exercise period	**(a) Exercise while in employment:** The Vested Options shall be exercised by the Employees only at the time of Liquidity Event. Liquidity Event means an event resulting in the (i) Approved Sale (as defined under ESOP Policy); (ii) Listing of the Shares; (iii) exercise of the drag-along right by the Current Shareholders in terms of this ESOP 2015, or (iv) any other event or transaction as may be decided and approved by the Board at its sole discretion as a Liquidity Event for the purposes of this ESOP 2015, from time to time.
	(b) Exercise in case of resignation or termination (other than due to misconduct or due to breach of the Company's policies or terms of employment: All the Vested Options can only be exercised by the Option Grantee on the Liquidity Event. All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from that date.
	(c) Termination due to misconduct or due to breach of Company Policies /Terms of Employment: All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination. All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
	(d) Retirement: All the Vested Options can be exercised by the Option Grantee only on the Liquidity Event. All Unvested Options on the date of retirement shall stand cancelled with effect from the date retirement.
	(e) Death: All the Vested Options can be exercised by the Option Grantee's nominee or legal heir on the Liquidity Event. All the Unvested Options as on date of death shall be deemed to have been vested and accordingly, such Options can be exercised by the Option Grantee's nominee or legal heir on the Liquidity Event.
	(f) Permanent Incapacity: All the Vested Options may be exercised by the Option Grantee on the Liquidity Event. All the Unvested Options shall be deemed to have been vested and accordingly, such Options can be exercised by the Option Grantee on the Liquidity Event. In case of Option Grantee's death after such Permanent Incapacity, the Option Grantee's nominee or legal heir may exercise the Vested and un-Vested Options on the Liquidity Event.
	(g) Abandonment: All the Vested Options shall stand cancelled. All Unvested Options shall stand cancelled.
Expected life	Vesting period *plus* Exercise period
Exercise price	₹ 10,207 for stock options granted on 31 March 2016 ("Series A")
	₹ 29,634 for stock options granted on 31 March 2017, 25 April 2017, 11 September 2017 & 13 December 2017 ("Series B")
	₹ 59,918 for stock options granted on 04 February 2019, 08 June 2019 and 11 February 2020 ("Series C2")
	₹ 59,918 for stock options granted on 30 June 2020, 10 November 2020 and 10 February 2021, 12 May 2021, 24 June 2021, 05 August 2021, 02 November 2021, 10 February 2022, 05 August 2022, 11 May 2022 and 07 November 2022 ("Series D") ₹ 10 for stock options granted on 10 November 2020, 24 June 2021 and 28 March 2023 ("Series D")

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The details of activity under the ESOP Scheme 2015 are summarized below:

Series A: Exercise price - ₹ 10,207

Particulars	31 March 2023	31 March 2022
Outstanding options at the beginning of the year	192	192
Granted during the year	-	-
Forfeited during the year	-	-
Surrendered during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	192	192
Exercisable at the end of the year	192	192

Series B: Exercise price - ₹ 29,634

Particulars	31 March 2023	31 March 2022
Outstanding options at the beginning of the year	1,583	1,586
Granted during the year	-	-
Forfeited during the year	-	3
Surrendered during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	1,583	1,583
Exercisable at the end of the year	1,583	1,583

Series C: Exercise price - ₹ 59,918

Particulars	31 March 2023	31 March 2022
Outstanding options at the beginning of the year	1,319	1,561
Granted during the year	-	-
Forfeited during the year	42	243
Surrendered during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	1,277	1,319
Exercisable at the end of the year	1,253	1,155

Series D:

Particulars	31 March 2023		31 March 2022	
	Exercise price		Exercise price	
	₹ 59,918	₹ 10	₹ 59,918	₹ 10
Outstanding at the beginning of the year	5,131	2,879	4,223	2,086
Granted during the year	2,706	3,076	2,654	793
Forfeited during the year	873	-	1,746	-
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,964	5,955	5,131	2,879
Exercisable at the end of the year	4,313	-	2,553	-

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(₹ in Lakhs unless otherwise stated)

The average fair value of stock options are as follows:

Series of ESOP	31 March 2023		31 March 2022	
	Grant Date	Average fair value of stock options (₹)	Grant Date	Average fair value of stock options (₹)
Series A	31-Mar-16	7,432.11	31-Mar-16	7,432.11
Series B	31-Mar-17	2,009.31	31-Mar-17	2,009.31
Series B	25-Apr-17	1,973.81	25-Apr-17	1,973.81
Series B	11-Sep-17	2,280.95	11-Sep-17	2,280.95
Series B	13-Dec-17	2,310.04	13-Dec-17	2,310.04
Series C2	04-Feb-19	6,677.67	04-Feb-19	6,595.25
Series C2	08-Jun-19	7,631.59	08-Jun-19	7,942.74
Series C2	11-Feb-20	6,317.59	11-Feb-20	6,317.59
Series D	30-Jun-20	7,588.29	30-Jun-20	8,021.27
Series D (Exercise price of ₹ 59,917)	10-Nov-20	9,597.22	10-Nov-20	9,829.11
Series D (Exercise price of ₹ 10)	10-Nov-20	59,908.10	10-Nov-20	59,245.04
Series D	10-Feb-21	6,561.68	10-Feb-21	9,505.48
Series D	12-May-21	10,067.60	12-May-21	10,173.68
Series D	24-Jun-21	59,908.02	24-Jun-21	5,922.02
Series D	05-Aug-21	10,327.88	05-Aug-21	10,335.11
Series D	02-Nov-21	10,402.01	02-Nov-21	10,413.45
Series D	10-Feb-22	10,671.22	10-Feb-22	10,634.87
Series D	11-May-22	11,545.14	-	-
Series D	05-Aug-22	11,549.72	-	-
Series D	07-Nov-22	12,119.31	-	-
Series D (Exercise price of ₹ 10)	28-Mar-23	1,79,991.02	-	-

Black-Scholes option pricing model was used to estimate the fair value of options, considering the following inputs:

Series A: Exercise price - ₹ 10,207

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Expected life of options granted in years	Withdrawal rates
31 March 2023	31-Mar-16	0%	20%	6.75%	16,000	Vesting period + Exercise period	10%
31 March 2022	31-Mar-16	0%	20%	6.75%	16,000		10%

Series B: Exercise price - ₹ 29,634

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Expected life of options granted in years	Withdrawal rates
31 March 2023	31-Mar-17	0%	20%	6.75%	23,000	Vesting period + Exercise period	10%
	25-Apr-17	0%	20%	6.50%	23,000		10%
	11-Sep-17	0%	20%	6.35%	23,829		10%
	13-Dec-17	0%	20%	6.85%	23,829		10%
31 March 2022	31-Mar-17	0%	20%	6.75%	23,000		10%
	25-Apr-17	0%	20%	6.50%	23,000		10%
	11-Sep-17	0%	20%	6.35%	23,829		10%
	13-Dec-17	0%	20%	6.85%	23,829		10%

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Series C: Exercise price - ₹ 59,918

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant**	Expected life of options granted in years	Withdrawal rates
31 March 2023	04-Feb-19	0%	20%	6.80%	54,710	Vesting period + Exercise period	10%
	08-Jun-19	0%	20%	6.60%	54,944		10%
	11-Feb-20	0%	20%	5.70%	54,944		10%
31 March 2022	04-Feb-19	0%	20%	6.80%	54,710		10%
	08-Jun-19	0%	20%	6.60%	54,944		10%
	11-Feb-20	0%	20%	5.70%	54,944		10%

Series D: Exercise price - ₹ 59,918 and ₹ 10

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant**	Expected life of options granted in years	Withdrawal rates
31 March 2023	30-Jun-20	0%	20%	4.34%	59,918	Vesting period + Exercise period	10%
	10-Nov-20	0%	20%	4.25%	59,918		10%
	10-Feb-21	0%	20%	4.72%	59,918		10%
	12-May-21	0%	20%	4.68%	59,918		10%
	24-Jun-21	0%	20%	4.50%	59,918		10%
	05-Aug-21	0%	20%	4.78%	59,918		10%
	02-Nov-21	0%	20%	4.97%	59,918		10%
	10-Feb-22	0%	20%	4.72%	59,918		10%
	11-May-22	0%	20%	5.58%	59,918		10%
	05-Aug-22	0%	20%	6.75%	59,918		10%
	07-Nov-22	0%	20%	7.52%	59,918		10%
	04-Apr-23	0%	20%	7.52%	59,918		10%
	28-Mar-23	0%	20%	7.52%	10		0%
31 March 2022	30-Jun-20	0%	20%	4.34%	59,918		10%
	10-Nov-20	0%	20%	4.25%	59,918		10%
	10-Feb-21	0%	20%	4.72%	59,918		10%
	12-May-21	0%	20%	4.68%	59,918		10%
	24-Jun-21	0%	20%	4.50%	59,918		10%
	05-Aug-21	0%	20%	4.78%	59,918		10%
	02-Nov-21	0%	20%	4.97%	59,918		10%
	10-Feb-22	0%	20%	4.72%	59,918		10%

* Volatility is approximated at the average volatility of Nifty Index for the previous 3 years.
** Share Price is based on the valuation Carried out by independent valuer.

46 Leases

Where the Company is lessee:
The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. There are no variable lease payments, residual agreements, sale and leaseback arrangements and other restrictions. These leases have an average life of between three and five years. Lease rentals have an escalation ranging between 5% to 10%. Some of the leases for which the lease term is less than twelve months has been accounted as short term leases.

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i) Set out below are the carrying amount of right-of-use assets recognized and movement during the year.

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	**296.31**	**386.93**
Additions	-	0.23
Closure	(3.69)	-
Depreciation expense	(88.79)	(90.85)
Balance at the end of the year	**203.83**	**296.31**

ii) Set out are the carrying amount of lease liabilities and movement during the year

Particulars	31 March 2023	31 March 2022
Opening Balance	**324.02**	**379.59**
Additions	-	0.23
Accretion of interest	49.16	61.87
Closure	(3.69)	-
Payments	(118.67)	(117.67)
Closing Balance	**250.82**	**324.02**
Current	94.57	73.21
Non Current	156.25	250.81

iii) The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2023	31 March 2022
Short-term leases	26.54	19.07

iv) Maturity profile is as follows:

Lease Liability	31 March 2023	31 March 2022
Not later than one year	130.39	123.71
Later than one year and not later than five years	173.76	304.15
Total undiscounted lease liabilities	**304.15**	**427.86**

v) The effective interest rate of lease liabilities is 17.76% (31 March, 2022: 17.76%) with maturities between one to five years.

vi) The following are the amount recognized in statement of profit or loss.

Particulars	31 March 2023	31 March 2022
Depreciation expense on right of use of assets	88.79	90.85
Interest expense on lease liabilities	49.16	61.87
Expense relating to short term leases (included in other expenses)	26.54	19.07
Total Amount recognized in statement of profit and loss account	**164.49**	**171.79**

47 Contingent liabilities and commitments

a) Contingent Liability

Particulars	31 March 2023	31 March 2022
Corporate guarantee provided in connection with loan facilities availed by the subsidiary Company, Lendingkart Finance Limited	65,563.14	56,330.70
Corporate guarantee provided in connection with debentures issued by the subsidiary Company, Lendingkart Finance Limited	34,963.33	43,228.92
Arrears of dividend on Cumulative Compulsorily Convertible preference shares and taxes thereon [In absolute ₹]	149.21	123.05

b) There are no capital commitments as on 31 March 2023 (31 March 2022: Nil).

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c) There are no pending litigations as on 31 March 2023 (31 March 2022: Nil).

48 Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2023	31 March 2022
Software expenses (Net off capitalisation)	900.94	164.30
Professional fees	1.02	8.97
Advertisement expenses	0.57	1.42
Travelling expenses	6.18	-
Subscription expenses	0.01	0.15
Recruitment Expenses	2.83	7.91
Total	**911.55**	**182.75**

49 Based on the information available with the Company, there are no micro, small and medium enterprises to whom the Company has paid interest or any interest payable on outstanding (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended 31 March 2023.

50 As per SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, the Company is not a Large Corporate.

51 Disclosure required under Sec 186(4) of the Companies Act 2013

(a) Inter-corporate investment

Particulars	31 March 2023	31 March 2022
Investment in equity shares of Lendingkart Finance Limited (Wholly Owned Subsidiary)	71,701.24	71,701.24
Investment in equity shares of Lendingkart Account Aggregator Private Limited (Wholly Owned Subsidiary)	400.00	400.00
Deemed investment in Lendingkart Finance Limited	1,053.71	-

The Company has made a corpus investment of ₹ 0.01 Lakhs in Lendingkart Employees Welfare Trust.

(b) Inter-corporate guarantees

The Company has provided corporate guarantees in connection with following loan facilities availed and debenture issued by the subsidiary Company, Lendingkart Finance Limited:

Type of facility	31 March 2023		31 March 2022	
	Sanctioned Amount	Outstanding Amount	Sanctioned Amount	Outstanding Amount
Non-convertible redeemable debentures	33,200.00	34,963.33	46,900.00	43,228.92
Term loans	1,09,100.00	63,123.76	1,04,350.00	47,586.91
Working capital demand loans	3,300.00	2,439.27	9,050.00	4,903.30
Cash Credit	1,300.00	0.11	4,000.00	3,840.50
Total	**1,46,900.00**	**1,00,526.47**	**1,64,300.00**	**99,559.63**

The corporate guarantees have been given in connection with availment of credit facilities from lenders for the purpose of onward lending business.

52 Transactions with Struck off Companies
The Company does not have any transactions with the companies whose names are struck off from Registrar of companies.

53 The Company has incurred cash losses during the year ended 31 March 2023 of ₹ 1,164.72 (31 March 2022: ₹ 3,428.52).

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(₹ in Lakhs unless otherwise stated)

54 Ratios

Sr.no	Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.62	6.68	(75.81)%	Refer note (i) below
2	Debt-Equity Ratio	Total Debt	Shareholder's funds	0.11	0.10	12.59%	Not applicable
3	Debt Service coverage Ratio	Earnings for debt service	Debt service	0.04	(0.50)	108.45%	Refer note (ii) below
4	Return on equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.02	(0.08)	126.06%	Refer note (iii) below
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA	NA	NA	Not applicable
6	Trade receivables Turnover Ratio	Net credit sales	Average Trade Receivable	10.62	4.09	159.53%	Refer note (iv) below
7	Trade payables Turnover Ratio	Net credit purchases	Average Trade Payables	NA	NA	NA	Not applicable
8	Net Capital turnover Ratio	Net sales	Working capital	2.74	0.06	4,172.61%	Refer note (v) below
9	Net Profit Ratio	Net Profit	Net sales	0.26	(11.35)	102.32%	Refer note (vi) below
10	Return on capital employed	Earnings before interest and taxes	Capital Employed	(0.03)	(0.07)	63.17%	Refer note (vii) below
11	Return on investment	Dividend received	Investment	-	-	-	Not applicable

(i) **Current Ratio:** Increase in current liabilities during the year.
(ii) **Debt-service coverage ratio:** Increase in Revenue and EBIT during the year.
(iii) **Return on equity ratio:** Decrease in net loss during the year due to increase in income.
(iv) **Trade receivables Turnover Ratio:** Increase in revenue during the year.
(v) **Net Capital turnover Ratio:** Increase in revenue during the year.
(vi) **Net Profit Ratio:** Increase in PBT during the year.
(vii) **Return on capital employed:** Increase in EBIT during the year and increase in borrowings during the year.

55 Other Statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company has not been declared as a wilful defaulter by any bank, financial institution or any other lender.

56 The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5,2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

57 The Company, along with its subsidiary company, Lendingkart Finance Limited (LFL) (together "Lendingkart") has entered into a master framework agreement on January 23, 2023, with Upwards Fintech Services Private Limited (UFSPL), Upwards Capital Private Limited (together "Upwards") and promoters and shareholders of Upwards. The master framework agreement underlines the proposed transaction between the parties that includes purchase by Lendingkart of the securities held by an existing shareholder in UFSPL and thereafter the demerger and merger of the respective Upwards companies with Lendingkart.

Both Lendingkart and Upwards are in the process of acquiring requisite approvals and completing the necessary precedent conditions as per the master framework agreement.

58 The Company has reclassified/ regrouped previous year figures to conform to current year's classification, where applicable.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

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Place: Ahmedabad
Date: 09 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN: 01189114

LENDINGKART TECHNOLOGIES PVT. LTD.
AHMEDABAD

Kumudini Aggarwal
Company Secretary
Membership No: A19536

Place: Ahmedabad
Date: 09 May 2023

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Lendingkart Technologies Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Lendingkart Technologies Private Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income , their consolidated cash flows and the consolidated statement of changes in Equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the

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Companies (Accounts) Rules, 2015 (as amended) . The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the

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direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries included in the accompanying consolidated financial statements whose financial statements include total assets of Rs 2,86,283.64 lakhs as at March 31, 2023, and total revenues of Rs 82,422.03 lakhs and net cash outflows of Rs 3,229.42 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries companies incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2015 (as amended);

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements - Refer Note 50 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mistatement.

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v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXIZI8212
Place of Signature: Mumbai
Date: May 09, 2023

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Lendingkart Technologies Private Limited

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

Sr. No.	Name	CIN	Holding Company / Subsidiary/ Associate	Clause number of the CARO report which is qualified or is adverse
1	Lendingkart Technologies Private Limited	U72900GJ2014PTC081539	Holding Company	(xvii)
2	Lendingkart Finance Limited	U65910MH1996PLC258722	Subsidiary Company	(iii)(c), (iii)(d) and (xi)(a)

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXIZI8212
Place of Signature: Mumbai
Date: May 09, 2023

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LENDINGKART TECHNOLOGIES PRIVATE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Lendingkart Technologies Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

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MUMBAI
CHARTERED ACCOUNTANTS

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries is based on the corresponding reports of the auditors of such subsidiaries.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 23102102BGXIZI8212
Place of Signature: Mumbai
Date: May 09, 2023

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Lendingkart Technologies Private Limited
Consolidated Balance Sheet as at 31 March 2023

(₹ in lakhs unless otherwise stated)

Particulars	Notes	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	349.85	211.63
Intangible assets	7	6,397.14	3,973.75
Intangible assets under Development	8	337.16	236.23
Right-of -use assets	6	1,802.66	2,244.14
Financial assets			
(i) Non-current loans	9	1,03,421.25	1,10,566.80
(ii) Other non-current financial assets	10	20,565.68	13,547.05
Current tax assets (net)	11	4,088.01	1,757.88
Deferred tax assets (net)	12	9,840.76	8,575.16
Other non-current assets	13	54.82	11.16
Total non-current assets		**1,46,857.33**	**1,41,123.80**
Current assets			
Financial assets			
(i) Trade Receivables	14	349.36	4.05
(ii) Cash and cash equivalents	15	20,597.02	27,599.88
(iii) Bank balances other than cash and cash equivalents	16	23,497.48	10,085.42
(iv) Current loans	17	72,266.69	81,026.10
(v) Other current financial assets	18	36,595.13	16,173.97
Other current assets	19	2,490.08	2,438.87
Total current assets		**1,55,795.76**	**1,37,328.29**
Total assets		**3,02,653.09**	**2,78,452.09**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	5.50	5.30
Equity component of CCCPS	20	246.29	247.31
Other equity	21	78,157.40	65,416.68
Total equity		**78,409.19**	**65,669.29**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	22	70,798.43	67,385.44
(ia) Lease liabilities	23	1,963.34	2,338.00
(ii) Other non-current financial liabilities	24	14,733.39	9,670.97
Non-current provisions	25	764.08	427.26
Other non-current liabilities	26	1,543.41	330.14
Total non-current liabilities		**89,802.65**	**80,151.81**
Current liabilities			
Financial liabilities			
(i) Current borrowings	27	1,06,143.57	1,19,960.75
(ia) Lease Liabilities	28	387.54	325.59
(ii) Trade Payables:	29		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Other Creditors		309.90	364.98
(iii) Other current financial liabilities	30	25,317.50	9,998.11
Current provisions	31	218.34	249.44
Other current liabilities	32	2,064.40	1,732.12
Total current liabilities		**1,34,441.25**	**1,32,630.99**
Total equity and liabilities		**3,02,653.09**	**2,78,452.09**

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 9 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN No. : 01189114

LENDINGKART TECHNOLOGIES PVT. LTD. AHMEDABAD

Kumudini Aggarwal
General Counsel & Company Secretary
Membership No. : A19536

Place: Ahmedabad
Date: 9 May 2023

Lendingkart Technologies Private Limited
Consolidated Statement of profit and loss for the year ended 31 March 2023

(₹ in lakhs unless otherwise stated)

Particulars	Notes	31 March 2023	31 March 2022
Income			
Revenue from operations	33	74,900.85	60,224.38
Gain on assignment of loans	34	4,945.10	1,417.12
Total revenue from operations		**79,845.95**	**61,641.50**
Other income	35	5,956.00	2,669.74
Total income		**85,801.95**	**64,311.24**
Expenses			
Employee benefits expenses	36	11,326.00	7,186.45
Finance costs	37	24,966.68	23,884.57
Fees and commission expenses	38	7,938.80	5,916.44
Impairment of financial instruments	39	11,209.34	41,471.20
Depreciation and amortisation expenses	40	3,299.95	2,600.21
Other expenses	41	16,410.93	7,840.41
Total expenses		**75,151.70**	**88,899.28**
Profit before exceptional items and tax		**10,650.25**	**(24,588.04)**
Exceptional Items		-	-
Profit/(loss) before tax		**10,650.25**	**(24,588.04)**
Tax expense / (credit)	42		
- Current tax		3.66	2.46
- Tax of earlier years		32.85	342.96
- Deferred tax (income) / expense		(1,267.39)	(4,596.70)
		(1,230.88)	**(4,251.28)**
Profit/(loss) after tax		**11,881.13**	**(20,336.76)**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		33.61	60.30
- Tax impact on above		(1.80)	(8.22)
Other comprehensive income/(loss), (net of tax)		**31.81**	**52.08**
Total comprehensive income/(loss)		**11,912.94**	**(20,284.68)**
Earning per equity share (In absolute ₹) :			
Basic		22,206.47	(38,405.30)
Diluted		22,206.47	(38,405.30)

Summary of significant accounting policies **3**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

Place: Ahmedabad
Date: 9 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN No. : 01189114

Kumudini Aggarwal
General Counsel & Company Secretary
Membership No. : A19536

Place: Ahmedabad
Date: 9 May 2023

LENDINGKART TECHNOLOGIES PVT. LTD. AHMEDABAD

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Lendingkart Technologies Private Limited
Consolidated Statement of Changes In Equity for the year ended 31 March 2023 *(₹ in lakhs unless otherwise stated)*

(a) Equity share capital

Particulars	No of shares	Amount
Balance as at 01 April 2021	52,953	5.30
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current year	52,953	5.30
Changes in equity share capital during the year	-	-
Balance at 31 March 2022	52,953	5.30
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current year	52,953	5.30
Changes in equity share capital during the year	1,987	0.20
Balance at 31 March 2023	54,940	5.50

(b) Equity component of convertible preference shares

(i) CCCPS of ₹ 10 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	18,187	1.82
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	18,187	1.82
Changes in share capital during the year	-	-
Balance at 31 March 2022	18,187	1.82
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	18,187	1.82
Changes in share capital during the year	(1,205)	(0.12)
Balance at 31 March 2023	16,982	1.70

(ii) Series A CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	36,994	36.99
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	36,994	36.99
Changes in share capital during the year	-	-
Balance at 31 March 2022	36,994	36.99
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	36,994	36.99
Changes in share capital during the year	(913)	(0.91)
Balance at 31 March 2023	36,081	36.08

(iii) Series B CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	44,396	44.40
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	44,396	44.40
Changes in share capital during the year	-	-
Balance at 31 March 2022	44,396	44.40
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	44,396	44.40
Changes in share capital during the year	-	-
Balance at 31 March 2023	44,396	44.40

(iv) Series C1 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	24,711	24.71
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	24,711	24.71
Changes in share capital during the year	-	-
Balance at 31 March 2022	24,711	24.71
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	24,711	24.71
Changes in share capital during the year	-	-
Balance at 31 March 2023	24,711	24.71

(v) Series C2 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	86,109	86.11
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	86,109	86.11
Changes in share capital during the year	-	-
Balance at 31 March 2022	86,109	86.11
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	86,109	86.11
Changes in share capital during the year	-	-
Balance at 31 March 2023	86,109	86.11

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

LENDINGKART TECHNOLOGIES PVT. LTD. AHMEDABAD

Consolidated Statement of Changes In Equity for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

(vi) Series C3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	No of shares	Amount
Balance as at 01 April 2021	1,336	0.01
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	1,336	0.01
Changes in share capital during the year	-	-
Balance at 31 March 2022	1,336	0.01
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	1,336	0.01
Changes in share capital during the year	-	-
Balance at 31 March 2023	1,336	0.01

(vii) Series D1 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	38,884	38.88
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	38,884	38.88
Changes in share capital during the year	-	-
Balance at 31 March 2022	38,884	38.88
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	38,884	38.88
Changes in share capital during the year	-	-
Balance at 31 March 2023	38,884	38.88

(viii) Series D2 CCCPS of ₹ 100 each fully paid

Particulars	No of shares	Amount
Balance as at 01 April 2021	14,394	14.39
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	14,394	14.39
Changes in share capital during the year	-	-
Balance at 31 March 2022	14,394	14.39
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	14,394	14.39
Changes in share capital during the year	-	-
Balance at 31 March 2023	14,394	14.39

(ix) Series D3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	No of shares	Amount
Balance as at 01 April 2021	-	-
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	-	-
Changes in share capital during the year	-	-
Balance at 31 March 2022	-	-
Changes in Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	-	-
Changes in share capital during the year	1,251	0.01
Balance at 31 March 2023	1,251	0.01

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

LENDINGKART TECHNOLOGIES PVT. LTD. * AHMEDABAD

Lendingkart Technologies Private Limited

Consolidated Statement of Changes In Equity for the year ended 31 March 2023

(₹ in Lakhs unless otherwise stated)

(c) Other equity

Particulars	Reserves and Surplus					OCI Reserves	Total other equity
	Securities premium	Statutory Reserve as per RBI Act	Treasury shares	Employee stock options outstanding	Retained earnings		
Balance as at 01 April 2021	1,04,510.53	1,657.14	(3,456.05)	267.78	(18,266.56)	109.78	84,822.62
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	1,04,510.53	1,657.14	(3,456.05)	267.78	(18,266.56)	109.78	84,822.62
Profit / (Loss) for the for the year	-	-	-	-	(20,284.68)	-	(20,284.68)
Other comprehensive income (net of tax)	-	-	-	-	(52.08)	52.08	-
Expenses on employee stock options scheme	-	-	-	878.74	-	-	878.74
Balance as at 31 March 2022	1,04,510.53	1,657.14	(3,456.05)	1,146.52	(38,603.32)	161.86	65,416.68
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	1,04,510.53	1,657.14	(3,456.05)	1,146.52	(38,603.32)	161.86	65,416.68
Profit / (Loss) for the for the year	-	-	-	-	11,912.94	-	11,912.94
Other comprehensive income (net of tax)	-	-	-	-	(31.81)	31.81	-
Expenses on employee stock options scheme	-	-	-	832.71	-	-	832.71
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	2,314.22	-	-	(2,314.22)	-	-
Premium on conversion of CCCPS to equity shares	0.83						0.83
Share issue expense	(5.76)	-	-	-	-	-	(5.76)
Balance as at 31 March 2023	1,04,505.60	3,971.36	(3,456.05)	1,979.23	(29,036.41)	193.67	78,157.40

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 9 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN No. : 01189114

Kumudini Aggarwal
General Counsel & Company Secretary
Membership No. : A19536

Place: Ahmedabad
Date: 9 May 2023

LENDINGKART TECHNOLOGIES PVT. LTD. ★ AHMEDABAD

Lendingkart Technologies Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2023

(₹ in Lakhs unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Operating activities		
Profit/(loss) before tax	10,650.25	(24,588.04)
Adjusted for:		
Impact of EIR of financial assets	(11,087.96)	(2,264.91)
Impact of EIR of financial liabilities	(1,529.15)	(309.37)
Upfront gain on direct assignment	(4,945.10)	(1,417.12)
Employee stock option expense	832.71	878.74
Interest on finance lease liability	349.96	320.84
Provision for gratuity	48.69	68.42
Provision for leave benefit	257.03	(82.54)
Impairment of loans	(3,011.63)	(6,591.63)
Impairment of other financial assets	2,503.95	310.46
Bad debt written offs	11,717.02	47,752.37
Discount on Commercial Paper	349.65	1.95
Depreciation and amortisation	3,299.95	2,600.21
Interest on bank deposits	(1,497.89)	(1,238.76)
Interest on term loans	(62,344.03)	(56,982.81)
Finance costs	24,101.37	23,539.35
PPE & Intangible assets under development written off	55.73	149.21
Actuarial gain / (loss) recognised in OCI	33.61	60.30
	(30,215.84)	**(17,793.33)**
Interest received on bank deposit	1,399.56	1,262.14
Interest received on term loans	59,800.25	52,662.89
Repayment of finance cost	(24,318.81)	(23,573.96)
Cash generated from operating activities before working capital changes	**6,665.16**	**12,557.74**
Changes in working capital:		
- (Increase) / decrease in other financial assets	(18,561.04)	(15,216.63)
- (Increase) / decrease in other non-financial Assets	455.34	(289.08)
- (Increase) / decrease in Loans	9,743.34	(32,299.57)
- (Increase) / decrease in lease liabilities	(312.71)	(256.05)
- (Increase) / decrease in trade payables	(55.08)	88.47
- (Increase) / decrease in non financial liabilities	797.68	312.72
- (Increase) / decrease in other financial liabilities	22,276.14	10,852.30
- (Increase) / decrease in other liabilities	639.33	66.82
	21,648.16	**(24,183.28)**
Income tax paid (net)	(2,367.72)	(3,172.38)
Net cash flows from / (used in) operating activities	**19,280.45**	**(27,355.66)**
Investing activities:		
Purchase of property, plant and equipment and intangible assets	(5,561.80)	(3,534.63)
Proceeds from sale of property, plant and equipment	8.97	2.84
Movement in Fixed deposit with original maturity of greater than three months	(9,574.97)	6,272.78
Net cash flow from/ (used in) investing activities	**(15,127.80)**	**2,740.99**
Financing activities:		
Issue of equity share capital (including securities premium)	-	-
Share issue expenses	(5.75)	
Proceeds from debt securities	14,500.00	36,400.00
Repayment of debt securities	(37,380.94)	(31,337.45)
Proceeds from borrowings other than debt securities	78,210.45	34,886.84
Repayment of borrowings other than debt securities	(65,071.88)	(49,658.38)
Proceeds from subordinated debt	-	-
Change in cash credit/overdraft	3,094.10	327.67
Proceeds from issue of commercial paper	4,708.46	1,611.90
Repayment of of commercial paper	(4,354.41)	-
Share issue expenses	-	-
Repayment of lease liabilities	(613.38)	(593.64)
Proceeds/(repayment) from securitisation borrowing	(4,242.15)	31,651.53
Net cash generated from/(used in) financing activities	**(11,155.50)**	**23,288.47**

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LENDINGKART TECHNOLOGIES PVT. LTD. AHMEDABAD

Lendingkart Technologies Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2023

(₹ in Lakhs unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Net increase / (decrease) in cash and cash equivalents	(7,002.85)	(1,326.21)
Cash and cash equivalents at the beginning of the year	27,599.88	28,926.08
Cash and cash equivalents at the end of the year	20,597.02	27,599.87
Components of cash and cash equivalents		
Cash on hand		
Balance with banks		
(i) In Current accounts	13,928.49	8,296.99
(ii) In deposit accounts with original maturity of less than 3 months	6,668.53	19,302.88
Cash and cash equivalents	**20,597.02**	**27,599.87**

Note: The above cash flow statement has been prepared under the indirect method as prescribed in Ind AS 7 on Statement of Cash flow.

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

Place: Ahmedabad
Date: 9 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN No. : 01189114

Kumudini Aggarwal
General Counsel & Company Secretary
Membership No. : A19536

Place: Ahmedabad
Date: 9 May 2023

1. Corporate information

The consolidated financial statements comprise financial statements of Lendingkart Technologies Private Limited (the company), its trust and its subsidiaries (collectively, the Group) for the year ended 31 March 2023. The company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company has developed a digital lending platform that enables Co-origination/Co-lending of MSME loans by leveraging the technology architecture built over the period of time. The platform is proprietary technology that solves all aspects of lending i.e. distribution, underwriting, collections and capital. It helps partners build their MSME loan portfolio in a digital environment with customers. The platform not only brings the lender and borrower together, but also plays the central role at every stage of the lending process.
The Company has its registered office at A-602, 6th Floor, The First, The First Avenue Road, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad, India.

The Company has two wholly owned subsidiaries, Lendingkart Finance Limited ('LFL') and Lendingkart Account Aggregator Private Limited ('LAAPL'). LFL is a public limited company domiciled in India. LFL is a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ("RBI") Act, 1934 and engaged in the business of providing working capital loan to the small and medium sized enterprises and others. LAAPL is a private limited company domiciled in India and awaiting approval from RBI to commence its business to provide services of an account aggregator as per RBI Master Directions – Non-Banking Financial Company- Account Aggregator (Reserve Bank) Directions, 2016. The Company has set up a private trust, Lendingkart Employees Welfare Trust ('LEWT') as a separate entity for the exclusive benefits of the employees of the company. The trust is functioning in the state of Gujarat and hold all the trust property solely for and on behalf of and for the exclusive benefit of the beneficiaries.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act. The consolidated financial statements have been prepared on a going concern basis. The Group uses accrual basis of accounting except in case of significant uncertainties.

2.1 Presentation of financial statements

The financial statement has been prepared on a historical cost basis, except for:

- certain financial assets and liabilities that are measured at fair value at the end of each reporting period; and
- defined benefit plans (plan assets measured at fair value at the end of each reporting period)

The assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Basis of consolidation

The Consolidated Financial Statements are prepared in accordance with Ind AS - 110 on "Consolidated Financial Statements. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2023. The consolidated financial statements are prepared according to uniform accounting policies. The effects of inter-company transactions are eliminated on consolidation.

The financial statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The Consolidated Financial Statements are prepared using uniform accounting policies like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

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The financial statements of LFL have been prepared in accordance with and in the manner prescribed by the provisions of Reserve Bank of India regulations. Due to lack of homogeneity of the businesses, the financial statements of LFL have been consolidated, to the extent possible in the format as adopted by the parent, as required by Ind AS-110.

The entities considered in preparation of Consolidation Financial Statements are:

Name	Relationship	Country of Incorporation	Proportion of ownership	
			31 March 2023	31 March 2021
Lendingkart Finance Limited	Subsidiary	India	100%	100%
Lendingkart Account Aggregator Private Limited	Subsidiary	India	100%	100%

3. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

(i) Recognition of interest income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

a. Interest income

a. The Group calculates interest income by using the effective interest rate (EIR) method to gross carrying amount of financial asset other than credit impaired assets.
b. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.
c. Interest income on financial assets classified as FVTPL is recognised at contractual interest rate of financial instruments.
d. Penal/additional charges on default in payment of dues by customer is recognised on realisation basis.

The effective interest rate method

Interest income/ expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

The EIR (and therefore, the amortised cost of the asset/ liability) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Group recognises interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset/ liability. The future cash flows are estimated taking into account all the contractual terms of the asset/ liability. If expectations regarding the cash flows on the financial asset/ liability are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset/ liability in the balance sheet. The adjustment is subsequently amortised through Interest income/ expense in the statement of profit and loss.

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b. Net gain on fair value changes

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

(ii) Revenue from contract with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

- **Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- **Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- **Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- **Step 5:** Recognise revenue when (or as) the Group satisfies a performance obligation

(iii) Recognition of expenditures

a. Finance costs

Borrowing costs on financial liabilities are recognised using the EIR.

b. Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets/ liabilities, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.\

c. Taxes

Expensed are recognized net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

(iv) Financial instruments

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

a. Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The Group recognises debt securities and borrowings when funds are received by the Group.

b. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the

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case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

c. **Day one profit or loss**
When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes.

d. **Measurement categories of financial assets and liabilities**
The Group classifies all of its financial instruments based on the business model for managing the assets and the assets contractual terms, measured at either:
- Amortised cost
- FVOCI
- FVTPL

(v) Financial assets and liabilities

a. **Bank balances, Loans, Trade receivables and financial assets at amortised cost**
The Group measures Bank balances, Loans and other financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

- **Business model assessment**

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios.

If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward. The business model of the Group for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows.

- **The SPPI test**

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

b. **Debt securities and other borrowed funds**
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

c. **Financial assets and financial liabilities at fair value through profit or loss**
Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair

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value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

d. Financial assets at FVOCI

The Group classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; 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

e. Financial guarantees and undrawn loan commitments

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium/deemed premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium/deemed premium is recognised in the statement of profit and loss on a straight line basis over the life of the guarantee.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

(vi) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

(vii) Derecognition of financial assets and liabilities

a. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in the currency of loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

b. Derecognition of financial assets due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also

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derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:
- The Group has transferred its contractual rights to receive cash flows from the financial asset; Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

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

On derecognition of a financial asset in its entirety, the difference between:
- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:
- The Group has transferred substantially all the risks and rewards of the asset; Or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

c. **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a

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derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(viii) Impairment of financial assets

a. Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, 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 or LTECL), 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 (12mECL).

The 12mECL is the portion of LTECLs 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 LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

The Group classifies its financial assets in three stages having the following characteristics:

- **Stage 1:** unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- **Stage 2:** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- **Stage 3:** objective evidence of impairment and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

b. The calculation of ECLs

The Group calculates ECLs 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 an entity in accordance with the contract and the cash flows that the entity expects to receive.

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 derecognised and is still in the portfolio.

- **Exposure at Default (EAD)**
  The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

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

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- **Stage-1:**
The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD. This calculation is made for each of the three scenarios, as explained above.

- **Stage-2:**
When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

- **Stage-3:**
For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

- **Loan commitments:**
When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

- **Financial guarantee contracts:**
The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

c. Contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on contract assets. 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. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its assets. The provision matrix is based on its historically observed default rates over the expected life of the assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

(ix) Sovereign Credit Guarantee Schemes
Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has been set up jointly by Ministry of MSME, Government of India and SIDBI to catalyse flow of institutional credit to Micro & Small Enterprises (MSEs).

Credit Guarantee Fund for Micro Units (CGFMU) is the Credit Guarantee Trust under the management of National Credit Guarantee Trustee Company Limited (NCGTC), established by the Department of Financial Services, Ministry of Finance.

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CGTMSE and CGFMU have been instrumental in providing guarantee cover on credit extended by eligible Member Lending Institutions [MLIs] to MSEs. The Company is MLI in these schemes and obtained sovereign guarantee cover on its portfolio. Accordingly, the company has incorporated the benefit of this sovereign guarantee cover in calculation of impairment of assets

(x) Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

(xi) Determination of fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value 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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level-1 financial instruments**

  Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level-2 financial instruments**

  Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

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➢ **Level-3 financial instruments**
Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements 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.

(xii) Foreign currency translation

a. Functional and presentational currency
The Group financial statements are presented in Indian Rupees (₹) which is also the functional currency of the Group.

b. Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.
Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

(xiii) Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a. Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

➢ **Right-of-use assets**
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

➢ **Lease liabilities**
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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➢ **Short-term leases and leases of low-value assets**
The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b. Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(xiv) Cash and cash equivalents
Cash and cash equivalents include cash on hand, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(xv) Property, plant and equipment
Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation on property, plant and equipment is provided on the written down value method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Act which is also as per the useful life of the assets estimated by the management.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

(xvi) Intangible assets
Intangible assets representing software used for business purposes are capitalised. Incidental cost representing upgrades to such software are considered as additions to core software on the basis of management estimates. Useful life of a base software and additions there to (i.e. upgrades or new features to the base software) are arrived by the management based on factors including the effects of obsolescence, demand, competition, and other economic factors such as stability of the industry and known technological advances. Where the Group assesses that the upgrades to the base software can be independently used, such upgrades are amortised on a straight-line basis over the estimated useful life or tested for impairment from the date such upgrades are available for use. Software related expenditure which are incurred for maintaining existing technical architecture and not resulting into future economic benefits are charged to the statement of profit and loss.

Software is initially stated at cost and subsequently carried at cost less accumulated amortisation and impairment losses if any. Amortisation methods and useful lives of each software, module, features or upgrades are reviewed and evaluated periodically for impairment and technology changes at each reporting date.

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

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

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

(xviii) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight-line basis over the life of the guarantee.

(xix) Retirement and other employee benefits

a. Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b. Gratuity liability

Gratuity liability is a defined benefit plan and the costs of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- ➢ The date of the plan amendment or curtailment, and
- ➢ The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- ➢ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- ➢ Net interest expense or income

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs

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c. Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

(xx) Employee Stock Option Scheme

The Group operates Employee Stock Option Scheme through a trust formed for the purpose. Equity shares are issued to the trust based on the Group's expectation of the number of options that may be exercised by employees.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised in employee benefits expenses together with a corresponding increase in employee stock option outstanding account in other equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

(xxi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(xxii) Taxes

a. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein.. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the jurisdiction where the Group operates and generates taxable income.

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

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

b. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ➢ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ➢ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- ➢ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ➢ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(xxiii) Contingent liabilities, contingent assets and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

Contingent assets are neither recognised nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset and amount of undisbursed portfolio loans.

Contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

(xxiv) Share issue expenses

Direct expenses in connection with issue of shares are adjusted from securities premium account, to the extent available.

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(xxv) **Treasury shares**

The Group has constituted the Lendingkart Employee Welfare Trust ("ESOP trust" or "Lendingkart Employee Welfare Trust"), for the benefit of providing share based payments to its employees. As part of the Trust deed, the ESOP trust acquires and holds the shares of the Company and subsequently disributes it to the employees under the Employee Stock Option Plan. The Company treats the ESOP Trust as an extension of itself and shares held by ESOP trust are treated as treasury shares, to the extent not granted to the employees.

(xxvi) **Earnings per share**

Basic earnings per share is computed by dividing profit or loss after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates and judgments

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Business model assessment
- Fair value of financial instruments
- Effective Interest Rate (EIR)
- Impairment on financial assets
- Provisions and other contingent liabilities
- Provision for tax expenses
- Residual value and useful life of property, plant and equipment

5. On 31 March 2023, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

(i) **Ind AS 1 – Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

(ii) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

(iii) **Ind AS 12 – Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Group has evaluated the amendment and there is no impact on its financial statement.

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(₹ in lakhs unless otherwise stated)

6 Property, plant and equipment

Particulars	Property, plant and equipment				Right-of-use assets
	Computers and networks	Furniture and fittings	Office equipments	Total	
Cost					
As at 1 April 2021	**692.66**	**54.79**	**143.46**	**890.93**	**3,646.45**
Additions	125.58	0.95	4.51	**131.04**	9.65
Disposals	34.95	-	0.09	**35.04**	4.27
As at 31 March 2022	**783.29**	**55.74**	**147.88**	**986.93**	**3,651.83**
Additions	297.02	19.92	5.06	**322.00**	23.91
Disposals	126.31	5.35	3.38	**135.04**	3.69
As at 31 March 2023	**954.00**	**70.31**	**149.56**	**1,173.89**	**3,672.05**
Accumulated depreciation					
As at 1 April 2021	**530.18**	**28.32**	**94.52**	**653.02**	**920.45**
Charge for the year	125.49	6.87	22.74	**155.10**	488.11
Disposals	32.75	-	0.07	**32.82**	0.87
As at 31 March 2022	**622.92**	**35.19**	**117.19**	**775.30**	**1,407.69**
Charge for the year	150.40	9.12	14.56	**174.08**	461.70
Disposals	118.67	3.67	3.00	**125.34**	-
As at 31 March 2023	**654.65**	**40.64**	**128.75**	**824.04**	**1,869.39**
Net book value					
As at 31 March 2022	**160.37**	**20.55**	**30.69**	**211.63**	**2,244.14**
As at 31 March 2023	**299.35**	**29.67**	**20.81**	**349.85**	**1,802.66**

(i) There are no contractual commitments for the acquisition of property, plant and equipment.
(ii) There is no borrowing costs capitalised during the year ended 31 March 2023 (31 March 2022: Nil).
(iii) There have been no revaluation during the year ended 31 March 2023 (31 March 2022: Nil).

7 Intangible Assets

Particulars	Computer software
Cost	
As at 1 April 2021	**6,326.66**
Additions	3,300.54
Disposals	-
As at 31 March 2022	**9,627.20**
Additions	5,087.56
Disposals	-
As at 31 March 2023	**14,714.76**
Accumulated amortisation	
As at 1 April 2021	**3,696.44**
Charge for the year	1,957.01
Disposals	-
As at 31 March 2022	**5,653.45**
Charge for the year	2,664.17
Disposals	-
As at 31 March 2023	**8,317.62**
Net book value	
As at 31 March 2022	**3,973.75**
As at 31 March 2023	**6,397.14**

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Notes to consolidated financial statements for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

8 **Intangible assets under Development**

Particulars	31 March 2023	31 March 2022
Intangible assets under development	337.16	236.23
Total	**337.16**	**236.23**

Intangible assets under development ageing schedule	31 March 2023	31 March 2022
Less than 1 year	337.16	181.23
1-2 years	-	55.00
Total	**337.16**	**236.23**

9 **Non-current loans**

Particulars	31 March 2023	31 March 2022
Term loans	1,06,076.11	1,15,797.58
Less: Impairment loss allowance	(2,654.86)	(5,230.78)
	1,03,421.25	**1,10,566.80**
(Refer note 61(C) for Credit risk)		
(A) Out of Above		
(i) Secured	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Unsecured	1,06,076.11	1,15,797.58
Less: Impairment loss allowance	(2,654.86)	(5,230.78)
Total (ii)	**1,03,421.25**	**1,10,566.80**
Total (A) = (i) + (ii)	**1,03,421.25**	**1,10,566.80**
(B) Out of Above		
(i) Public Sector	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Others	1,06,076.11	1,15,797.58
Less: Impairment loss allowance	(2,654.86)	(5,230.78)
Total (ii)	**1,03,421.25**	**1,10,566.80**
Total (B) = (i) + (ii)	**1,03,421.25**	**1,10,566.80**
(C) Out of Above		
(i) In India	1,06,076.11	1,15,797.58
Less: Impairment loss allowance	(2,654.86)	(5,230.78)
Total (iii)	**1,03,421.25**	**1,10,566.80**
(ii) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C) = (I) + (II)	**1,03,421.25**	**1,10,566.80**

10 **Other non-current financial assets**

Particulars	31 March 2023	31 March 2022
Security deposit, considered good - Unsecured	434.02	2,106.88
Deposits - maturity more than 12 months*	1,924.05	5,662.81
Receivable from co-lenders**	18,835.92	5,600.14
Interest receivable on assignment of loans	1,636.25	919.98
Others	5.99	5.49
Total	**22,836.23**	**14,295.30**
(Less) : Impairment allowance on other financial assets	(2,270.55)	(748.25)
Total	**20,565.68**	**13,547.05**

*Fixed deposits of ₹ 1,457.87 (31 March 2022: ₹ 4,496.89) are pledged against working capital requirements, pass-through certificates and other business purpose.

** Receivable from co-lenders includes assets recognised as per Ind AS with corresponding Guarantee liability recorded under Other non-current financial liabilities in note no. 24.

11 **Current tax assets (net)**

Particulars	31 March 2023	31 March 2022
Advance income tax	4,088.01	1,757.88
Total	**4,088.01**	**1,757.88**

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12 Deferred tax assets (net)

Particulars	31 March 2023	31 March 2022
Deferred tax asset on account of :		
Carry forward of unabsorbed losses	10,796.04	12,565.40
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	322.78	190.33
Expected credit losses	1,703.37	2,000.43
Unamortised processing fees	67.40	281.25
Impact of difference between tax depreciation and depreciation charged for the financial reporting	34.41	62.81
Deferred tax on account of Ind AS 116	142.79	112.51
Guarantee fees	53.62	164.51
Security deposit discounting	25.54	28.65
Interest on market linked debentures	473.91	380.13
MAT credit entitlement	-	-
Income-tax relating to items that will not be reclassified to profit or loss	-	-
Gross deferred tax assets	**13,619.86**	**15,786.02**
Deferred tax liability on account of :		
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	6.66	(32.20)
Deferred tax on account of securitisation and direct assignment	2,493.74	1,267.31
EIR of borrowings	138.01	143.72
Unamortised processing fee	-	-
Gross deferred tax liabilities	**2,638.41**	**1,378.83**
Net deferred tax assets (net)	**10,981.45**	**14,407.19**
Deferred tax asset recognised	**9,840.76**	**8,575.16**

During the year ended March 31, 2023, the Holding Company has accounted for deferred tax assets of Rs. 5,200 lakhs on carried forward business losses and other components.

13 Other non-current assets

Particulars	31 March 2023	31 March 2022
Guarantee Assets*	54.82	-
Capital advances	-	11.16
Total	**54.82**	**11.16**

*Guarantee asset is recognised as per Ind AS with corresponding guarantee liability recorded under Other non-current liabilities in note no. 26.

14 Trade Receivables

Particulars	31 March 2023	31 March 2022
Undisputed trade receivables - considered good	349.36	4.05
Undisputed Trade Receivables – which have significant increase in credit risk	-	-
Undisputed Trade receivable – credit impaired	-	-
Disputed Trade receivables - considered good	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-
Disputed Trade receivables – credit impaired	-	-
Total	**349.36**	**4.05**

Trade receivables ageing schedule	31 March 2023	31 March 2022
Curent but not due	-	-
Outstanding for less than 6 months	337.18	4.05
Outstanding for 6 months – 1 year	12.18	-
Outstanding for 1-2 years	-	-
Outstanding for 2-3 years	-	-
Outstanding for more than 3 years	-	-
Total	**349.36**	**4.05**

15 Cash and cash equivalents

Particulars	31 March 2023	31 March 2022
Cash on hand	-	0.01
Balances with banks in current accounts	13,928.49	8,296.99
Bank deposit with maturity upto 3 months	6,668.53	19,302.88
Total	**20,597.02**	**27,599.88**

(i) Balance in current account includes amount of ₹ 745.66 which pertains to Escrow accounts of colenders (31 March 2022: ₹ 1,263.69).

(ii) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. As at March 31, 2023, fixed deposits of ₹ 166.63 are pledged against credit facilities (March 31, 2022: ₹ Nil).

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16 **Bank balances other than cash and cash equivalents**

Particulars	31 March 2023	31 March 2022
Deposits with remaining maturity for less than 12 months	23,497.48	10,085.42
Total	**23,497.48**	**10,085.42**

Fixed deposit and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates. Fixed deposits of ₹ 22,456.29 (31 March 2022: ₹ 9,889.45) are pledged against working capital requirements, pass-through certificates and other business purpose.

17 **Current loans**

Particulars	31 March 2023	31 March 2022
Term loans	75,740.29	85,380.21
Less: Impairment loss allowance	(3,473.60)	(4,354.11)
Total	**72,266.69**	**81,026.10**
(Refer note 61(C) for Credit risk)		
(A) Out of Above		
(i) Secured	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Unsecured	75,740.29	85,380.21
Less: Impairment loss allowance	(3,473.60)	(4,354.11)
Total (ii)	**72,266.69**	**81,026.10**
Total (A) = (i) + (ii)	**72,266.69**	**81,026.10**
(B) Out of Above		
(i) Public Sector	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Others	75,740.29	85,380.21
Less: Impairment loss allowance	(3,473.60)	(4,354.11)
Total (ii)	**72,266.69**	**81,026.10**
Total (B) = (i) + (ii)	**72,266.69**	**81,026.10**
(C) Out of Above		
(i) In India	75,740.29	85,380.21
Less: Impairment loss allowance	(3,473.60)	(4,354.11)
Total (i)	**72,266.69**	**81,026.10**
(ii) Outside India	-	-
Less: Impairment loss allowance	-	-
Total (C) = (I) + (II)	**72,266.69**	**81,026.10**

18 **Other current financial assets**

Particulars	31 March 2023	31 March 2022
Security deposits	338.62	2.12
Receivable from co-lenders	26,933.00	11,143.25
Interest receivable on assignment of loans	2,871.95	919.97
Other current financial assets	7,645.35	4,320.77
Total	**37,788.92**	**16,386.11**
(Less) : Impairment allowance on other financial assets	(1,193.79)	(212.14)
Total	**36,595.13**	**16,173.97**

Receivable from co-lenders includes assets recognised as per Ind AS with corresponding Guarantee liability recorded under Other current financial liabilities in note no. 30.

19 **Other current assets**

Particulars	31 March 2023	31 March 2022
Indirect tax credits available for utilisation*	546.17	1,563.98
Prepaid expenses	293.89	206.28
Advances against expenses	242.25	346.00
Guarantee assets**	171.94	-
Other advances	1,235.83	322.61
Total	**2,490.08**	**2,438.87**

*During the year, the Holding Company has suo-moto discharged GST liability on Corporate guarantee fees not charged by the Holding Company in the previous years. In this regard, during the year, Holding Company had also received Summons from the GST Department.

**Guarantee asset is recognised as per Ind AS with corresponding Guarantee liability recorded under Other current liabilities in note no. 32.

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20 Equity share capital

Particulars	31 March 2023	31 March 2022
Equity share capital		
Authorised capital		
(i) 1,70,000 (31 March 2022 : 1,70,000) equity shares of ₹ 10 each	17.00	17.00
(ii) 40,000 (31 March 2022 : 40,000) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	4.00	4.00
(iii) 37,410 (31 March 2022 : 37,410) 0.0001% Series A Compulsorily Convertible Cumulative preference shares (Series A CCCPS) of ₹ 100 each	37.41	37.41
(iv) 44,396 (31 March 2022 : 44,396) 0.0001% Series B Compulsorily Convertible Cumulative preference shares (Series B CCCPS) of ₹ 100 each	44.40	44.40
(v) 25,000 (31 March 2022 : 25,000) 0.0001% Series C1 Compulsorily Convertible Cumulative preference shares (Series C1 CCCPS) of ₹ 100 each	25.00	25.00
(vi) 86,200 (31 March 2022 : 86,200) 0.0001% Series C2 Compulsorily Convertible Cumulative preference shares (Series C2 CCCPS) of ₹ 100 each	86.20	86.20
(vii) 1500 (31 March 2022 :1500) 0.0001% Series C3 Compulsorily Convertible Cumulative preference shares (Series C3 CCCPS) of ₹ 100 each	1.50	1.50
(viii) 41,000 (31 March 2022 :41000) 0.0001% Series D1 Compulsorily Convertible Cumulative preference shares (Series D1 CCCPS) of ₹ 100 each	41.00	41.00
(ix) 88,000 (31 March 2022 : 88,000) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each	88.00	88.00
(x) 1500 (31 March 2022 : Nil) 0.0001% Series D3 Compulsorily Convertible Cumulative preference shares (Series D3 CCCPS) of Rs. 100 each	1.50	1.50
Issued, subscribed and fully paid up - Equity Shares		
54,940 (31 March 2022 : 52,953) Equity shares of Rs. 10 each	5.50	5.30
Issued, subscribed and paid up - Equity component of convertible preference shares		
(i) 16,982 (31 March 2022 : 18,187) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	1.70	1.82
(ii) 36,081 (31 March 2022 : 36,994) 0.0001% Series A Compulsorily Convertible Cumulative preference shares (Series A CCCPS) of ₹ 100 each	36.08	36.99
(iii) 44,396 (31 March 2022 : 44,396) 0.0001% Series B Compulsorily Convertible Cumulative preference shares (Series B CCCPS) of ₹ 100 each	44.40	44.40
(iv) 24,711 (31 March 2022 : 24,711) 0.0001% Series C1 Compulsorily Convertible Cumulative preference shares (Series C1 CCCPS) of ₹ 100 each	24.71	24.71
(v) 86,109 (31 March 2022 : 86,109) 0.0001% Series C2 Compulsorily Convertible Cumulative preference shares (Series C2 CCCPS) of ₹ 100 each	86.11	86.11
(vi) 1,336 (31 March 2022 :1,336) 0.0001% Series C3 Compulsorily Convertible Cumulative preference shares (Series C3 CCCPS) of ₹ 100 each partly paid up to the extent of ₹1	0.01	0.01
(vii) 38,884 (31 March 2022 : 38,884) 0.0001% Series D1 Compulsorily Convertible Cumulative preference shares (Series D1 CCCPS) of ₹ 100 each.	38.88	38.88
(viii) 14,394 (31 March 2022 : 14,394) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each.	14.39	14.39
(ix) 1,251 (31 March 2022 : Nil) 0.0001% Series D3 Compulsorily Convertible Cumulative preference shares (Series D3 CCCPS) of ₹ 100 each partly paid up to the extent of ₹ 1	0.01	-
Total Equity Share Capital	**251.79**	**252.61**

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

(i) Equity Shares

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	52,953	5.30	52,953	5.30
Add: Converted from CCCPS to equity	1,987	0.20	-	-
Outstanding at the end of the year	**54,940**	**5.50**	**52,953**	**5.30**

(ii) CCCPS of ₹ 10 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	18,187	1.82	18,187	1.82
(Less): Converted from CCCPS to equity	(1,205)	(0.12)	-	-
Outstanding at the end of the year	**16,982**	**1.70**	**18,187**	**1.82**

(iii) Series A CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	36,994	36.99	36,994	36.99
(Less): Converted from CCCPS to equity	(913)	(0.91)	-	-
Outstanding at the end of the year	**36,081**	**36.08**	**36,994**	**36.99**

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(iv) Series B CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	44,396	44.40	44,396	44.40
Issued during the year	-	-	-	-
Outstanding at the end of the year	**44,396**	**44.40**	**44,396**	**44.40**

(v) Series C1 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	24,711	24.71	24,711	24.71
Issued during the year	-	-	-	-
Outstanding at the end of the year	**24,711**	**24.71**	**24,711**	**24.71**

(vi) Series C2 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	86,109	86.11	86,109	86.11
Issued during the year	-	-	-	-
Outstanding at the end of the year	**86,109**	**86.11**	**86,109**	**86.11**

(vii) Series C3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,336	0.01	1,336	0.01
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,336**	**0.01**	**1,336**	**0.01**

(viii) Series D1 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	38,884	38.88	38,884	38.88
Issued during the year	-	-	-	-
Outstanding at the end of the year	**38,884**	**38.88**	**38,884**	**38.88**

(ix) Series D2 CCCPS of ₹ 100 each fully paid

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	14,394	14.39	14,394	14.39
Issued during the year	-	-	-	-
Outstanding at the end of the year	**14,394**	**14.39**	**14,394**	**14.39**

(x) Series D3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/- each

Particulars	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	1,251	0.01	-	-
Outstanding at the end of the year	**1,251**	**0.01**	-	-

(b) Terms and rights attached to equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by Board of Directors is subject to the approval of the shareholders in Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in terms of articles of association, in proportion to their shareholdings.

(c) Terms of conversion/redemption/buyback of CCCPS of ₹ 10 each fully paid

During the year ended 31 March 2015, the Company issued 20,683 CCCPS of ₹ 10 each fully paid-up at a premium of ₹ 1,830.68 per share. Each CCCPS holder shall, on a pari passu basis inter se, be entitle to a preference dividend on per share basis @ 0.001% cumulative dividend per year in the respect of the CCCPS. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis.)

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company (ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The CCCPS shall be converted into Equity shares at a conversion ratio of 1:1 ("Conversion Ratio"). The conversion ratio shall be adjusted in case of split or consolidation, etc.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of CCCPS shall be entitled to vote on an "as-if-converted basis".

(d) Terms of conversion/ redemption/buyback of Series A CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2016, the Company issued 37,410 Series A CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 10,107.21 per share. Each Series A CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series A CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis.)

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 1,788 series A CCCPS of ₹ 100 each will be 1:1.004 and the conversion ratio for 34,293 series A CCCPS of ₹ 100 each will be 1:0.857. The conversion ratio shall be adjusted in case of split or consolidation, etc.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series A CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series A CCCPS shall be entitled to vote on an "as-if-converted basis".

(e) Terms of conversion/ redemption/buyback of Series B CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2017, the Company issued 44,396 Series B CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 29,534.36 per share. Each Series B CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series B CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company (ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 44,396 series B CCCPS of ₹ 100 each will be 1:1. The conversion ratio shall be adjusted in case of split or consolidation, etc.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series B CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series B CCCPS shall be entitled to vote on an "as-if-converted basis".

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(f) Terms of conversion/ redemption/buyback of Series C1 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2018, the Company issued 23,294 Series C1 CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 29,534.36 per share. The Company further issued 1,417 Series C1 CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 29,534.36 per share during the year ended 31 March 2019. Each Series C1 CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series C1 CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 24,711 series C1 CCCPS of ₹ 100 each will be 1:0.6887.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series C1 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series C1 CCCPS shall be entitled to vote on an "as-if-converted basis".

(g) Terms of conversion/ redemption/buyback of Series C2 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2019, the Company issued 86,109 Series C2 CCCPS of ₹ 100 each fully paid-up at a premium of ₹ 59,817.6532 per share. Each Series C2 CCCPS holder shall be entitle to a preference dividend on per share basis @ 0.0001% cumulative dividend per year (as appropriately adjusted for any bonus share, share split, reclassification, recapitalization, consolidation or similar event affecting the series C2 CCCPS). Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 86,109 series C2 CCCPS of Rs. 100 each will be 1:1.01204

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series C2 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series C2 CCCPS shall be entitled to vote on an "as-if-converted basis".

(h) Terms of conversion/ redemption/buyback of Series C3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/-each

During the year ended 31 March 2020, the Company issued 1336 Series C3 CCCPS of ₹ 100 each partly paid-up to the extent of ₹ 1/- each. The dividend coupon rate of Series C3 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series C3 CCCPS shall be cumulative. Dividend shall be paid as and when it is paid and declared on Equity Shares of the Company. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

Series C3 CCCPS shall be converted into Equity Shares of the Company upon happening of any of the following events:

(i)at the election of the Series C3 CCCPS Holder; or (ii)occurrence of the Liquidation Event as provided in articles of association of the Company; or (iii)exercise of drag along or other any other exit right by the Fund Investors of the Company; or (iv) public listing of securities of the Company, if required under applicable law; or (v) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series C3 CCCPS.

The conversion ratio for 1,336 series C3 CCCPS of ₹ 100 each will be 1:1.09519

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series C3 CCCPS shall carry voting rights pari passu with the Equity Shares, provided that the voting rights for the Series C3 CCCPS until such Series C3 CCCPS remain partly-paid up shall be in accordance with the applicable law.

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(i) Terms of conversion/ redemption/buyback of Series D1 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2020, the Company issued 35,381 Series D1 CCCPS of ₹ 100 each on 8th August, 2019. On 14th August, 2019, the Company issued 3,212 Series D1 CCCPS of ₹ 100 each and on 21st August, 2019, the Company issued 291 Series D1 CCCPS of ₹ 100 each.

The dividend coupon rate of Series D1 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D1 CCCPS shall be cumulative. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The conversion ratio for 38,884 series D1 CCCPS of ₹ 100 each will be 1:1.09051

The Series D1 CCCPS shall be automatically converted into Equity Shares, as per the formula mentioned above, on the earliest of (i) the latest date on which the Series D1 CCCPS are required to be converted into Equity Shares under applicable Law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company (ii) the date specified in writing by the holder of the outstanding Series D1 CCCPS, or (iii) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series D1 CCCPS.

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.
The Series D1 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series D1 CCCPS shall be entitled to vote on an "as-if-converted basis".

(j) Terms of conversion/ redemption/buyback of Series D2 CCCPS of Rs. 100 each fully paid

During the year ended 31 March 2021, the Company issued 13,455 Series D2 CCCPS of ₹ 100 each on 27th May, 2020 and on 1st June, 2020, the Company issued 939 Series D2 CCCPS of ₹ 100 each The dividend coupon rate of Series D2 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D2 CCCPS shall be cumulative. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

The preference shares shall be automatically converted into equity shares on the earliest of (i) the latest date on which the preference shares are required to be converted into equity shares under applicable law in connection with any initial public offering of the Company, including a Qualified IPO as provided in articles of association of the Company(ii) the date specified in writing by the holder of the outstanding preference shares, and (iii) upon the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the preference shares.

The conversion ratio for 14,394 series D2 CCCPS of Rs. 100 each will be 1:1
The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.
The Series D2 CCCPS shall carry voting rights pari passu with the Equity Shares. Each holder of Series D2 CCCPS shall be entitled to vote on an "as-if-converted basis".

(k) Terms of conversion/ redemption/buyback of Series D3 CCCPS of ₹ 100 each partly paid to extent of ₹ 1/-each

During the year ended 31 March 2023, the Company issued 1251 Series D3 CCCPS of ₹ 100 each partly paid-up to the extent of ₹ 1/- each. The dividend coupon rate of Series D3 CCCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D3 CCCPS shall be cumulative. Dividend shall be paid as and when it is paid and declared on Equity Shares of the Company. Any dividends declared or paid in any financial year over and above such dividend shall be declared or paid to the holders of the preference shares and equity then outstanding in proportion to the greatest whole number of equity shares (which, in case of preference shares, shall be on a fully diluted basis).

Series D3 CCCPS shall be converted into Equity Shares of the Company upon happening of any of the following events:
(i)at the election of the Investor; or (ii)occurrence of the Liquidation Event as provided in articles of association of the Company; or (iii)exercise of drag along or any other exit right by the Fund Investors of the Company; or (iv) public listing of Equity Securities of the Company, if required under applicable law; or (v) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series D3 CCCPS.
The conversion ratio for 1,251 series D3 CCCPS of ₹ 100 each will be 1:1

The right to initiate buy-back as per the terms of the CCCPS agreements is with the shareholders, however, the Company has sole discretion to buy-back the CCCPS.

The Series D3 CCCPS shall carry voting rights pari passu with the Equity Shares, provided that the voting rights for the Series D3 CCCPS until such Series D3 CCCPS remain partly-paid up shall be in accordance with the applicable law.

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(l) Details of the Shareholders holding more than 5% shares (of each class) in the Company

Name of the shareholder	31 March 2023		31 March 2022	
	Number of shares held	% of share holding	Number of shares held	% of share holding
Equity shares of ₹ 10 each fully paid				
Raichand Lunia	20,574	37.45%	20,574	38.85%
Harshvardhan Lunia	18,395	33.48%	18,395	34.74%
Mukul Sachan	7,521	13.69%	7,521	14.20%
Lendingkart Employees Welfare Trust (held as treasury shares)	5,769	10.50%	5,769	10.89%
CCCPS of ₹ 10 each fully paid				
Ananyashree Ashish Goenka	8,560	50.41%	8,560	47.07%
Mayfield India II Limited	3,112	18.33%	3,112	17.11%
Saama Capital III Limited	3,722	21.92%	3,722	20.47%
India Quotient Investment Trust	-	-	1,205	6.63%
Rhythm Ventures Limited	1,095	6.45%	1,095	6.02%
Series A CCCPS of ₹ 100 each fully paid				
Mayfield India II, Limited	20,264	56.16%	20,264	54.78%
Saama Capital III, Limited	14,029	38.88%	14,029	37.92%
Series B CCCPS of ₹ 100 each fully paid				
Bertelsmann Nederland B.V.	21,934	49.41%	21,934	49.41%
Mayfield India II, Limited	10,340	23.29%	10,340	23.29%
Saama Capital III, Limited	6,723	15.14%	6,723	15.14%
Darrin Capital Management	4,387	9.88%	4,387	9.88%
Series C1 CCCPS of ₹ 100 each fully paid				
Bertelsmann Nederland B.V.	7,677	31.07%	7,677	31.07%
Saama Capital III, Limited	2,410	9.75%	2,410	9.75%
Sistema Asia Fund Pte. Limited	6,580	26.63%	6,580	26.63%
Mayfield India II, Limited	4,650	18.82%	4,650	18.82%
UTPL Corporate Trustees Pvt. Ltd. (Trustee of Grand Anicut Trust - I)	1,417	5.73%	1,417	5.73%
Series C2 CCCPS of ₹ 100 each fully paid				
Fullerton Financial Private Limited	84,976	98.68%	84,976	98.68%
Series C3 CCCPS of ₹ 100 each partly paid				
Milestone Trusteeship Services Private Limited (Trustee of Alteria Capital India Fund I)	1,336	100.00%	1,336	100.00%
Series D1 CCCPS of ₹ 100 each fully paid				
Fullerton Financial Private Limited	28,372	72.97%	28,372	72.97%
Bertelsmann Nederland B.V.	5,841	15.02%	5,841	15.02%
Sistema Asia Fund Pte. Ltd.	3,212	8.26%	3,212	8.26%
Series D2 CCCPS of ₹ 100 each fully paid				
Fullerton Financial Private Limited	7,197	50.00%	7,197	50.00%
IQ Opportunities Fund	2,503	17.39%	2,503	17.39%
Bertelsmann Nederland B.V.	2,503	17.39%	2,503	17.39%
Saama Capital III Ltd.	1,252	8.70%	1,252	8.70%
Sistema Asia Fund Pte. Ltd.	939	6.52%	939	6.52%
Series D3 CCCPS of ₹ 100 each partly paid				
Grant Anicut Fund 2, acting through its Trustee, UTPL Corporate Trustees Private Limited and represented by its investment manager, Anicut Capital LLP.	1,251	100.00%	-	-

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(l) Shares held by promoters

Name of the promoter	31 March 2023		31 March 2022	
	Number of shares held	% of share holding*	Number of shares held	% of share holding*
Equity shares of ₹ 10 each fully paid				
Raichand Lunia	20,574	37.45%	20,574	38.85%
Harshvardhan Lunia	18,395	33.48%	18,395	34.74%

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21 Other equity

Particulars	31 March 2023	31 March 2022
Securities premium		
Balance at the beginning of the year	1,04,510.53	1,04,510.53
Add: Premium on conversion of CCCPS to equity shares	0.83	
(Less): Expenses on issue of shares	(5.76)	-
Balance at the end of the year (A)	**1,04,505.60**	**1,04,510.53**
Treasury shares		
Balance at the beginning of the year	(3,456.05)	(3,456.05)
Add: compensation expenses during the year	-	-
Balance at the end of the year (B)	**(3,456.05)**	**(3,456.05)**
Statutory Reserve u/s 45-IC of Reserve Bank of India Act,1934		
Balance at the beginning of the year	1,657.14	1,657.14
Add :Amount transferred during the year	2,314.22	-
Balance at the end of the year (C)	**3,971.36**	**1,657.14**
Employee stock options outstanding		
Balance as per the last financial statements	1,146.52	267.78
Add: Expenses during the year	832.71	878.74
Balance at the end of the year (D)	**1,979.23**	**1,146.52**
Other Comprehensive Income		
Balance at the beginning of the year	161.86	109.78
Remeasurement gains / (losses) on defined benefit plan (net of tax)	31.81	52.08
Balance at the end of the year (E)	**193.67**	**161.86**
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(38,603.32)	(18,266.56)
Add: Profit /(Loss) for the year	11,912.94	(20,284.68)
Less : Item of other comprehensive income		
Remeasurement gains / (losses) on defined benefit plan (net of tax)	(31.81)	(52.08)
Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(2,314.22)	-
Net surplus/ (deficit) in the statement of profit and loss (F)	**(29,036.41)**	**(38,603.32)**
Total other equity (A+B+C+D+E+F)	**78,157.40**	**65,416.68**

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Notes to consolidated financial statements for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

22 Non-current borrowings

Particulars	31 March 2023	31 March 2022
(i) Debenture (Secured)*		
(A) At amortised cost		
Privately placed redeemable non-convertible debentures	24,071.70	32,515.79
Issue of Pass Through Certificates	16,580.63	14,519.01
(B) At FVTPL		
Privately placed redeemable non-convertible debentures	7,218.97	6,343.67
(ii) Debenture (Unsecured)		
(A) At amortised cost		
Privately placed redeemable non-convertible debentures	-	-
(iii) Term loans (at amortised cost)		
(A) Secured **		
From banks	8,058.70	6,344.28
From other than banks	12,122.68	5,163.63
(B) Unsecured		
From other than banks	246.31	-
(iv) Subordinated Debt		
At amortised cost		
from banks (unsecured)	2,499.44	2,499.06
Total	**70,798.43**	**67,385.44**
(vi) Out of above		
In India	53,398.79	52,297.80
Outside India	17,399.64	15,087.64
Total	**70,798.43**	**67,385.44**

***Debentures**

(i) Proceeds from issue of Debt securities are utilised for the purpose for which the securities are issued and is in line with the Debenture Trust Deed entered by the Group.
(ii) The quarterly returns,wherever applicable, are filed by the Company with banks and financial statements are in agreement with the books of accounts of the Group.
(iii) There has been no default in repayment of Principal and Interest on borrowings.
(iv) The debenture are secured by:

a) A charge by way of hypothecation of all book debts and receivables, present and future of the Group (To the extent of 1 to 1.27 times of outstanding amount of debentures).

b) Corporate guarantee of the Holding Company for March 31, 2023 is ₹ 11,097.05 (March 31, 2022 is ₹ 23,671.68).

c) Guarantee by third party as at 31 March 2023: ₹ 3,024.04 (31 March 2022: ₹ 3,000.00).

d) First loss default guarantee (FLDG) in the form of fixed deposits as at 31 March 2023 is ₹ 50.02 (31 March 2022: ₹ 60.24)

v) First loss default guarantee (FLDG) in the form of fixed deposits for securitisation transactions as at March 31,2023 is ₹ 1,415.84 (March 31, 2022: ₹ 2,556.93)

**** Term loans**

(i) The Company has used funds for the specific purpose for which the funds are raised from Banks and Financial institutions.
(ii) The quarterly returns, wherever applicable, are filed by the Company with banks and financial statements are in agreement with the books of accounts of the company.
(iii) There has been no default in repayment of Principal and Interest on borrowings.
(iv) The term loans/ working capital demand loans/ cash credit/ overdraft are secured by:

a) A charges by way of hypothecation of all book debts and receivables, present and future of the Group (to the extent of 1 to 1.33 times of outstanding loan amount).

b) Corporate guarantee of the Holding Company as at 31 March 2023 is ₹ 44,844.82 (31 March 2022: ₹ 11,628.41)

c) First loss default guarantee (FLDG) in the form of security deposits as at 31 March 2023 is ₹ 250.00 (31 March 2022: ₹ 315.26)

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Terms of Repayment - Debentures as at 31 March 2023

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	9%-12%	12%-14.50%	14.50%-16%	
Due within 1 year				
No. of instalments	107	101	1	**209**
Amount	15,541.28	31,400.39	2,000.00	**48,941.67**
Due 1 to 2 years				
No. of instalments	36	59	6	**101**
Amount	7,594.65	25,623.30	7,500.00	**40,717.95**
Due 2 to 3 years				
No. of instalments	6	14	-	**20**
Amount	311.35	6,631.72	-	**6,943.07**
Interest accrued and impact of EIR				**2,529.48**
Total	**23,447.28**	**63,655.41**	**9,500.00**	**99,132.17**

Terms of Repayment - Debentures as at 31 March 2022

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	9%-12%	12%-14.50%	14.50%-16%	
Due within 1 year				
No. of instalments	200	41	-	**241**
Amount	48,968.52	21,753.32	-	**70,721.84**
Due 1 to 2 years				
No. of instalments	70	25	1	**96**
Amount	12,525.20	15,381.12	2,000.00	**29,906.32**
Due 2 to 3 years				
No. of instalments	-	6	6	**12**
Amount	-	9,371.57	7,500.00	**16,871.57**
Due 3 to 4 years				
No. of instalments	-	1.00	-	**1**
Amount	-	2,000.00	-	**2,000.00**
Due 4 to 5 years				
No. of instalments	-	2.00	-	**2**
Amount	-	4,400.00	-	**4,400.00**
Interest accrued and impact of EIR				**1,945.37**
Total	**61,493.72**	**52,906.01**	**9,500.00**	**1,25,845.10**

Terms of Repayment - Term Loans & working capital demand loans as at 31 March 2023

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	6%-12%	12%-15%	15%-16%	
Due within 1 year				
No. of instalments	94	344	11	**449**
Amount	19,477.44	32,594.60	659.27	**52,731.31**
Due 1 to 2 years				
No. of instalments	48	213	-	**261**
Amount	5,764.60	10,935.97	-	**16,700.57**
Due 2 to 3 years				
No. of instalments	14	24	-	**38**
Amount	2,006.44	2,011.30	-	**4,017.74**
Interest accrued and impact of EIR				**(135.63)**
Total	**27,248.48**	**45,541.87**	**659.27**	**73,313.99**

Terms of Repayment - Term Loans & working capital demand loans as at 31 March 2022

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	6%-12%	12%-15%	15%-16%	
Due within 1 year				
No. of instalments	80	193	63	**336**
Amount	17,650.72	25,901.53	2,036.30	**45,588.55**
Due 1 to 2 years				
No. of instalments	36	76	4	**116**
Amount	1,743.55	8,217.91	242.60	**10,204.06**
Due 2 to 3 years				
No. of instalments	12	13	-	**25**
Amount	349.94	776.79	-	**1,126.73**
Due 3 to 4 years				
No. of instalments	-	5	-	**5**
Amount	-	297.61	-	**297.61**
Interest accrued and impact of EIR				**142.74**
Total	**19,744.21**	**35,193.84**	**2,278.90**	**57,359.69**

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Terms of Repayment - Subordinated Debt as at 31 March 2023

Original Maturity / Repayment frequency	Bullet repayment	
Rate of interest	12%-15%	Total
Due 2 to 3 years		
No. of instalments	1	**1**
Amount	1,000.00	**1,000.00**
Due 3 to 4 years		
No. of instalments	1	**1**
Amount	1,500.00	**1,500.00**
Interest accrued and impact of EIR		**29.89**
Total	**2,500.00**	**2,529.89**

Terms of Repayment - Subordinated Debt as at 31 March 2022

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	12%-15%	Total
Due 3 to 4 years		
No. of instalments	1	1
Amount	1,000.00	1,000.00
Due 4 to 5 years		
No. of instalments	1	1
Amount	1,500.00	1,500.00
Interest accrued and impact of EIR		29.50
Total	**2,500.00**	**2,529.50**

Terms of Repayment - Commercial papers as at 31 March 2023

Original Maturity / Repayment frequency	Bullet repayment	
Rate of interest	11.95%	Total
Due within 1 year		
No. of instalments	1.00	1.00
Amount	2,000.00	2,000.00
Impact of unamortised discount and EIR		(34.05)
Total	**2,000.00**	**1,965.95**

Terms of Repayment - Commercial papers as at 31 March 2022

Original Maturity / Repayment frequency	Bullet repayment	
Rate of interest	11.95%	Total
Due within 1 year		
No. of instalments	1.00	1.00
Amount	1,700.00	1,700.00
Impact of unamortised discount and EIR		(88.10)
Total	**1,700.00**	**1,611.90**

23 Non-current Lease liabilities

Particulars	31 March 2023	31 March 2022
Lease obligation	1,963.34	2,338.00
Total	**1,963.34**	**2,338.00**

24 Other non current financial liabilities

Particulars	31 March 2023	31 March 2022
Guarantee liability	14,153.89	6,232.37
Expense and other payables	67.27	92.78
Payable towards direct assignment of loans	46.15	939.92
Payable towards Co-lending	442.26	2,405.90
Service obligation on account of securitisation	23.82	-
Total	**14,733.39**	**9,670.97**

25 Non-current provisions

Particulars	31 March 2023	31 March 2022
Provision for employee benefits		
Provision for gratuity benefits	306.49	284.75
Provision for leave benefits	457.59	142.51
Total	**764.08**	**427.26**

26 Other non-current liabilities

Particulars	31 March 2023	31 March 2022
Guarantee Liability	54.82	-
Advances from customers	1,488.59	330.14
Total	**1,543.41**	**330.14**

*Guarantee liability is recognised as per Ind AS with corresponding Guarantee asset recorded under Other non-current assets in note no. 13.

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27 **Current borrowings**

Particulars	31 March 2023	31 March 2022
(i) Debenture (Secured)*		
(A) At Amortised cost		
Privately placed redeemable non-convertible debentures	13,899.31	22,298.60
Issue of Pass Through Certificates	31,956.69	38,260.48
(B) At FVTPL		
Privately placed redeemable non-convertible debentures	5,404.87	11,907.55
(ii) Debenture (Unsecured)		
Privately placed redeemable non-convertible debentures	-	-
(iii) Term loans (At amortised cost)		
(A) Secured**		
From Banks	17,328.99	20,398.59
From other than Banks	26,936.94	20,420.90
(B) Unsecured		
From other than Banks	504.40	-
(iv) Loan repayable on demand (at amortised cost)		
Overdraft from bank (secured)	8,115.86	1,191.79
Cash credit from banks	0.11	2,330.08
Cash credit from other than banks	-	1,510.42
(v) Subordinated Debt (at amortised cost)		
(A) Unsecured		
From Banks	30.45	30.44
(vi)Commercial Paper (Unsecured) (at amortised cost)		
Borrowings by issue of commercial papers	1,965.95	1,611.90
Total	**1,06,143.57**	**1,19,960.75**
(vi) Out of above		
In India	1,03,126.14	1,12,242.56
Outside India	3,017.43	7,718.19
Total	**1,06,143.57**	**1,19,960.75**

***Debt Securities**

(i) Proceeds from issue of Debt securities are utilised for the purpose for which the securities are issued and is in line with the Debenture Trust Deed entered by the Group.

(ii) The quarterly returns, wherever applicable, are filed by the Company with banks and financial institutions are in agreement with the books of accounts of the Group.

(iii) There has been no default in repayment of Principal and Interest on borrowings.

(v) Funds raised on short term basis have not been used for long term purpose.

(vi) The debenture are secured by:

a) A charge by way of hypothecation of all book debts and receivables, present and future of the Group (To the extent of 1 to 1.27 times of outstanding amount of debentures) and movable asstes of the group.

b) Corporate guarantee of the Holding Company for March 31, 2023 is ₹ 23,866.27 (March 31, 2022 is ₹ 19,557.24).

c) First loss default guarantee (FLDG) in the form of fixed deposits as at 31 March 2023 is ₹60.24 (31 March 2022: ₹ 75.21)

vi) First loss default guarantee (FLDG) in the form of fixed deposits for securitisation transactions as at March 31,2023 is ₹ 2,227.95 (March 31, 2022: ₹ 1,341.76)

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**** Other than Debt Securities**

(i) The Company has used funds for the specific purpose for which the funds are raised from Banks and Financial institutions.

(ii) The quarterly returns, wherever applicable, are filed by the Company with banks and financial institutions are in agreement with the books of accounts of the company.

(iii) There has been no default in repayment of Principal and Interest on borrowings.

(iv) Funds raised on short term basis have not been used for long term purpose.

(v) The term loans/ working capital demand loans/ cash credit/ overdraft are secured by:

a) A charges by way of hypothecation of all book debts and receivables, present and future of the Group (to the extent of 1 to 1.33 times of outstanding loan amount).

b) Corporate guarantee of the Holding Company as at 31 March 2023 is ₹ 20,718.31 (31 March 2022: ₹ 44,702.30)

c) Overdraft and cash credit availed from banks secured by pledge fixed deposits as at 31 March 2023 is ₹ 12,230.12 (31 March 2022: ₹ 6,577.57)

28 Current Lease liabilities

Particulars	31 March 2023	31 March 2022
Lease obligation	387.54	325.59
Total	**387.54**	**325.59**

29 Trade Payables

Particulars	31 March 2023	31 March 2022
Trade payables		
(i) MSME	-	-
(ii) Others	309.90	364.98
Total	309.90	**364.98**

Trade payables ageing schedule	31 March 2023	31 March 2022
Outstanding for less than 1 year	309.90	364.98
Outstanding for 1-2 years	-	-
Outstanding for 2-3 years	-	-
Outstanding for more than 3 years	-	-
Total	309.90	**364.98**

30 Other current financial liabilities

Particulars	31 March 2023	31 March 2022
Expense and other payables	3,600.90	2,663.38
Payable towards Co-lending	5,165.45	1,202.95
Payable towards direct assignment of loans	1,650.83	-
Payables to employees	1,456.92	855.21
Guarantee liability*	13,405.88	5,260.87
Service obligation on account of securitisation	37.52	15.70
Total	**25,317.50**	**9,998.11**

*Guarantee liability is recognised as per Ind AS with corresponding Guarantee asset recorded under Other current financial assets in note no. 18.

31 Current provisions

Particulars	31 March 2023	31 March 2022
Provisions for employee benefits		
Provision for gratuity benefits	82.98	56.03
Provision for leave benefits	135.36	193.41
Total	**218.34**	**249.44**

32 Other current liabilities

Particulars	31 March 2023	31 March 2022
Advances from customers	-	984.40
Guarantee Liability*	171.94	-
Statutory dues	1,524.33	747.72
Other	368.13	-
Total	**2,064.40**	**1,732.12**

*Guarantee liability is recognised as per Ind AS with corresponding Guarantee asset recorded under Other current assets in note no. 19.

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33 Revenue from Operations

Particulars	31 March 2023	31 March 2022
On financial assets measured at amortised cost		
Interest on term loans	41,982.60	49,680.83
Other interest income	183.60	83.77
Other charges	395.03	281.53
Revenue from colending	31,420.17	10,071.88
Income from FHR	853.06	72.10
Commission income	66.39	34.27
Total	**74,900.85**	**60,224.38**

34 Gain/(Loss) on assignment of loans

Particulars	31 March 2023	31 March 2022
Gain on assignment of loans	5,305.62	1,575.94
Loss on modificaion of loans	(360.52)	(158.82)
Total	**4,945.10**	**1,417.12**

35 Other income

Particulars	31 March 2023	31 March 2022
Interest on deposits with banks	1,512.54	1,253.40
Commission income from Insurance	902.48	633.48
Other commission income	681.90	416.58
Unwinding discount of security deposit	20.82	(65.37)
Advertisement and marketing income	2,309.77	155.07
Interest on Income Tax refund	7.16	0.42
Profit on sale of fixed assets	0.29	1.08
Other income	521.04	275.08
Total	**5,956.00**	**2,669.74**

36 Employee benefits expense

Particulars	31 March 2023	31 March 2022
Salaries and wages	13,656.48	8,942.21
Contribution to provident and other funds	380.06	239.76
Leave benefits expense	349.02	29.12
Gratuity benefits expense	138.43	138.74
Employee stock option scheme	842.48	881.12
Staff welfare expenses	445.17	278.70
(Less) : Considered for capitalisation	(4,485.64)	(3,323.20)
Total	**11,326.00**	**7,186.45**

The Group capitalises the salary of employees who are involved in development of software based on the time spent by such employees on development of the software. The software is amortised as per the company policy on Intangible assets stated in note 3(xvi).

37 Finance costs

Particulars	31 March 2023	31 March 2022
On financial liabilities measured at amortised cost		
On debt securities	6,854.15	7,705.52
On borrowings (other than debt securities)	7,058.49	8,218.20
On securitisation liabilities	7,643.24	5,357.91
On commercial papers	349.65	1.95
On lease obligation	349.96	382.71
Others	247.63	422.62
On financial liabilities measured at fair value		
On debt securities	2,463.56	1,795.66
Total	**24,966.68**	**23,884.57**

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38 Fees and commission expenses

Particulars	31 March 2023	31 March 2022
Commission and Brokerage	7,938.80	5,916.44
Total	**7,938.80**	**5,916.44**

39 Impairment on financial instruments at amortised cost

Particulars	31 March 2023	31 March 2022
Provision on loans	(3,011.63)	(7,036.44)
Write offs	7,508.02	46,255.35
Impairment of other financial assets	6,712.95	2,252.29
Total	**11,209.34**	**41,471.20**

During the previous year ended March 31, 2022, as a matter of prudence, the Subsidiary Company has made an additional impairment of ₹ 27,490.48 lakhs on the outstanding restructured portfolio based on Company's assessment pursuant to additional time requested by the borrowers to make the repayment.

40 Depreciation and amortisation expenses

Particulars	31 March 2023	31 March 2022
Depreciation and amortisation expenses	3,299.95	2,600.21
Total	**3,299.95**	**2,600.21**

41 Other expenses

Particulars	31 March 2023	31 March 2022
Rent	89.88	49.74
Rates and taxes	42.49	24.37
Insurance	49.14	31.30
Legal and professional expenses	2,951.23	1,202.38
Service charges of outsourced employees	1,462.32	865.22
Sovereign Guarantee fees	1,945.72	1,431.12
License fees	731.88	39.60
Corporate guarantee fees	160.74	-
Branding fees	32.02	-
Business support services	5.30	3.27
Software expenses (Net off capitalisation: 31 March 2023 : ₹742.11 lakhs) (31 March 2022: ₹Nil)*	3,185.18	1,705.20
Printing and stationery	11.06	8.05
Power and fuel	90.23	72.46
Internet and communication expenses	140.68	139.93
CSR Expenditure	-	68.62
Travelling and conveyance	259.97	99.07
Advertisement expenses	2,756.33	1,316.30
Marketing and sales promotion expenses	1,469.11	124.83
Franking and stamping expenses	453.48	151.76
Bank charges	44.06	35.54
Courier expenses	143.57	121.76
Repairs and maintenance	62.20	54.57
Auditor's fees and expenses (Refer note 41.1 below)	64.29	46.66
Debtors Written off	30.74	-
Security expenses	14.71	13.47
PPE & Intangible assets under development written off	56.02	150.29
Director sitting fee	20.71	9.59
Housekeeping expenses	39.21	28.83
Miscellaneous expenses	98.66	46.48
Total	**16,410.93**	**7,840.41**

*Software expenses which are directly attributable for development of Intangible assets has been capitalised based on management's estimate.

41.1 Auditor's Remuneration

Audit fee	56.06	35.89
Tax audit fees	4.68	3.18
In other capacity :		
Certification services	3.55	7.59
Total	**64.29**	**46.66**

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42 **Tax Expense**

Particulars	31 March 2023	31 March 2022
Current tax expense		
Current tax for the year	3.66	2.46
Prior period tax adjustments	32.85	342.96
	36.51	**345.42**
Deferred taxes		
Change in deferred tax assets	(3,654.18)	5,103.95
Change in deferred tax liabilities	1,246.10	(507.25)
Net deferred tax expense/(income)	**(2,408.08)**	**(4,596.70)**
Net deferred tax expense/(income) taken for the year	**(1,267.39)**	**(4,596.70)**
Total income tax expense	**(1,230.88)**	**(4,251.28)**

During the year ended March 31, 2023, the Holding Company has accounted for deferred tax assets of Rs. 5,200 lakhs on carried forward business losses and other components.

42.1 **Tax reconciliation**

Particulars	31 March 2023	31 March 2022
Profit/(loss) before income tax expense	10,650.25	(24,588.04)
Tax at statutory income tax rate	3,009.57	(4,627.88)
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses disallowed	268.34	360.41
Tax expense of earlier years	32.85	-
Unabsorbed Business loss c/f	660.16	-
Deferred tax expense on account of OCI	(1.80)	16.19
Deferred tax expense / (income) recognised	(5,200.00)	-
Income tax expense	**(1,230.88)**	**(4,251.28)**

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Notes to consolidated financial statements for the year ended 31 March 2023 (₹ in lakhs unless otherwise stated)

42.2 Deferred tax movement related to the following:

March 31, 2022 to March 31, 2023

Deferred tax assets (net)	31 March 2023	Recognised in Statement Profit & loss	Recognised in OCI	31 March 2022
Deferred tax asset on account of:				
Carry forward of unabsorbed losses	10,796.04	1,769.36	-	12,565.40
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	322.78	(134.25)	1.80	190.33
Expected credit losses	1,703.37	297.06	-	2,000.43
Unamortised processing fees	67.40	213.85	-	281.25
Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	34.41	28.40	-	62.81
Deferred tax on account of Ind AS 116	142.79	(30.28)	-	112.51
Deferred tax on account of Guarantee fees	53.62	110.89	-	164.51
Deferred tax on account of unwinding discount of Security Deposit	25.54	3.11	-	28.65
Interest on market linked debentures	473.91	(93.78)	-	380.13
	13,619.86	**2,164.36**	**1.80**	**15,786.02**
Deferred tax liablity on account of:				
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	6.66	(38.86)	-	(32.20)
Deferred tax on account of securitisation and direct assignment	2,493.74	(1,226.43)	-	1,267.31
Unamortised borrowing cost	138.01	5.71	-	143.72
	2,638.41	**(1,259.58)**	**-**	**1,378.83**
Net Deferred Tax	**10,981.45**	**3,423.94**	**1.80**	**14,407.19**
Deferred tax charge/(credit) for the year	**9,840.76**	**(1,267.39)**	**1.80**	**8,575.16**

Unused tax losses under the income tax for which no deferred tax asset (DTA) has been created

Assessment Year	Business losses	Unabsorbed Depreciation	Short Term Capital Loss	Total
2015-16	-	6.27	-	6.27
2016-17	-	85.92	-	85.92
2017-18	1,652.11	160.58	8.63	1,821.32
2018-19	1,813.87	508.44	-	2,322.31
2019-20	2,112.86	908.72	-	3,021.58
2020-21	3,667.40	1,216.59	-	4,883.99
2021-22	3,037.83	1,483.24	-	4,521.07
2022-23	4,264.16	2,006.33		6,270.49
Total	**16,548.23**	**6,376.09**	**8.63**	**22,932.95**

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43. Earnings per share

Particulars	31 March 2023	31 March 2022
(A) Net profit/(loss) after tax for the year	11,881.13	(20,336.76)
(B) Weighted average number of outstanding equity shares	53,503	52,953
(C) Weighted average number of equity shares diluted	3,19,162	3,17,964
Basic earning per share [In absolute ₹] (A/B)	22,206.47	(38,405.30)
Diluted earning per share* [In absolute ₹] (A/C)	22,206.47	(38,405.30)
[Nominal value of shares ₹ 10 each (Previous Year: ₹ 10)]		

*Since the impact of conversion of potential equity share is anti-dilutive in nature, the same has not been considered in calculation of diluted earning per share.

44. Segment Information

The Business segment comprises of financing activities and software services.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses.

Business segments:

Particulars	Year ended 31 March 2023			
	Financing	Software services	Elimination	Consolidated total
Revenue				
External sales	78,926.50	919.45	-	79,845.95
Inter segment sales	-	5,192.14	(5,192.14)	-
Total revenue	**78,926.50**	**6,111.59**	**(5,192.14)**	**79,845.95**
Segment results	10,741.59	(4,793.50)	-	5,948.09
Unallocated expenses				-
Operating profit / (loss)				**5,948.09**
Finance costs				(1,253.84)
Other income including finance income				5,956.00
Profit / (Loss) before tax				**10,650.25**
Tax Expense / (credit)				(1,230.88)
Net Profit / (loss) for the year				**11,881.13**

Particulars	Year ended 31 March 2023			
	Financing	Software services	Elimination	Consolidated total
Segment assets	2,37,875.44	81,843.86	(75,089.48)	2,44,629.82
Unallocated assets				58,023.27
Total assets				**3,02,653.09**
Segment liabilities	2,13,260.12	2,747.89	(681.94)	2,15,326.07
Unallocated liabilities				8,917.83
Total liabilities				**2,24,243.90**

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Particulars	Year ended 31 March 2022			
	Financing	Software services	Elimination	Consolidated total
Revenue				
External sales	61,535.13	106.37	-	61,641.50
Inter segment sales	-	440.02	(440.02)	-
Total revenue	**61,535.13**	**546.39**	**(440.02)**	**61,641.50**
Segment results	(20,718.18)	(6,405.55)	-	(27,123.73)
Unallocated expenses				-
Operating profit / (loss)				**(27,123.73)**
Finance costs				(134.05)
Other income including finance income				2,669.74
Profit / (Loss) before tax				**(24,588.04)**
Tax Expense / (credit)				(4,251.28)
Net Profit / (loss) for the year				**(20,336.76)**

Particulars	Year ended 31 March 2022			
	Financing	Software services	Elimination	Consolidated total
Segment assets	2,23,950.83	78,699.81	(72,216.89)	2,30,433.75
Unallocated assets				48,018.34
Total assets				**2,78,452.09**
Segment liabilities	2,03,528.16	1,694.38	(115.65)	2,05,106.89
Unallocated liabilities				7,675.91
Total liabilities				**2,12,782.80**

Additional Disclosure:
Further to the above, the Group has started significant business under 2gthr model and thus views its business in 2 segments; Finance and Platform.

Finance segment represents the loans originated and disbursed on subsidiary's own balance sheet.

Platform segment represents loan disbursed on partner's balance sheets.

The platform is the proprietary technology to complete cash flow-based credit underwriting to extend business loans to MSME segment. The platform helps partners build their MSME loan portfolio in a digital environment with minimum physical touchpoints with customers. The platform not only brings the lender and borrower together, but also plays the central role at every stage of the lending process. The platform has following four components:

- **2gthr** - End to end loan journey- powered by Xlr8; Cred8; Zero Touch journey and Collec10
- **xlr8 platform** - Origination platform
- **cred8 platform** - Algorithm driven cash-flow based underwriting model
- **collec10 platform** - Pan-India Collections Intelligence & Field Service

For the year ended 31 March 2023:

Particular	Year ended 31 March 2023		
	Finance	Platform	Total
Revenue	41,333.78	38,512.17	79,845.95
Other income including finance income	1,663.67	4,292.33	5,956.00
Total revenue	**42,997.45**	**42,804.50**	**85,801.95**
Total expenses	**41,970.51**	**33,181.19**	**75,151.70**
Profit / (loss) before tax	**1,026.94**	**9,623.31**	**10,650.25**
Tax Expense / (credit)			(1,230.88)
Net Profit for the year			**11,881.13**

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Detailed view of the platform statement of profit and loss for the year ended 31 March 2023 is as below:

Particulars	Finance	Platform	Total
Revenue from Operations			
Interest Income	39,935.69	919.46	40,855.15
Fees Income	-	34,045.70	34,045.70
Gain on assignment of loans	1,398.08	3,547.02	4,945.10
Total Revenue from operations	**41,333.77**	**38,512.18**	**79,845.95**
Other Income	1,663.67	4,292.33	5,956.00
Total income	**42,997.44**	**42,804.51**	**85,801.95**
Expenses			
Finance Costs	24,071.33	895.35	24,966.68
Fees and commission expenses	2,559.80	5,379.00	7,938.80
Impairment of financial instruments	3,670.48	7,538.86	11,209.34
Employee Benefit expenses	4,850.02	6,475.98	11,326.00
Depreciation and amortisation expenses	1,227.50	2,072.45	3,299.95
Other Expenses	5,591.40	10,819.53	16,410.93
Total Expenses	**41,970.53**	**33,181.17**	**75,151.70**
Profit/(loss) before tax	**1,026.91**	**9,623.34**	**10,650.25**
Tax expense / (credit)			(1,230.88)
Profit/(loss) after tax			**11,881.13**

Notes to Detailed P&L:

1. Interest Income represents interest earned by its subsidiary on its own loan book.
2. Fees Income comprises of spread earned on 2gthr business and other commission and advertisement income earned through platform products.
3. Gain on assignment of loans is recognised for direct assignment done by the subsidiary.
4. Finance costs includes interest and other borrowing costs on funds used by the group for financing activities and other business requirements.
5. Fees and commission expenses are unamortised portion of commission paid to sourcing partners and other commission incurred for collection agencies etc.
6. Impairment of financial instruments represents provisions and write offs of loans of respective segments.
7. Employee benefit expenses are allocated based on headcount of respective segments.
8. Group has incurred depreciation and amortisation expenses majorly on computers and software, therefore allocated based on headcount of respective segments.
9. Other Expenses - Respective expenses are allocated on a appropriate basis like headcount, average AUM, disbursement count, disbursement amount etc considering the nature of expenses.

Particular	Year ended 31 March 2023		
	Finance	Platform	Total
Segment assets	1,73,683.45	1,14,494.75	2,88,178.20
Unallocated assets			14,474.89
Total assets	**1,73,683.45**	**1,14,494.75**	**3,02,653.09**
Segment liabilities	1,84,144.18	39,258.97	2,23,403.15
Unallocated liabilities			840.75
Total Liabilities	**1,84,144.18**	**39,258.97**	**2,24,243.90**

Balance sheet bifurcation is also done appropriately considering the nature of the line items.

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For the year ended 31 March 2022:

Particular	Year ended 31 March 2022		
	Finance	Platform	Total
Revenue	48,369.26	13,272.24	61,641.50
Other income including finance income	2,318.87	350.87	2,669.74
Total revenue	**50,688.13**	**13,623.11**	**64,311.24**
Total expenses	**76,991.67**	**11,907.61**	**88,899.28**
Profit / (loss) before tax	**(26,303.54)**	**1,715.50**	**(24,588.04)**
Income taxes			(4,251.28)
Net loss for the year			**(20,336.76)**

Detailed view of the platform statement of profit and loss for the year ended 31 March 2022 is as below:

Particulars	Lending	Platform	Total
Revenue from Operations			
Interest Income	49,401.22	-	49,401.22
Fees Income	-	13,272.24	13,272.24
Gain/(Loss) on assignment of loans	261.46	-	261.46
Total Revenue from operations	**49,662.68**	**13,272.24**	**62,934.92**
Other Income	1,025.45	350.87	1,376.32
Total income	**50,688.13**	**13,623.11**	**64,311.24**
Expenses			
Finance Costs	23,884.56	-	23,884.56
Fees and commission expenses	3,681.71	2,234.73	5,916.44
Impairment of financial instruments	37,001.76	4,469.44	41,471.20
Employee Benefit expenses	5,217.71	1,968.76	7,186.47
Depreciation and amortisation expenses	1,822.48	777.73	2,600.21
Other Expenses	5,384.15	2,456.95	7,841.10
Total Expenses	**76,992.37**	11,907.61	**88,899.98**
Profit / (Loss) before tax	**(26,304.24)**	**1,715.50**	**(24,588.74)**
Tax Expense / (credit)			(4,251.28)
Profit / (Loss) after tax			**(20,337.46)**

Refer Notes to Detailed P&L for the year ended 31 March 2023

Particular	Year ended 31 March 2022		
	Finance	Platform	Total
Segment assets	2,32,197.35	34,357.72	2,66,555.07
Unallocated assets			11,897.02
Total assets	**2,32,197.35**	**34,357.72**	**2,78,452.09**
Segment liabilities	1,96,241.85	16,540.95	2,12,782.80
Unallocated liabilities			-
Total Liabilities			**2,12,782.80**

Geographic segment:
The Group operates in a single geographical segment i.e. domestic

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45. Related party transactions

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below.

(a) Name of Related parties with whom the Group had transactions

Nature of Relationship	Name of Related Parties
Entity having significant influence in holding company	Fullerton Financial Private Limited
Director of company is KMP	Bertelsmann Corporate Services India Private Limited

(b) Name of Key Management Persons

Nature of Relationship	Name of Related Parties
Chairman and Managing Director	Mr. Harshvardhan Lunia*
Director and shareholder	Mr. Raichand Lunia
Independent director of subsidiary company	Mr. Thallapaka Venakateswara Rao
	Mrs. Uma Subramaniam
	Mr. Gaurav Mittal (Resigned on 17 June 2021)
Key Management Personnel	Mr. Sudeep Bhatia – Group Chief Financial Officer (Resigned on 06 October 2022)
	Mr. Gaurav Singhania – Chief financial officer of subsidiary company (Appointed on 24 March 2023)
	Ms. Kumudini Agrawal – Company secretary and General Counsel
	Mr. Umesh Navani – Company secretary of subsidiary company

(c) Transactions during the year with related parties

Sr. No.	Nature of transactions	31 March 2023	31 March 2022
1	**Remuneration paid to KMP**		
	Salary and perquisites (refer note (i) below)	554.79	460.97
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	19.00	8.80

Note (i) The liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole. Therefore, the amounts pertaining to the KMP is not included above.

(d) Balance receivable/(payable) to Related parties

Sr. No.	Nature of transactions	31 March 2023	31 March 2022
1	Salary to Key Management Personnel	(88.08)	(97.76)

Transaction between the holding company and its subsidiaries meet the definition of related party transactions. However, as all of these transactions are eliminated on consolidation, and hence are not disclosed as related party transactions.

46. Transactions with Struck off companies

Sr. No.	Name of struck-off company	Nature of transactions	Balance outstanding	Relationship with struck-off company
1	Vieux Advertising Private Limited	Loan to borrowers Loan to borrowers	4.68	Borrower
2	Kunwish Pharmaceuticals Private Limited		2.93	Borrower
3	Kaanha Grain Trading Private Limited		4.16	Borrower
4	Bliss O2 Bar Private Limited		1.92	Borrower
5	Karyana99 Marketing Private Limited		2.12	Borrower
6	Dd Mart Marketing Pvt Ltd		5.02	Borrower
7	Aps Consultancy Private Limited		22.97	Borrower
8	Avirma Virtual Assistance Private Limited		3.70	Borrower
9	Abhies Agri Solution (Opc) Private Limited		37.25	Borrower
10	Vats Electrotek Private Limited		3.09	Borrower

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Sr. No.	Name of struck-off company	Nature of transactions	Balance outstanding	Relationship with struck-off company
11	Professional Biotech Pvt. Ltd		6.90	Borrower
12	Ops Kisan Agrocare Private Limited		4.40	Borrower
13	Trueblue Tours And Taxi Private Limited		0.75	Borrower
14	Enfros India Solutions Private Limited		12.63	Borrower
15	CPL Media Private Limited		11.73	Borrower

47. Employee stock option plans

The Group provides share-based payment schemes to its employees. During the year ended 31 March 2023 , an employee stock option plan ("ESOP") was in existence. The relevant details of the scheme and the grant are given below.

According to the 'Lendingkart Technologies Employee Stock Option Plan 2015' (amended), the employee selected by the Board of Directors will be entitled to the stock options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment as on date of vesting, including subsidiary company. The other relevant terms of the grant are as below:

Vesting period	As may be decided by the Board of Directors(Currently , 1 to 4 years from date of grant of options)
Exercise period	**(a) Exercise while in employment:** The Vested Options shall be exercised by the Employees only at the time of Liquidity Event. Liquidity Event means an event resulting in the (i) Approved Sale (as defined under ESOP Policy); (ii) Listing of the Shares; (iii) exercise of the drag-along right by the Current Shareholders in terms of this ESOP 2015, or (iv) any other event or transaction as may be decided and approved by the Board at its sole discretion as a Liquidity Event for the purposes of this ESOP 2015, from time to time.
	(b) Exercise in case of resignation or termination (other than due to misconduct or due to breach of the Group policies or terms of employment: All the Vested Options can only be exercised by the Option Grantee on the Liquidity Event. All the Unvested Options as on date of resignation/ termination shall stand cancelled with effect from that date.
	(c) Termination due to misconduct or due to breach of Group Policies /Terms of Employment: All the Vested Options at the time of such termination shall stand cancelled with effect from the date of such termination. All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
	(d) Retirement: All the Vested Options can be exercised by the Option Grantee only on the Liquidity Event. All Unvested Options on the date of retirement shall stand cancelled with effect from the date retirement.
	(e) Death: All the Vested Options can be exercised by the Option Grantee's nominee or legal heir on the Liquidity Event. All the Unvested Options as on date of death shall be deemed to have been vested and accordingly, such Options can be exercised by the Option Grantee's nominee or legal heir on the Liquidity Event.
	(f) Permanent Incapacity: All the Vested Options may be exercised by the Option Grantee on the Liquidity Event. All the Unvested Options shall be deemed to have been vested and accordingly, such Options can be exercised by the Option Grantee on the Liquidity Event. In case of Option Grantee's death after such Permanent Incapacity, the Option Grantee's nominee or legal heir may exercise the Vested and un-Vested Options on the Liquidity Event.
	(g) Abandonment: All the Vested Options shall stand cancelled. All Unvested Options shall stand cancelled.
Expected life	Vesting period *plus* Exercise period
Exercise price	₹ 10,207 for stock options granted on 31 March 2016 ("Series A")
	₹ 29,634 for stock options granted on 31 March 2017, 25 April 2017, 11 September 2017 & 13 December 2017 ("Series B")

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	₹ 59,918 for stock options granted on 04 February 2019, 08 June 2019 and 11 February 2020 ("Series C2")
	₹ 59,918 for stock options granted on 30 June 2020, 10 November 2020 and 10 February 2021, 12 May 2021, 24 June 2021, 05 August 2021, 02 November 2021, 10 February 2022, 05 August 2022, 11 May 2022 and 07 November 2022 ("Series D") ₹ 10 for stock options granted on 10 November 2020, 24 June 2021 and 28 March 2023 ("Series D")

The details of activity under the ESOP Scheme 2015 are summarized below:

Series A: Exercise price - ₹ 10,207

Particulars	31 March 2023	31 March 2022
Outstanding options at the beginning of the year	192	192
Granted during the year	-	-
Forfeited during the year	-	-
Surrendered during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	192	192
Exercisable at the end of the year	192	192

Series B: Exercise price - ₹ 29,634

Particulars	31 March 2023	31 March 2022
Outstanding options at the beginning of the year	1,583	1,586
Granted during the year	-	-
Forfeited during the year	-	3
Surrendered during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	1,583	1,583
Exercisable at the end of the year	1,583	1,583

Series C: Exercise price - ₹ 59,918

Particulars	31 March 2023	31 March 2022
Outstanding options at the beginning of the year	1,319	1,561
Granted during the year	-	-
Forfeited during the year	42	243
Surrendered during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	1,277	1,319
Exercisable at the end of the year	1,253	1,155

Series D:

Particulars	31 March 2023		31 March 2022	
	Exercise Price		Exercise Price	
	₹ 59,918	₹ 10	₹ 59,918	₹ 10
Outstanding options at the beginning of the year	5,131	2,879	4,223	2,086
Granted during the year	2,706	3,076	2,654	793
Forfeited during the year	873	-	1,746	-
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,964	5,955	5,131	2,879
Exercisable at the end of the year	4,313	-	2,553	-

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The average fair value of stock options are as follows:

Series of ESOP	31 March 2023		31 March 2022	
	Grant Date	Average fair value of stock options (₹)	Grant Date	Average fair value of stock options (₹)
Series A	31-Mar-16	7,432.11	31-Mar-16	7,432.11
Series B	31-Mar-17	2,009.31	31-Mar-17	2,009.31
Series B	25-Apr-17	1,973.81	25-Apr-17	1,973.81
Series B	11-Sep-17	2,280.95	11-Sep-17	2,280.95
Series B	13-Dec-17	2,310.04	13-Dec-17	2,310.04
Series C2	04-Feb-19	6,677.67	04-Feb-19	6,595.25
Series C2	08-Jun-19	7,631.59	08-Jun-19	7,942.74
Series C2	11-Feb-20	6,317.59	11-Feb-20	6,317.59
Series D	30-Jun-20	7,588.29	30-Jun-20	8,021.27
Series D (Exercise price of ₹ 59,917)	10-Nov-20	9,597.22	10-Nov-20	9,829.11
Series D (Exercise price of ₹ 10)	10-Nov-20	59,908.10	10-Nov-20	59,245.04
Series D	10-Feb-21	6,561.68	10-Feb-21	9,505.48
Series D	12-May-21	10,067.60	12-May-21	10,173.68
Series D	24-Jun-21	59,908.02	24-Jun-21	5,922.02
Series D	05-Aug-21	10,327.88	05-Aug-21	10,335.11
Series D	02-Nov-21	10,402.01	02-Nov-21	10,413.45
Series D	10-Feb-22	10,671.22	10-Feb-22	10,634.87
Series D	11-May-22	11,545.14	-	-
Series D	05-Aug-22	11,549.72	-	-
Series D	07-Nov-22	12,119.31	-	-
Series D (Exercise price of ₹ 10)	28-Mar-23	1,79,991.02	-	-

Black-Scholes option pricing model was used to estimate the fair value of options, considering the following inputs:

Series A: Exercise price - ₹ 10,207

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Expected life of options granted in years	Withdrawal rates
31 March 2023	31-Mar-16	0%	20%	6.75%	16,000	Vesting period + Exercise period	10%
31 March 2022	31-Mar-16	0%	20%	6.75%	16,000		10%

Series B: Exercise price - ₹ 29,634

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Expected life of options granted in years	Withdrawal rates
31 March 2023	31-Mar-17	0%	20%	6.75%	23,000	Vesting period + Exercise period	10%
	25-Apr-17	0%	20%	6.50%	23,000		10%
	11-Sep-17	0%	20%	6.35%	23,829		10%
	13-Dec-17	0%	20%	6.85%	23,829		10%
31 March 2022	31-Mar-17	0%	20%	6.75%	23,000		10%
	25-Apr-17	0%	20%	6.50%	23,000		10%
	11-Sep-17	0%	20%	6.35%	23,829		10%
	13-Dec-17	0%	20%	6.85%	23,829		10%

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Series C: Exercise price - ₹ 59,918

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant**	Expected life of options granted in years	Withdrawal rates
31 March 2023	04-Feb-19	0%	20%	6.80%	54,710	Vesting period + Exercise period	10%
	08-Jun-19	0%	20%	6.60%	54,944		10%
	11-Feb-20	0%	20%	5.70%	54,944		10%
31 March 2022	04-Feb-19	0%	20%	6.80%	54,710		10%
	08-Jun-19	0%	20%	6.60%	54,944		10%
	11-Feb-20	0%	20%	5.70%	54,944		10%

Series D: Exercise price - ₹ 59,918 and ₹ 10

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant**	Expected life of options granted in years	Withdrawal rates
31 March 2023	30-Jun-20	0%	20%	4.34%	59,918	Vesting period + Exercise period	10%
	10-Nov-20	0%	20%	4.25%	59,918		10%
	10-Feb-21	0%	20%	4.72%	59,918		10%
	12-May-21	0%	20%	4.68%	59,918		10%
	24-Jun-21	0%	20%	4.50%	59,918		10%
	05-Aug-21	0%	20%	4.78%	59,918		10%
	02-Nov-21	0%	20%	4.97%	59,918		10%
	10-Feb-22	0%	20%	4.72%	59,918		10%
	11-May-22	0%	20%	5.58%	59,918		10%
	05-Aug-22	0%	20%	6.75%	59,918		10%
	07-Nov-22	0%	20%	7.52%	59,918		10%
	04-Apr-23	0%	20%	7.52%	59,918		10%
	28-Mar-23	0%	20%	7.52%	10		0%
31 March 2022	30-Jun-20	0%	20%	4.34%	59,918		10%
	10-Nov-20	0%	20%	4.25%	59,918		10%
	10-Feb-21	0%	20%	4.72%	59,918		10%
	12-May-21	0%	20%	4.68%	59,918		10%
	24-Jun-21	0%	20%	4.50%	59,918		10%
	05-Aug-21	0%	20%	4.78%	59,918		10%
	02-Nov-21	0%	20%	4.97%	59,918		10%
	10-Feb-22	0%	20%	4.72%	59,918		10%

* Volatility is approximated at the average volatility of Nifty Index for the previous 3 years.
** Share Price is based on the independent business valuation carried out by Company.

48. Leases

Where the Group is lessee:
The Group's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. These leases have an average life of between one and nine years. Lease rentals have an escalation ranging between 5% to 15%. Some of the leases for which the lease term is less than twelve months has been accounted as short term leases.

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i. Set out below are the carrying amount of right-of-use assets recognized and movement during the year:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	**2,244.14**	**2,726.00**
Additions	23.91	9.65
Closure	3.69	3.40
Depreciation expense	461.70	488.11
Balance at the end of the year	**1,802.66**	**2,244.14**

ii. Set out are the carrying amount of lease liabilities and movement during the year:

Particulars	31 March 2023	31 March 2022
Opening Balance	**2663.59**	**2,919.64**
Additions	23.91	9.65
Accretion of interest	349.96	382.71
Closure	(3.69)	(2.33)
Payments	(682.89)	(646.08)
Closing Balance	**2350.88**	**2,663.59**

iii. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2023	31 March 2022
Short-term leases	89.88	62.81

iv. The undiscounted maturity analysis of lease liabilities at 31 March 2023 is as follows:

Lease Liability	31 March 2023	31 March 2022
Not later than one year	677.41	662.97
Later than one year and not later than five years	2,300.76	2,937.92
Later than five years	233.37	231.24
Total undiscounted lease liabilities	**3,211.54**	**3,832.13**

v. The effective interest rate of lease liabilities for the year ended 31 March 2023 is in range of 13.13% - 17.76% (31 March 2022: 13.14% - 17.76%).

vi. The following are the amount recognized in statement of profit or loss.

Particulars	31 March 2023	31 March 2022
Depreciation expense right of use of assets	461.70	488.11
Interest expense on lease liabilities	349.96	382.71
Expense relating to short term leases (included in other expenses)	89.88	49.74
Total amount recognized in statement of profit and loss account	**901.54**	**920.56**

49. Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2023	31 March 2022
Software expenses	904.21	168.11
Professional fees	5.75	13.13
Advertisement expenses	0.57	1.42
Travelling expenses	6.18	-
Subscription expenses	0.01	0.15
Recruitment Expenses	2.83	7.91
Digital Marketing	9.16	-
Total	**928.71**	**190.72**

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50. Contingent liability and Commitments

a) Contingent liability

Description of the contingent liability	31 March 2023	31 March 2022
Guarantees excluding financial guarantees		
Credit enhancements provided by the Subsidiary Company i.e. Lendingkart Finance Limited towards securitisation (including corporate guarantee, cash collateral and loan assets retained as Minimum retention Requirement (MRR)	8,342.30	8,805.26
Corporate guarantee in case of co-lending transactions provided by the subsidiary company i.e. Lendingkart finance limited	24,389.37	27,557.86
Arrears of dividend on Cumulative Compulsorily Convertible preference shares and taxes thereon [In absolute ₹]	149.21	123.05

b) Capital and other commitments

Description of the capital and other commitments	31 March 2023	31 March 2022
Loan sanctioned not yet disbursed	1,345.11	2,836.32
Capital commitments towards implementation of software (Excludes 50% reversal of goods and service tax input credit)	-	11.16

c) There are no pending litigations as on 31 March 2023 (31 March 2022: Nil).

51. Retirement benefit plans

A. Defined benefit obligation

Contribution to gratuity fund:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

i. Key actuarial assumptions:

Particulars	31 March 2023	31 March 2022
Discount rate (per annum)	7.30%	6.10%
Rate of salary increase	12.00%	12.00%
Rate of employee turnover (per annum)		
Age band		
25 & 25 below	30% - 40%	28.00%
25 to 35	30% - 45%	26.00%
35 to 45	35.00%	24.00%
45 to 55	15% - 35%	22.00%
55 & above	0.00%	20.00%

ii. Movement in defined benefit obligation:

Particulars	31 March 2023	31 March 2022
Defined benefit obligation at the beginning of the year	340.77	305.02
Interest on defined benefit obligation	19.09	19.08
Current service cost	119.35	119.65
Benefits paid	(56.13)	(42.68)
Remeasurements due to :		
Actuarial loss/(gain) arising from change in demographic assumptions	(68.19)	(46.23)
Actuarial loss/(gain) arising from change in financial assumptions	(15.74)	5.77
Actuarial loss/(gain) arising on account of experience changes	50.32	(19.84)
Present Value of obligation at the end of the year	**389.47**	**340.77**

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iii. **Assets and liabilities recognised in the balance sheet:**

Particulars	31 March 2023	31 March 2022
Present value of the defined benefit obligation at the end of the year	389.47	340.77
Fair Value of Plan Assets at the end of the year	-	-
Funded Status (Surplus/ (Deficit))	-	-
Net liability recognised in the balance sheet	**389.47**	**340.77**

iv. **Expenses recognised in the Statement of Profit and Loss:**

Particulars	31 March 2023	31 March 2022
Current Service Cost	119.35	119.65
Net interest (income)/ expense	19.09	19.08
Net gratuity cost recognised in the current year	**138.44**	**138.73**

v. **Expenses recognised in the statement of Other comprehensive income (OCI):**

Particulars	31 March 2023	31 March 2022
Actuarial gain/ loss on post-employment benefit obligation		
Actuarial (gains) / losses on obligations – due to change in demographic assumptions	(68.19)	(46.23)
Actuarial (gains) / losses on obligations – due to change in financial assumptions	(15.74)	5.77
Actuarial (gains) / losses on obligations – due to experience	50.32	(19.84)
Total remeasurement cost / (credit) for the year recognised in OCI	**(33.61)**	**(60.30)**

vi. **Reconciliation of net asset/(liability) recognised:**

Particulars	31 March 2023	31 March 2022
Opening Net Liability	340.77	305.02
Expenses recognised at the end of year	138.44	138.73
Benefits Paid	(56.13)	(42.68)
Amount recognised in other comprehensive income	(33.61)	(60.30)
Net Liability/(Asset) Recognized in the Balance Sheet	**389.47**	**340.77**

vii. **Sensitivity analysis:**

Particulars	31 March 2023	31 March 2022
Delta effect of +0.5% change in rate of discounting	383.27	333.59
Delta effect of -0.5% change in rate of discounting	395.86	348.25
Delta effect of +0.5% change in rate of salary increase	393.92	346.21
Delta effect of -0.5% change in rate of salary increase	384.97	335.65
Delta effect of +10% change in rate of employee turnover	373.51	329.18
Delta effect of -10% change in rate of employee turnover	406.87	353.01

viii. **Maturity analysis of projected benefit obligation:**

Year	31 March 2023	31 March 2022
Expected benefits for year 1	82.98	56.03
Expected benefits for year 2	82.64	47.82
Expected benefits for year 3	67.59	51.95
Expected benefits for year 4	59.91	48.25
Expected benefits for year 5	52.44	46.66
Expected benefits for Years 6 to 10	128.35	138.95

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ix. **The Experience adjustment on plan assets:**

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
Defined benefit obligation	389.46	340.77	305.02	292.07	155.56
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(389.46)	(340.77)	(305.02)	(292.07)	(155.56)
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	50.32	(19.84)	(123.92)	(9.14)	(15.94)

B. Compensated absences:

Maturity profile

Particulars	31 March 2023	31 March 2022
Present value of unfunded obligations	592.95	335.92
Expense recognised in the Statement of Profit and Loss	349.02	29.12
Discount rate (p.a.)	7.30%	6.10%
Salary escalation rate (p.a)	12.00%	12.00%

C. Provident Fund:
The Group contributes in Provident Fund towards employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Group is required to contribute specified percentage of the payroll cost to fund the benefits. The Group recognised ₹ 378.06 (31 March,2022: ₹ 238.44) for provident fund contributions in the Statement of profit and loss.

52. The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The said code is made effective prospectively from May 3, 2023. The Company has assessed and there is no impact of the Code.

53. Corporate Social Responsibility Expenses:
Details as per Section 135 of the Companies Act, 2013 is as under:

Particulars	31 March 2023	31 March 2022
Amount required to be spent by the company during the year	-	68.62
Amount of expenditure incurred	-	27.18
Transferred to CSR unspent account for ongoing projects*	-	41.44
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Details of related party transactions	N.A	N.A

*The Company has transferred unspent amount in a separate CSR account as per section 135(6) of the Companies Act, 2013.

Nature of CSR Activities:

<u>For Financial Year 2022-23:</u> Not Applicable

<u>For Financial Year 2021-22</u>

(i) Sustained Menstrual Protection for Unprivileged and Adolescent Girls

Implementing Agency: Ahmedabad Women's Action Group, a public charitable trust.

Project Details: The Company, through Ahmedabad Women's Action Group (AWAG), a public charitable trust, had undertaken the various activities for improving healthcare and creating awareness about and inculcating sustained menstrual protection and healthy diet practices for unprivileged and adolescent girls in Ahmedabad.

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(ii) Good School Project

Implementing Agency: One Good Step, a public charitable trust.

Project Details: The Good School Project – For development of government schools in Bengaluru. The duration of the project is 18 months, commencing from March 2022.

54. Based on the information available with the Group, there are no micro, small and medium enterprises to whom the Group has paid interest or any interest payable on outstanding (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended 31 March, 2022.

55. As per SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, none of the Company in the Group is a Large Corporate.

56. Capital Management:

The Group's objectives when managing capital are to

a. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
b. maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, the Group monitors its capital by using gearing ratio, which is net debt divided to total equity plus net debt. Net debt includes non-current and current borrowings net of cash and bank balances and capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves.

The amounts managed as capital by the Group are summarized as follows:

Particulars	31 March 2023	31 March 2022
Gross debt	1,76,942.00	1,87,346.19
Less: Cash and bank balances	(44,094.50)	(37,685.30)
Net debt (A)	**1,32,847.50**	**1,49,660.89**
Equity (including CCCPS) (B)	**78,409.19**	**65,669.29**
Gearing ratio (A / (B+A))	**62.88%**	**69.50%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

57. Transfers of assets:

i. Transferred of financial assets that are not derecognised in their entirety

(a) Securitisation

The subsidiary company, i.e. Lendingkart Finance Limited has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

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Particulars	31 March 2023	31 March 2022
Carrying amount of transferred assets measured at amortised cost (including loans placed as collateral)	53,697.85	59,200.40
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	48,537.32	52,779.49
Fair value of assets	53,697.85	59,200.40
Fair value of associated liabilities	48,537.32	52,779.49
Net position at Fair Value	5,160.53	6,420.91

ii. Transferred of financial assets that are derecognized in their entirety
The Group has not transferred any assets that are derecognized in their entirety where the Group continues to have continuing involvement.

58. Events after reporting date:
There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

59. Fair values:
Fair value 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 a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation framework

The Group's valuation framework includes:
- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards. Group has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

Valuation methodologies adopted

- Fair values of financial assets and financial liabilities are measured at amortised cost except for market linked debentures and cash and bank balances which are measured at fair value through profit and loss.

- Fair value of Market linked debentures is derived from independent valuer. The valuation is done based on discounted cashflow method. The option portion is projected using Monte Carlo simulations and Geometric Brownian Motion is used to project the Index levels into the future. The Index levels are projected based on certain assumptions and the value of debenture is then arrived at by discounting the respective cashflows.

- The Group has determined that the carrying values of expenses payables, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

60. Fair value hierarchy:

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.
Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

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Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This is the case for contingent consideration and indemnification assets.

Financial instruments by category:

Financial instruments by category	31 March 2023		31 March 2022	
	Carrying value	FVTPL	Carrying value	FVTPL
Financial assets - non-current				
Loans	1,03,421.25	-	1,10,566.80	-
Other financial assets	20,565.68	-	13,547.05	-
Financial assets - current				
Trade receivables	349.36	-	4.05	-
Loans	72,266.69	-	81,026.10	-
Other financial assets	36,595.13	-	16,173.97	-
Total financial assets	**2,33,198.11**	-	**2,21,317.97**	-
Financial liabilities - non-current				
Borrowings	63,579.46	7,218.97	61,041.77	6,343.67
Lease liabilities	1,963.34	-	2,338.00	-
Other financial liabilities	14,733.39	-	9,670.97	-
Financial liabilities - current				
Borrowings	1,00,738.70	5,404.87	1,08,053.20	11,907.55
Lease liabilities	387.54	-	325.59	-
Trade payables	309.90	-	364.98	-
Other financial liabilities	25,317.50	-	9,998.11	-
Total financial liabilities	**2,07,029.83**	**12,623.84**	**1,91,792.62**	**18,251.22**

Fair value of financial instruments measured at amortised cost:

Particulars	Level of hierarchy	31 March 2023	31 March 2022
Financial assets - non-current			
Loans	Level 3	1,03,421.25	1,10,566.80
Other Financial assets	Level 3	20,565.68	13,547.05
Total financial assets		**1,23,986.93**	**1,24,113.85**
Financial liabilities - non-current			
Borrowings	Level 3	63,579.46	61,041.77
Lease liabilities	Level 3	1,963.34	2,338.00
Other financial liabilities	Level 3	14,733.39	9,670.97
Total financial liabilities		**80,276.19**	**73,050.74**

Fair value of financial instruments designated at FVTPL:

Particulars	Level of hierarchy	31 March 2023	31 March 2022
Financial liabilities - non-current			
Borrowings	Level 2	7,218.97	6,343.67

During the year ended 31 March 2023 and Previous year ended 31 March 2022, there have been no transfers amongst the levels of hierarchy.

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61. Financial risk management:

The Group is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk and foreign currency risk. The Group's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Principal objective in Group's risk management processes is to measure and monitor the various risks associated with the Group and to follow policies and procedures to address such risks. The Group's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications. For credit risk refer note 61(C).

A. Liquidity Risk:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and lease contracts.
The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments:

Financial Liabilities	31 March 2023		31 March 2022	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial liabilities				
Financial liabilities - Non-Current				
Borrowings	-	77,979.59	-	79,233.63
Other financial liabilities	-	3,089.81	-	6,607.77
Financial liabilities - Current				
Borrowings	1,15,068.60	-	1,29,430.15	-
Lease liabilities	130.39	-	123.71	-
Trade payables	309.67	-	364.74	-
Other financial liabilities	13,103.06	-	5,376.45	-
Total	**1,28,611.72**	**81,069.40**	**1,35,295.05**	**85,841.40**
Financial Assets				
Financial Assets - Non-Current				
Loans	-	1,03,421.25	-	1,10,566.80
Other financial assets	-	20,565.68	-	13,547.05
Financial Assets - Current				
Trade receivables	349.36	-	4.05	-
Cash and cash equivalents	20,597.02	-	27,599.88	-
Bank Balance other than cash and cash equivalents	23,497.48	-	10,085.42	-
Loans	72,266.69	-	81,026.10	-
Other financial assets	36,595.13	-	16,173.97	-
Total	**1,53,305.68**	**1,23,986.93**	**1,34,889.42**	**1,24,113.85**

B. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Group do not have any exposure to equity price risk.

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(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables.

Foreign currency exposure risk

The Group's exposure for foreign currency risk at the end of reporting year are as follows:

Particulars	31 March 2023		31 March 2022	
	USD	₹ in Lakhs	USD	₹ in Lakhs
Expenses payable	95,663.00	78.64	49,904	38.43

Foreign currency sensitivity

Foreign current rate	Impact on profit before tax	
	31 March 2023	31 March 2022
Foreign currency exposure risk		
Increase by 5%	3.93	1.92
Decrease by 5%	(3.93)	(1.92)

(ii) Interest rate risk

The Group is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Carrying value of borrowings:

Particulars	31 March 2023	31 March 2022
Debt Securities (variable)	12,623.84	18,251.22
Debt Securities (fixed)	88,474.28	1,09,205.78
Borrowings (other than debt securities) (variable)	45,876.76	24,913.14
Borrowings (other than debt securities) (fixed)	27,437.23	32,446.55
Subordinated debts (fixed)	2,529.89	2,529.50
Total Borrowings	**1,76,942.00**	**1,87,346.19**

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group 's Statement of profit and loss:

Interest rate	Impact on profit before tax	
	31 March 2023	31 March 2022
Borrowings, debt securities & subordinate debt		
Increase by 50 basis points	(292.50)	(215.82)
Decrease by 50 basis points	292.50	215.82

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C. Credit Risk:

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Group. The lending model focuses on SME Lending. The nature of the product is unsecured.

The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages
The Group classifies its financial assets in three stages having the following characteristics:

- **Stage 1:** unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised.
- **Stage 2:** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised.
- **Stage 3:** objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions.

Financial instruments other than loans, Interest receivable on assignment of loans and Receivable from co-lenders were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

Below is the summary for the approach adopted by the Group for various components of ECL viz. PD, EAD and LGD using empirical data where relevant:

- **Probability of Default (PD)**
  The Group's operates with its internal rating models in which its customers are rate from "A" to "E" using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour.

  The risk segmentation has been based on the behaviour model risk buckets. Behaviour model is scored at regular intervals, and incorporate borrower's updated credit information report, repayment performance & initial risk rating, to assess the future risk of going default. PDs are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

  Stage 1: based on internal rating model
  Stage 2: based on days past due
  Stage 3: 100%

- **Exposure at Default (EAD)**
  The exposure at default represents the outstanding and interest accrued of the financial instruments subject to the impairment calculation.

- **Loss given Default (LGD)**
  LGD values are assessed based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss

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Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows:

Particulars	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of gross carrying amount	1,83,208.83	10,132.47	7,836.49	**2,01,177.79**	1,50,299.58	54,554.02	5,192.18	**2,10,045.78**
Transfers during the year								
Transfers to Stage 1	372.45	(231.29)	(141.16)	-	4,442.01	(4,414.18)	(27.83)	-
Transfers to Stage 2	(3,958.10)	4,018.78	(60.68)	-	(4,095.99)	4,095.99	-	-
Transfers to Stage 3	(10,648.22)	(3,097.27)	13,745.49	-	(10,672.34)	(38,976.28)	49,648.62	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	372.00	96.90	2,288.17	**2,757.07**
Changes in opening credit exposures (additional disbursement net of repayments)	(1,01,873.98)	(7,040.14)	(10,619.56)	**(1,19,533.68)**	(87,358.09)	(6,420.99)	(2,423.52)	**(96,202.60)**
New credit exposures during the year, net of repayments	1,06,232.15	1,200.96	1,499.79	**1,08,932.90**	1,30,221.66	1,197.01	911.24	**1,32,329.91**
Amounts written off	-	-	(7,508.02)	**(7,508.02)**	-	-	(47,752.37)	**(47,752.37)**
Closing balance of gross carrying amount	**1,73,333.13**	**4,983.51**	**4,752.35**	**1,83,068.99**	**1,83,208.83**	**10,132.47**	**7,836.49**	**2,01,177.79**

* Number of loans in Stage -3 for the year ended 31 March 2023 is 2,342 (31 March 2022: 3,730)

Particulars	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of ECL allowance	3,880.92	1,071.52	4,632.45	**9,584.89**	4,023.11	8,826.99	3,326.43	**16,176.53**
Transfers during the year								
Transfers to Stage 1	63.69	(42.06)	(21.63)	-	675.06	(659.42)	(15.64)	-
Transfers to Stage 2	(94.65)	99.12	(4.47)	-	(125.55)	125.55	-	-
Transfers to Stage 3	(238.30)	(683.07)	921.37	-	(327.74)	(6,404.29)	6,732.03	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	0.05	-	540.61	**540.66**
Changes in opening credit exposures (additional disbursement net of repayments)	(2,092.58)	260.57	3,228.66	**1,396.65**	(2,783.04)	(1,120.43)	41,309.86	**37,406.39**
New credit exposures during the year, net of repayments	1,548.13	250.70	856.11	**2,654.94**	2,419.03	303.12	491.52	**3,213.67**
Amounts written off	-	-	(7,508.02)	**(7,508.02)**	-	-	(47,752.37)	**(47,752.37)**
Closing balance of ECL allowance	**3,067.21**	**956.78**	**2,104.47**	**6,128.46**	**3,880.92**	**1,071.52**	**4,632.45**	**9,584.89**

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As At 31 March, 2023:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,73,333.13	4,983.51	4,752.35	**1,83,068.99**
Allowance for ECL	3,067.21	956.78	2,104.47	**6,128.46**
ECL Coverage ratio	1.77%	19.20%	44.28%	**3.35%**

As At 31 March, 2022:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,83,208.83	10,132.47	7,836.49	**2,01,177.79**
Allowance for ECL	3,880.92	1,071.52	4,632.45	**9,584.89**
ECL Coverage ratio	2.12%	10.58%	59.11%	**4.76%**

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The company is a registered Member Lending Institute with Credit Guarantee Fund for Micro Units and has claimed benefit in ECL of ₹ 3,114.65 as at 31 March 2023. (31 March 2022: ₹ 1,193.88). The ECL Coverage calculated above is after considering the said benefit.

Measurement uncertainty and sensitivity analysis of ECL estimates:
Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis. The recognition and measurement of ECL involves the use of estimation. It is necessary to formulate multiple forward looking economic forecasts and its impact as an integral part of ECL model.

To secure its eligible pool, the Subsidiary Company takes guarantee cover for its portfolio under Credit Guarantee Fund Scheme for Micro Units (CGFMU) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). As on 31 March 2023, the subsidiary Company has covered ₹ 1,22,900.39 of its loan assets under this scheme (31 March 2022: ₹ 1,53,468.82). The Subsidiary Company has paid Sovereign guarantee fees against the same of ₹ 1,775.91 (31 March 2022: ₹ 1,431.12) which is presented under Note 41 Other expenses. This has helped the subsidiary company to offset ₹ 5,900.83 worth of credit losses (31 March 2022: ₹ 4,756.04).

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions:

Particulars	31 March 2023	31 March 2022
Gross carrying amount of loans	1,83,068.99	2,01,177.79
Reported ECL	6,128.46	9,584.89
Reported ECL coverage	3.35%	4.76%
ECL amounts for alternate scenario		
Downside scenario (10%)	6,741.31	10,543.38
Upside scenario (10%)	5,515.61	8,626.40
ECL coverage ratios by scenario		
Downside scenario (10%)	3.68%	5.24%
Upside scenario (10%)	3.01%	4.29%

62. Disclosure required under section 186(4) of the Companies Act, 2013

(a) Inter-corporate investment

Particulars	31 March 2023	31 March 2022
Investment in equity shares of Lendingkart Finance Limited (Wholly Owned Subsidiary)	71,701.24	71,701.24
Deemed Capital Contribution in Lendingkart Finance Limited (Wholly Owned Subsidiary)	1,053.71	-
Investment in equity shares of Lendingkart Account Aggregator Private Limited (Wholly Owned Subsidiary)	400.00	400.00

(b) Inter-corporate guarantees
The holding company has provided corporate guarantees in connection with following loan facilities availed and debenture issued by the subsidiary company, Lendingkart Finance Limited:

Type of facility	31 March 2023		31 March 2022	
	Sanctioned Amount	Outstanding Amount	Sanctioned Amount	Outstanding Amount
Non-convertible redeemable debentures	33,200.00	34,963.33	46,900.00	43,228.92
Term loans	1,09,100.00	63,123.76	1,04,350.00	47,586.91
Working capital demand loans	3,300.00	2,439.27	9,050.00	4,903.30
Cash credit	1,300.00	0.11	4,000.00	3,840.50
Total	**1,46,900.00**	**1,00,526.46**	**1,64,300.00**	**99,559.63**

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63. During the Previous year ended 31 March 2022, the Group has incurred cash losses of ₹ 38,660.99 lakhs (including accelerated loan write-offs ₹ 47,735.24 Lakhs)

64. **Other Statutory information**

i. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

v. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vii. None of the company of the Group have been declared as a wilful defaulter by any bank, financial institution or any other lender.

65. The Group has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5,2022 relating to maintenance of electronic books of account and other relevant books and papers. The Group's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

66. The Group has entered into a Master Framework Agreement with Upwards Fintech Services Private Limited (UFSPL), Upwards Capital Private Limited (together "Upwards") and promoters and shareholders of Upwards, for acquisition of business of Upwards by the Group. The said transaction would be undertaken subject to requisite regulatory approvals.

67. **Additional disclosure required by Schedule III of the Companies Act, 2013**

Name of the entity	Net Assets (Total assets minus total liabilities)		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated (profit) or loss	Amount
Parent				
Lendingkart Technologies Private Limited	6.00%	4,703.73	13.58%	1,613.13
Subsidiary				
Lendingkart Finance Limited	93.55%	73,348.57	86.80%	10,313.15
Lendingkart Account Aggregator Private Limited	0.46%	356.89	(0.38%)	(45.15)

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68. The Group has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Shrawan Jalan
Partner
Membership No. : 102102

Place: Ahmedabad
Date: 09 May 2023

For and on behalf of the Board of Directors of
Lendingkart Technologies Private Limited

Harshvardhan Lunia
Chairman and Managing Director
DIN: 01189114

Kumudini Aggarwal
Company Secretary
Membership No: A19536

Place: Ahmedabad
Date: 09 May 2023