LENDINGKART

Think cash, Think Lendingkart Group!

Annual Report

FOR THE YEAR ENDED MARCH 31, 2021

LENDINGKART TECHNOLOGIES PRIVATE LIMITED

LENDINGKA₹T

Think Cash, Think Lendingkart Group!

CHAIRMAN'S LETTER

Dear Shareholders, Investors & Colleagues,

The last financial year has been one of a kind, where countries across the world have been hit hard physically, mentally, socially, financially and emotionally with an unexpected outbreak of COVID-19 virus. The originally projected growth in the economy took a major setback due to complete focus on saving lives amidst a once-in-a-century crisis. India's GDP contracted by 7.3 percent to Rs 135.13 trillion in financial year 2020-21 from Rs 145.7 trillion in previous year. The pandemic impacted both supply and demand in the economy with the policy dilemma of "lives versus livelihoods". The reforms, initiatives and measures taken at all levels, were unprecedented amidst all major economies and were implemented to provide maximum cushion to absorb the pandemic shock.

India's proactive response to the unprecedented pandemic crisis:

One of the severely impacted segments was the Micro, Small & Medium enterprises due to rippling effect of pandemic waves since day zero resulting from nationwide lockdown, market demand reduced across many industries, already capital starved situation in their entire supply chain. The respectable Prime Minister's Office through various ministries and Reserve Bank took commendable steps, including:

- Prime Minister's Employment Generation Programme (PMEGP)
- Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)
- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
- Rs 20,000 crore Subordinate debt for stressed MSMEs
- Udyam Registration
- Rs 50,000 cr. Equity infusion for MSMEs through Fund of Funds

While both governance and Reserve Bank took a series of measures to minimize the hard-hitting impact on industries, still this segment have undergone a deep crisis and required continued support from entire ecosystem to stand on their feet again. These credit reliefs and credit guarantee schemes aimed to push more liquidity towards MSMEs, there was a wide opportunity segment foreseen for MSMEs due to the disruption in global demand & supply, and supply chain as well, leading to an enforced rigor on making Bharat Atmanirbhar.

Lendingkart builds resilience during pandemic induced shutdown:

At the start of the lockdown period, Lendingkart simulated various scenarios based on industry, geographical areas, businesses segment and their impacts for planning the business for the coming year with its vision to support this heavily impacted MSME segment. The fundamental idea was to support both existing and new MSME borrowers, while remaining empathetic towards their needs and business requirements since most of them were going through an extremely difficult period.

Lendingkart launched relief packages for customers and risk mitigation strategies:

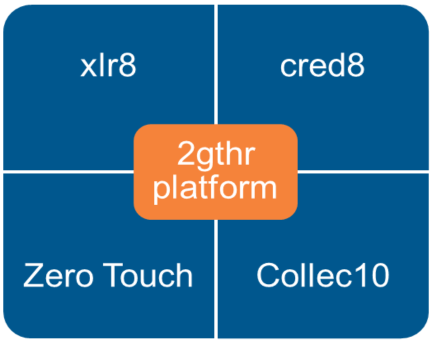
The company built carefully thought through strategies to roll out several Covid relief programs for its customer segment and took various measures to spread awareness. Lendingkart leveraged its digital reach to launch programs and ensuring communication to its customers about the relief measures.

- These benefits included Moratorium period from March,'20 to August,'20, one-time restructuring offered to eligible customers that were impacted due to Covid related stress after the mortarium and post lockdown period.
- The Company representatives remained continuously connected with all its customers throughout the year to understand their business situation and support required from the company. This continued digital connect and customer-centric approach has gone a long way in managing two-way communication for company to disburse new business loans to credit worthy customers while keeping collections efficiencies and overall portfolio quality under check.
- In addition, the company launched new product offerings and flexible repayment options for its customers to support their working capital requirements.
- The Company also offered top up credit to several customers based on their credit history and loan performance in order to equip them to cater to the projected demand spike in the post lockdown period.

Lendingkart continuing to pave the 'digital' way forward by being the enabler for a comprehensive Financial Ecosystem collaboration:

The financial institutions have been competing in terms of products, delivery methods, technological features etc which was not serving the objective in the long term. The ecosystem has moved from competing with each other on various fronts like product, service etc, to a collaborative approach for jointly addressing the challenges and resolving the issues. Having built one of the largest MSME databases in the country with 3.5 billion data points for 500k MSMEs by evaluating 1 million+ MSME applications, Lendingkart has taken the next step of collaboration across the financial services ecosystem which is a digital framework that integrates all the stakeholders via a common platform.

"Lendingkart has invested in technological advancements to enable E2E digital experience in MSME lending by productizing all aspects of lending – origination, evaluation, onboarding and collections"

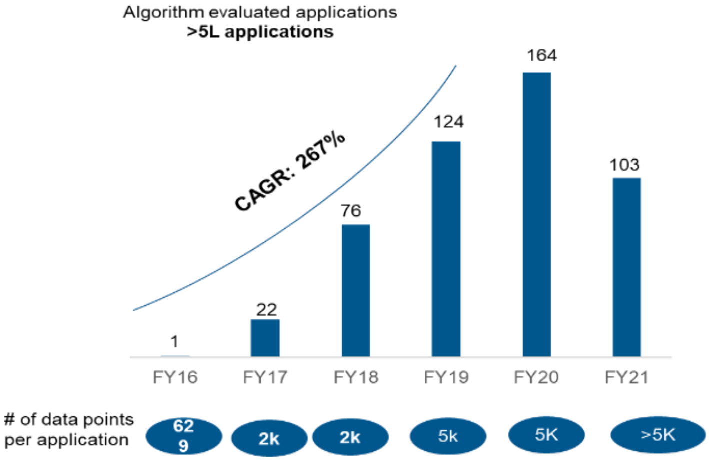


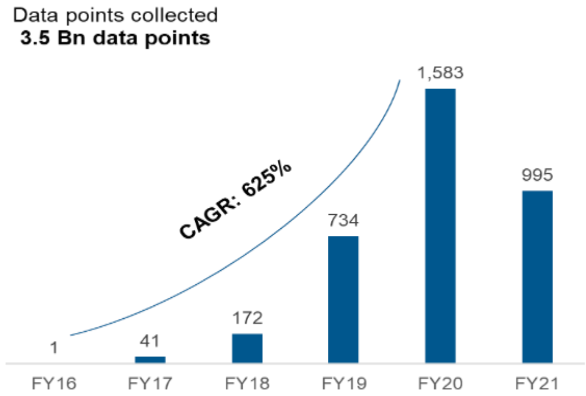
Lendingkart '2gthr' platform is going to power entire ecosystem through its E2E capabilities of:

- '*2gthr*' - provides end-to-end asset servicing journeys for financial institutions, ensuring a seamless and friction free onboarding capabilities for Banks and NBFCs to scale their lending operations to MSMEs across the country and leveraged Lendingkart enhanced loan management capabilities with following platforms
- '*xlr8*' - Origination engine enabling real time sourcing, approval and instant payouts, providing single window access to monitor service status
- '*Cred8*' - Credit Intelligence platform providing MSME credit score based on LK proprietary underwriting model for a collaborative digital ecosystem to extend financing across industries and geographies and customer segments
- *'Atom'/Zero Touch':* Entire customer journey modularized via micro-processes for providing a seamless customer experience and reducing the turnaround time and increasing the coverage of MSMEs being serviced

LK is well placed to act as the "perfect bridge" between the internet companies having scores of B2B MSME customers and lenders with large balance sheet looking to penetrate this segment and is is among the very few FinTech's globally to provide E2E capabilities from customer acquisition to collections via its digital platform products.

Customer Experience:
As of Mar 2021, Lendingkart has evaluated more than 8 lakh loan applications across 2,000+ locations pan India. The customer can conveniently reach Lendingkart either through mobile or internet 24x7, delivering seamless customer experience. Lendingkart has have brought credit access to more than 1.3 lakh customers across the country, making Lendingkart a Fintech with largest geographical digital footprint. Current credit model has the ability to risk classify an application into 5 risk categories and objectively determine amount eligibility based on risk profile. Better prediction of amount eligibility has resulted in disbursal allocation to good customers over time. ~40% customers are going through "Zero Touch" process with 75% TAT reduction; various developments in place to increase coverage and reduce TAT to 24 days for E2E disbursement. Account aggregator ecosystem will further fast track LK's mission to score each and every MSME in the country through cash-flow / alternate data models.

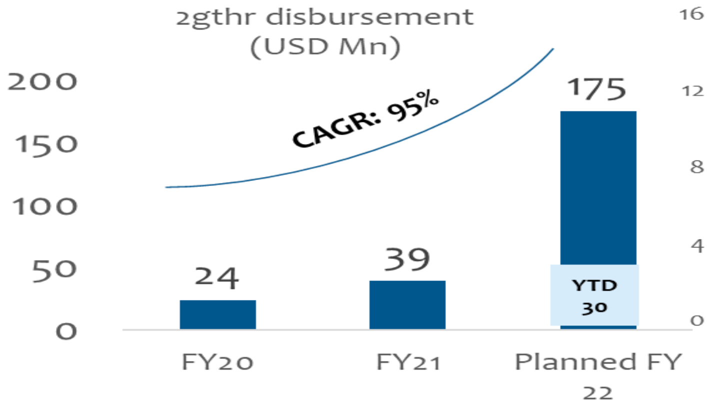


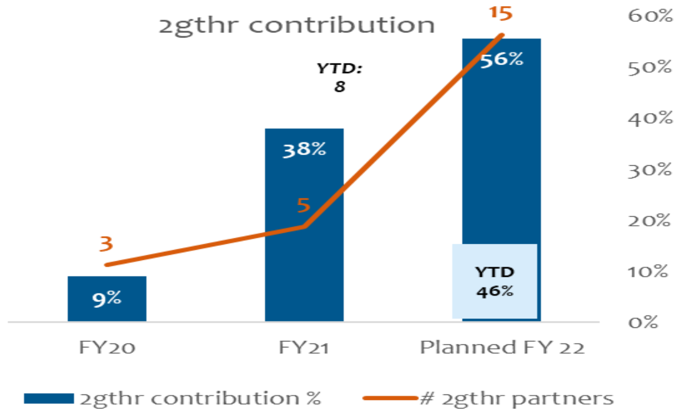


Business Performance:

In context of business growth, the Company maintained its performance with following key highlights:

- 17,000+ new business loans booked during the year amounting to Rs ~1100 Crores
- Assets under management (AUM) Rs 2,465 Crores, well diversified portfolio
- Company clocked ~Rs 500 Cr as revenue in FY21, withstanding the pandemic impacts owing to strong portfolio and high performing metrics
- Secured an upgrade in Credit rating to A-/ Stable Outlook from Infomerics credit rating agency during peak pandemic situation
- Entire eligible portfolio covered under Credit Guarantee Scheme (CGTSME) of Central government, providing 75 % cover on the defaulting loans
- Maintained 3x provision buffers over and above regulatory minimum to ensure clean quality loan portfolio
- Nationwide collections presence with more than 550 collection agents and 51 collection agencies with all Lendingkart agents having access to mobile applications with live tracking feature. 1 collection agent for every 100 loans which is best in the industry
- Demonstrated ability to raise debt capital, raised ~5K crore from more than 80 pedigree counterparties
- Well diversified Board including directors with decades of experience in Risk, Credit, Technology, Treasury and Regulatory. Ex-CGM In-charge of NBFC department ~36 years RBI experience as Independent Director
- Largest Co-lending platform in last 18 months with successful onboarding of 7 large banks/ NBFCs and several more in the pipeline with large, sanctioned credit lines of more than 1500 Crores.





With the strong focus on strengthening the platform offerings, Lendingkart is poised to go above and beyond to achieve its objective of closing the credit gap for MSMEs in the true sense- acting as a bridge between all associated stakeholders. This is especially borne out by the name of the platform 2gthr – which imbibes collaboration at its very core. This is possible by digitization, minimizing the manual interventions and providing value added information to all in the least possible amount of time and effort. Lendingkart has been the pioneer to create a co-lending financing digital journey for this segment enabling them to get credit at the lowest possible interest rates. The combination of all three well-tuned platforms is a force to reckon which is enabling Lendingkart to be the market leader and lender of choice for our customers. I would like to thank shareholders, fellow Lendingkart-ians, our partners and lenders and all other stakeholders for their support, belief and commitment to us during the difficult last year. Hope to continue to build Lendingkart to be a company we are all proud of.

Wishing all of you a safe year ahead.

Sd/-
Harshvardhan Lunia
Chairman & Managing Director

DIRECTORS' REPORT

To the Members,
Lendingkart Technologies Private Limited.

The Directors are pleased to present their 7th Report along with the financial results of the Company for the financial year ended 31st March, 2021.

FINANCIAL PERFORMANCE

The Company's financial performance for the financial year ended 31st March, 2021, is summarized below:

(Amount: ₹ in Lakh)

Particulars	Standalone		Consolidated	
	31st March, 2021	**31st March, 2020[1]**	**31st March, 2021**	**31st March, 2020[1]**
Revenue from operations and other income	1,299.49	1,095.47	49,998.76	47,001.18
Profit/ (Loss) before Tax (Pre covid)	(4,672.19)	(5,121.81)	4,924.89	506.92
Profit/ (Loss) before Tax (Post covid)	(4,672.19)	(5,121.81)	(1,858.69)	(934.52)
Provision for Tax [2]	-	-	983.86	1,225.19
Net Profit/ (Loss) after Tax	(4,672.19)	(5,121.81)	(2,842.55)	(2,159.71)

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

PERFORMANCE OVERVIEW

During the year under review, the total revenue on a consolidated basis stood at ₹ 49,998.76 Lakh, and the total assets under management on a consolidated basis stood at ₹ 1,93,869.25 Lakh.

The total revenue of the Company on a standalone basis stood at ₹ 1,299.49 Lakh. The Company is continuously taking multiple initiatives on the technology front and is continuously striving to create a niche in its market segment.

CHANGE IN THE NATURE OF BUSINESS

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

LENDINGKART TECHNOLOGIES PRIVATE LIMITED
CIN: U72900GJ2014PTC081539
Registered & Corporate Office: A-602, 6th Floor, The First, The First Avenue Road, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad, 380 015, Gujarat, India.
Phone: +91-79-68144500 **Email:** info@lendingkart.com **Website:** www.lendingkart.com

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

As on 31st March, 2021, the issued and subscribed share capital of the Company stood at ₹ 2,53,93,800 (Rupees two crore fifty three lakh ninety three thousand eight hundred) and the paid up share capital of the Company stood at ₹ 2,52,61,536/- (Rupees two crore fifty two lakh sixty one thousand five hundred and thirty six) consisting of (i) 52,953 (fifty two thousand nine hundred and fifty three) equity shares of ₹ 10/- (Rupees ten) each; (ii) 18,187 (eighteen thousand one hundred and eighty seven) Initial Compulsorily Convertible Cumulative Preference Shares of ₹ 10/- (Rupees ten) each; (iii) 36,994 (thirty six thousand nine hundred and ninety four) Series A Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each; (iv) 44,396 (forty four thousand three hundred and ninety six) Series B Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each; (v) 24,711 (twenty four thousand seven hundred and eleven) Series C1 Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each; (vi) 86,109 (eighty six thousand one hundred and nine) Series C2 Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each; (vii) 1,336 (one thousand three hundred and thirty six) Series C3 Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each, partly paid up to the extent of ₹ 1/- (Rupee one) each; (viii) 38,884 (thirty eight thousand eight hundred and eighty four) Series D1 Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each; and (ix) 14,394 (fourteen thousand three hundred and ninety four) Series D2 Compulsorily Convertible Cumulative Preference Shares of ₹ 100/- (Rupees hundred) each.

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

- 14,394 (fourteen thousand three hundred and ninety four) Series D2 Compulsorily Convertible Cumulative Preference Shares of face value ₹ 100 (Rupees hundred) each on private placement basis.

As on the date of this report, the total paid-up share capital of the Company is ₹ 2,52,61,536 (Rupees two crore fifty two lakh sixty one thousand five hundred and thirty six).

(ii) Debentures

During the financial year 2019-20, the Company had raised ₹ 10,00,00,000/- (rupees ten crore) from Alteria Capital India Fund I by issuance and allotment of non-convertible debentures. The details of the non-convertible debentures as on 31st March, 2021 are mentioned below:

Date of allotment	Number of debentures	Nominal Value Per Debenture (₹)	Total Amount Raised (₹ in Crore)	Maturity Date (Dates for final redemption amount)
13th June, 2019	1000	1,00,000/-	10	1st December, 2021

Details of the Debenture Trustee for the non-convertible debentures:
Milestone Trusteeship Services Private Limited
Address: CoWorksWorli, PS56, 3rd Floor,
Birla Centurion, Pandurang Budhkar Marg,
Worli, Mumbai – 400030.
Phone: 020 – 62886119
Fax: 020 – 67167077

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 9,050 (nine thousand fifty) 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:

Details	ESOP 2015
Options granted	9,050
Options vested	893
Options exercised	Nil
The total number of shares arising as a result of the exercise of the options	Not applicable
Options lapsed	3,863

<table>
<tr><td colspan="2">Exercise Price</td><td>MD, CEO, President – ₹ 10 per option
Others - ₹ 59,917.66 per option</td></tr>
<tr><td colspan="2">Variation of terms of Options during the year</td><td>None</td></tr>
<tr><td colspan="2">Money realized by Exercising of Options</td><td>Nil</td></tr>
<tr><td colspan="2">Total number of Options in force as on 31st March, 2021</td><td>9,647</td></tr>
<tr><td colspan="3">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>- Not applicable
- Options were granted to the CEO of Lendingkart Finance Limited and the options got lapsed due to resignation.
- Mr. Sudeep Bhatia, Chief Financial Officer of Lendingkart Finance Limited, was granted 200 stock options and 184 stock options on 30th June, 2020 and 10th November, 2020, respectively.
- Mr. Umesh Navani, Company Secretary of Lendingkart Finance Limited, was granted 19 stock options on 10th November, 2020.</td></tr>
<tr><td>(ii)</td><td>any other employee who receives a grant of options in any one year (during Financial Year 2020-21) amounting to five percent or more of options granted during that year.</td><td><table><tr><th>Name of the employee</th><th>No. Of options granted (more than 5 percent of total options granted)</th><th>Date of grant</th></tr><tr><td>Mr. Manish Bhatia</td><td>2086</td><td>10th November, 2020</td></tr></table></td></tr>
<tr><td>(iii)</td><td>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.</td><td>None</td></tr>
</table>

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 ₹ 49,045.10 Lakh as compared to ₹ 46,430.28 Lakh in the previous year, registered a growth of 5.63% year on year. Profit before tax stood at ₹ 2,815.80 Lakh as compared to ₹ 4,194.28 Lakh in the previous year.

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.**

KEY AWARDS AND RECOGNITIONS

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

- **'Innovation and Emerging Technologies'** by Business Leader of the Year (BLOY) & Mr. Harshvardhan Lunia, Managing Director was awarded the **'Fintech Personality of the Year'**; and
- **'Best Fintech Business Lender'** by IFTA 2020.

DIVIDEND

The Directors have not recommended any dividend for the financial year 2020-21.

RESERVES

The Directors have not proposed to carry any amount to reserves for the financial year ended 31st March, 2021.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the year falling under the ambit of Section 73 of the Companies Act, 2013 ('Act'), 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. 44 of the standalone financial statements.

BOARD AND ITS COMMITTEE(S)

Meetings of the Directors

The Board of Directors met 6 (six) times during the period under review.

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.

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 necessary.

APPOINTMENTS, RE-APPOINTMENTS AND RESIGNATION OF DIRECTORS

No changes had taken place during the period under review.

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, 2021;

(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 Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

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 period 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. 33 to the standalone financial statement.

There were no material contracts which are required to be disclosed pursuant to Section 134(3)(h) of the Companies Act and rule 8(2) of the Companies (Accounts) Rules, 2014.

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 had no Foreign Exchange earnings. The Foreign Exchange outgo was ₹ 123.25 Lakh towards advertisement expenses software expenses, and employee training 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. Your Company has received confirmation from M/s. S.R. Batliboi & Co. LLP regarding their eligibility under Sections 139 and 141 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The Auditors reports for the financial year 2020-21 do not contain any qualification or reservation or adverse remark.

The Statutory Auditors has 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 auditors of the Company under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS

During the period 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.

ACKNOWLEDGEMENT

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

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

TECHNOLOGIES PVT. LTD. LENDINGKART AHMEDABAD *

Harshvardhan Lunia
Chairman & Managing Director
DIN: 01189114
Date: 5th August, 2021
Place: Ahmedabad

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

Part "A": Subsidiaries

(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, 2020 to 31st March, 2021	From 1st April, 2020 to 31st March, 2021
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	69,742.58	(8.92)
6.	Total assets	2,51,598.36	414.57
7.	Total Liabilities	1,77,436.99	23.49
8.	Investments	0.00	0.00
9.	Turnover	48,351.52	0.00
10.	Profit/(Loss) before taxation	2,815.80	(2.20)
11.	Provision for taxation	983.86	0.00
12.	Profit/(Loss) after taxation	1,831.94	(2.20)
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

LENDINGKART TECHNOLOGIES PVT. LTD. * AHMEDABAD

Harshvardhan Lunia
Chairman & Managing Director
DIN: 01189114
Date: 5th August, 2021
Place: Ahmedabad

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 Ind AS 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, 2021, 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 Ind AS 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, 2021, 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.

Emphasis of Matter

We draw attention to note 2.2 to the standalone Ind AS financial statements, which describes the uncertainty caused by continuing COVID-19 pandemic with respect to the Company's estimates of impairment of financial assets and recoverability of intangible assets, and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

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.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 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, 2016 ("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 Ind AS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to standalone Ind AS financial statements;

   (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, 2021;

(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;

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.

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

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADU2969

Place of Signature: Mumbai
Date: May 12, 2021

Re: Lendingkart Technologies Private Limited for the year ended March 31, 2021

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon.

In our opinion and according to the information and explanations given to us, provision of section 186 of the Companies Act,2013 in respect of Loans and Advances given, investments made and guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.

As informed, the provisions of sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, the provisions of sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

As informed, the provisions of sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

The Company did not have any outstanding loans or borrowing dues to government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer and hence not commented upon.

Further, monies raised by the Company by way of debt instrument and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers, and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provision of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act 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 reporting under Clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has complied with the provision of Section 42 of the Companies Act, 2013 in respect of preferential allotment of shares during the year under review. According to the information and explanation given by the management, we report that the amounts raised, have been used for the purpose for which the funds were raised.

The Company has not made any private placement of shares/fully or partly convertible debentures during the year.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to Company.

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

Per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADU2969

Place of Signature: Mumbai
Date: May 12, 2021

Lendingkart Technologies Private Limited
Balance Sheet as at 31 March 2021

(₹ in lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	77.36	117.49
Intangible assets	5	2,563.10	2,390.03
Intangible assets under Development		78.41	63.41
Right-of-use assets	4	386.93	522.82
Financial assets			
(i) Investments	6	72,101.25	72,101.25
(ii) Loans	7	3,456.88	3,456.68
(iii) Other non-current financial assets	8	37.86	75.32
Current tax assets (net)	9	92.50	364.95
Deferred tax assets (net)	10	-	-
Total Non-current assets		**78,794.29**	**79,091.95**
Current assets			
Financial assets			
(i) Cash and cash equivalents	11	125.53	260.71
(ii) Bank Balance other than above	12	7,619.50	3,981.81
(iii) Other current financial assets	13	149.31	66.02
Other current assets	14	1,359.29	1,340.17
Total Current assets		**9,253.63**	**5,648.71**
Total Assets		**88,047.92**	**84,740.66**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	5.30	5.30
Equity component of CCCPS	15	247.31	232.92
Other equity	16	85,828.29	81,724.84
Total equity		**86,080.90**	**81,963.06**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	17	-	373.38
(ii) Other non-current financial liabilities	18	324.02	484.80
Non-current provisions	19	306.40	262.64
Total Non-current liabilities		**630.42**	**1,120.82**
Current liabilities			
Financial liabilities			
(i) Current borrowings	20	331.87	888.02
(ii) Other current financial liabilities	21	870.12	606.82
Current provisions	22	33.56	26.90
Other current liabilities	23	101.05	135.04
Total Current liabilities		**1,336.60**	**1,656.78**
Total Equity and Liabilities		**88,047.92**	**84,740.66**

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place : Mumbai
Date : 12th May 2021

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
Company Secretary
Membership No. : A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place : Mumbai
Date : 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

Lendingkart Technologies Private Limited
Statement of profit and loss for the year ended 31 March 2021 *(₹ in lakhs unless otherwise stated)*

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Revenue from contract with customers	24	409.10	457.18
Other income	25	890.39	638.29
Total income		**1,299.49**	**1,095.47**
Expenses			
Employee benefits expenses	26	2,675.88	1,982.50
Finance costs	27	221.88	265.78
Depreciation and amortisation expenses	28	1,775.62	1,476.52
Other expenses	29	1,298.30	2,492.48
Total expenses		**5,971.68**	**6,217.28**
Profit before exceptional items and tax		**(4,672.19)**	**(5,121.81)**
Profit / (loss) before tax		**(4,672.19)**	**(5,121.81)**
Tax expense / (credit)			
Current tax	30	-	-
Deferred tax charge / (credit)	30	-	-
		-	-
Profit / (loss) for the year		**(4,672.19)**	**(5,121.81)**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of post employment benefit obligations		57.30	(5.66)
Income tax effect		-	-
Other comprehensive income / (loss) for the year (net of tax)		**57.30**	**(5.66)**
Total comprehensive income / (loss) for the year		**(4,614.89)**	**(5,127.47)**
Earning per equity share (In absolute ₹) :			
Basic (computed on the basis of total profit/(loss) for the year)	31	(8,823.28)	(9,765.69)
Diluted (computed on the basis of total profit/(loss) for the year)	31	(8,823.28)	(9,765.69)

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place : Mumbai
Date : 12th May 2021

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
Company Secretary
Membership No. : A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place : Mumbai
Date : 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

Lendingkart Technologies Private Limited
Statement of changes in equity for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

(a) Equity share capital

Particulars	No of shares	Amount
Balance as at 31 March 2019	**50,060**	**5.01**
Changes in equity share capital during the year	2,893	0.29
Balance at 31 March 2020	**52,953**	**5.30**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**52,953**	**5.30**

(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 31 March 2019	20,663	2.07
Changes in equity share capital during the year	(2,476)	(0.25)
Balance at 31 March 2020	**18,187**	**1.82**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**18,187**	**1.82**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	37,410	37.41
Changes in equity share capital during the year	(416)	(0.42)
Balance at 31 March 2020	**36,994**	**36.99**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**36,994**	**36.99**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	44,396	44.40
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**44,396**	**44.40**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**44,396**	**44.40**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	24,711	24.71
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**24,711**	**24.71**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**24,711**	**24.71**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	86,109	86.11
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**86,109**	**86.11**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**86,109**	**86.11**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	-	-
Changes in equity share capital during the year	1,336	0.01
Balance at 31 March 2020	**1,336**	**0.01**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**1,336**	**0.01**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	-	-
Changes in equity share capital during the year	38,884	38.88
Balance at 31 March 2020	**38,884**	**38.88**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**38,884**	**38.88**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	-	-
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	-	-
Changes in equity share capital during the year	14,394	14.39
Balance at 31 March 2021	**14,394**	**14.39**

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

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

Lendingkart Technologies Private Limited

Statement of changes in equity for the year ended 31 March 2021

(₹ in lakhs unless otherwise stated)

(c) Other equity

Particulars	Reserves and Surplus			Total Reserves and Surplus	Other Comprehensive Income	Total
	Securities premium	Stock option outstanding account	Retained earnings			
Balance as at 1 April 2019	**72,827.17**	**57.49**	**(9,251.22)**	**63,633.44**	**10.42**	**63,643.86**
Profit / (loss) for the for the year	-	-	(5,127.47)	(5,127.47)	-	(5,127.47)
Other comprehensive income (net of tax)	-	-	5.66	5.66	(5.66)	-
Expenses on employee stock options scheme	-	79.84	-	79.84	-	79.84
Premium on issue of share capital	23,259.87	-	-	23,259.87	-	23,259.87
Share issue expense	(131.26)	-	-	(131.26)	-	(131.26)
Stock options lapsed	-	-	-	-	-	-
Balance at 31 March 2020	**95,955.78**	**137.33**	**(14,373.03)**	**81,720.08**	**4.76**	**81,724.84**
Profit / (loss) for the for the year	-	-	(4,614.89)	(4,614.89)	-	(4,614.89)
Other comprehensive income (net of tax)	-	-	(57.30)	(57.30)	57.30	-
Expenses on employee stock options scheme	-	130.45	-	130.45	-	130.45
Premium on issue of share capital	8,610.15	-	-	8,610.15	-	8,610.15
Share issue expense	(22.26)	-	-	(22.26)	-	(22.26)
Balance at 31 March 2021	**1,04,543.67**	**267.78**	**(19,045.22)**	**85,766.23**	**62.06**	**85,828.29**

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place : Mumbai
Date : 12th May 2021

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
Company Secretary
Membership No. : A19536

S. Bhatia

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place : Mumbai
Date : 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

Lendingkart Technologies Private Limited
Cash flow statements for the year ended 31 March 2021 *(₹ in lakhs unless otherwise stated)*

Particulars	31 March 2021	31 March 2020
Operating activities		
Profit/(loss) before tax	(4,672.19)	(5,121.81)
Adjusted for:		
Impact of EIR accounting of financial assets	(46.90)	(10.65)
Provision for gratuity	14.93	59.74
Provision for leave encashment	35.49	(2.96)
Depreciation and amortisation	1,775.62	1,476.52
Loss on sale and write off of fixed assets	0.68	1.12
Employee stock option expense	130.45	79.84
Interest expense on borrowings and lease obligation	221.35	265.39
Interest income on bank deposits	(386.85)	(544.96)
Interest income on inter corporate unsecured loan	-	(3.54)
Reversal of lease equalisation reserve	54.88	(15.78)
Actuarial gain / (loss) recognised in other comprehensive income	57.30	(5.66)
Cash from operations before working capital changes	**(2,815.24)**	**(3,822.75)**
Changes in working capital:		
Decrease / (Increase) in loans and advances and financial assets	(18.25)	(102.57)
Increase / (decrease) in other liabilities	260.97	89.36
Cash generated from operating activities	**(2,572.52)**	**(3,835.96)**
Income tax paid (net)	272.45	(63.35)
Net cash flows from / (used in) operating activities	**(2,300.07)**	**(3,899.31)**
Investing activities:		
Investment in equity shares of subsidiary company	-	(21,400.01)
Purchase of property, plant and equipment , ROU and intangible assets	(1,788.57)	(1,485.57)
Proceeds from sale of fixed assets	0.22	0.04
Decrease/(increase) in fixed deposits with original maturity of greater than three months	(3,637.69)	2,497.03
Interest received on bank deposit	386.85	544.96
Interest received on inter corporate unsecured loan	-	3.54
Net cash flow from/ (used in) investing activities	**(5,039.19)**	**(19,840.01)**
Financing activities:		
Issue of equity share capital (including securities premium)	8,602.28	23,167.13
Proceeds from debt securities	-	833.33
Repayment of debt securities	(500.00)	-
Change in overdraft	(436.95)	270.85
Repayment of lease liabilities	(350.10)	(221.18)
Repayment of finance cost	(111.15)	(162.84)
Net cash flow from/ (used in) in financing activities	**7,204.08**	**23,887.29**
Net increase/(decrease) in cash and cash equivalents	**(135.18)**	**147.97**
Cash and cash equivalents at the beginning of the year	260.71	112.74
Cash and cash equivalents at the end of the year	**125.53**	**260.71**

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LENDINGKART TECHNOLOGIES PVT. LTD. (INDIA) ★

S.B.

Lendingkart Technologies Private Limited
Cash flow statements for the year ended 31 March 2021 *(₹ in lakhs unless otherwise stated)*

Particulars	31 March 2021	31 March 2020
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with banks		
(i) In Current accounts	125.53	260.71
(ii) In deposit accounts with original maturity of less than 3 months.	-	-
Total cash and cash equivalents	**125.53**	**260.71**

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place : Mumbai
Date : 12th May 2021

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

Harshvardhan Lunia
Chairman and Managing Director
DIN No. : 01189114

Kumudini

Kumudini Aggarwal
Company Secretary
Membership No. : A19536

S. Bhatia

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place : Mumbai
Date : 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. (INDIA)

1. Corporate information

Lendingkart Technologies Private Limited ('LTPL' or 'the Company') is a private limited company domiciled in India. The Company has developed technology tools based on big data analysis which facilitates lenders to evaluate borrower's credit worthiness and provides other related services. 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.

2.2 Estimation of uncertainties relating to the global health pandemic from COVID-19

COVID-19 virus, a global pandemic has affected the world economy including India. Consequent to the outbreak of COVID-19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government in a phased manner outside specific containment zones. While there has been improvements in the economic activities from the second half of the year, but with emergence of second wave of COVID-19, its impact on companies performance remain uncertain and will depend on ongoing and future development. However, there are many opportunities created for the company in the current scenario, given the strong need for digitalization of services.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity position and ability to repay its obligations as and when they are due. Considering company's very strong liquidity position as on year end, management believes that the company has more than adequate liquidity to manage business growth in the foreseeable future.

Since the current situation is continuously evolving, its impact on the company's performance has some degree of uncertainty, however the company continues to closely monitor any changes in the market/economic conditions.

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.

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LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

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(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 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.

(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.

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(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.

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

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.

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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 .

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.

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.

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(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.

➢ **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.

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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 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.

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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.

(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.

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(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 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.

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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.

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(p) Share issue expenses

Direct expenses in connection with issue of shares are adjusted from securities premium account, to the extent available.

(q) 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.

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

4 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 2019	129.82	11.89	36.76	178.47	822.53
Additions	73.49	-	7.64	81.13	-
Disposals	0.26	0.89	0.18	1.33	-
As at 31 March 2020	**203.05**	**11.00**	**44.22**	**258.27**	**822.53**
Additions	23.24	0.46	1.84	25.54	454.29
Disposals	9.65	-	1.61	11.26	485.71
As at 31 March 2021	**216.64**	**11.46**	**44.45**	**272.55**	**791.11**
Accumulated depreciation					
As at 01 April 2019	45.03	3.05	16.32	64.40	149.63
Charge for the year	64.35	2.17	10.05	76.57	150.08
Disposals	0.03	0.12	0.04	0.19	-
As at 31 March 2020	**109.35**	**5.10**	**26.33**	**140.78**	**299.71**
Charge for the year	54.52	1.63	8.60	64.75	154.22
Disposals	8.90	-	1.44	10.34	49.75
As at 31 March 2021	**154.97**	**6.73**	**33.49**	**195.19**	**404.18**
Net book value					
As at 31 March 2020	**93.70**	**5.90**	**17.89**	**117.49**	**522.82**
As at 31 March 2021	**61.67**	**4.73**	**10.96**	**77.36**	**386.93**

5 Intangible Assets

Particulars	Computer software
Cost	
As at 01 April 2019	2,920.92
Additions	1,477.57
Disposals	-
As at 31 March 2020	**4,398.49**
Additions	1,729.72
Disposals	-
As at 31 March 2021	**6,128.21**
Accumulated amortisation	
As at 01 April 2019	758.58
Charge for the year	1,249.88
Disposals	-
As at 31 March 2020	**2,008.46**
Charge for the year	1,556.65
Disposals	-
As at 31 March 2021	**3,565.11**
Net book value	
As at 31 March 2020	**2,390.03**
As at 31 March 2021	**2,563.10**

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LENDINGKART TECHNOLOGIES PVT. LTD. ✱ (INDIA)

Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

6 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted-measured at cost		
Investment in wholly owned subsidiary		
4,41,87,931 (31 March 2020: 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 2020: 40,00,000) Equity shares of ₹ 10 each fully paid-up in Lendingkart Account Aggregator Private Limited	400.00	400.00
Corpus investment in Employee welfare trust		
Corpus investment in Lendingkart employee welfare trust	0.01	0.01
Total	**72,101.25**	**72,101.25**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	72,101.25	72,101.25
Aggregate amount for impairment in value of investments	-	-
Total	**72,101.25**	**72,101.25**

7 Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loan to employee welfare trust	3,456.88	3,456.68
Total	**3,456.88**	**3,456.68**

8 Other non-current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposit at amortised cost		
Security deposit, considered good - unsecured	37.86	75.32
Security deposit, considered credit impaired	4.80	4.80
	42.66	**80.12**
Less: Provision for impairment	(4.80)	(4.80)
Total	**37.86**	**75.32**

9 Current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision)	92.50	364.95
Total	**92.50**	**364.95**

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

10 **Deferred tax assets (net)**

Particulars	As at 31 March 2021	As at 31 March 2020
Tax effect of items constituting deferred tax assets		
Carry forward of unabsorbed losses	4,134.11	3,043.22
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	82.02	83.15
Deferred tax on account of Ind AS 116	7.22	21.73
Security deposit discounting	0.53	1.31
	4,223.88	**3,149.41**
Tax effect of items constituting deferred tax liabilities		
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(48.98)	35.72
EIR of borrowings	0.37	2.24
	(48.61)	**37.96**
Net deferred tax assets (net)	**4,272.49**	**3,111.45**
Deferred tax asset recognised*	-	-

* The effective tax rate of 22% plus applicable surcharge and cess u/s 115BAA is used to determine deferred tax assets as at 31 March 2021 & 31 March 2020. However, deferred tax asset is recognised only to the extent of deferred tax liability on the basis of reasonable certainity. The company is not expected to generate taxable income in forseeable future.

11 **Cash and cash equivalents**

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	-
Balances with banks - in current accounts	125.53	260.71
Total	**125.53**	**260.71**

12 **Other bank balances**

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with remaining maturity for less than 12 months*	7,619.50	3,981.81
Total	**7,619.50**	**3,981.81**

* Fixed deposit pledged against overdraft facility and Bank guarantee INR 1594.52 (31 March 2020: ₹ 1,594.08)

13 **Other current financial assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Receivable from subsidiary company*	93.66	66.02
Other receivables	53.70	-
Other current financial assets	1.95	-
Total	**149.31**	**66.02**

*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 21 : ₹36.88 and 31 March 20 : INR 46.84 and receivable towards Recovery of common expenses as on 31 March 21: ₹ 56.78 and 31 March 20 : ₹ 19.18.

14 **Other current assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Indirect tax credits available for utilisation	1,272.59	1,176.54
Prepaid expenses	62.32	140.12
Advances against expenses	24.21	19.25
Other advances	0.17	4.26
Total	**1,359.29**	**1,340.17**

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

15 **Equity share capital**

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised capital		
(i) 1,70,000 (31 March 2020 : 1,70,000) equity shares of ₹ 10 each	17.00	17.00
(ii) 40,000 (31 March 2020 : 40,000) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	4.00	4.00
(iii) 37,410 (31 March 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : Nil) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each	88.00	-
Issued, subscribed and fully paid up - Equity Shares		
(i) 52,953 (31 March 2020 : 52,953) Equity shares of ₹ 10 each	5.30	5.30
Issued, subscribed and fully paid up - Equity component of Compulsorily Convertible Cumulative preference shares (CCCPS)		
(i) 18,187 (31 March 2020 : 18,187) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	1.82	1.82
(ii) 36,994 (31 March 2020 : 36,994) 0.0001% Series A Compulsorily Convertible Cumulative preference shares (Series A CCCPS) of ₹ 100 each	36.99	36.99
(iii) 44,396 (31 March 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 : Nil) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each.	14.39	-
	252.61	**238.22**

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

(i) **Equity Shares**

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	52,953	5.30	50,060	5.01
Add: Converted from CCCPS to equity	-	-	2,893	0.29
Outstanding at the end of the year	**52,953**	**5.30**	**52,953**	**5.30**

(ii) **CCCPS of ₹ 10 each fully paid**

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	18,187	1.82	20,663	2.07
(Less): Converted from CCCPS to equity	-	-	(2,476)	(0.25)
Outstanding at the end of the year	**18,187**	**1.82**	**18,187**	**1.82**

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LENDINGKART TECHNOLOGIES PVT. LTD. (INDIA)

Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	36,994	36.99	37,410	37.41
(Less): Converted from CCCPS to equity	-	-	(416)	(0.42)
Outstanding at the end of the year	**36,994**	**36.99**	**36,994**	**36.99**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	As at 31 March 2021		As at 31 March 2020	
	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	As at 31 March 2021		As at 31 March 2020	
	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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,336	0.01	-	-
Issued during the year	-	-	1,336	0.01
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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	38,884	38.88	-	-
Issued during the year	-	-	38,884	38.88
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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	14,394	14.39	-	-
Outstanding at the end of the year	**14,394**	**14.39**	-	-

(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 proportion to their shareholdings.

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

During the period 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, (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 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 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, (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 Rs. 100 each will be 1:1.004 and the conversion ratio for 35,206 series A CCCPS of Rs. 100 each will be 1:0.857. The conversion ratio shall be adjusted in case of split or consolidation, etc.

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 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, (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 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 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, (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 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 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, (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 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 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 Rs. 100 each partly paid-up to the extent of ₹ 1/- each. The dividend coupon rate of Series C3 CCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series C3 CCPS 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 CCPS 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 CCPS 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 CCPS.

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

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 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 Rs. 100 each on 8th August, 2019. On 14th August, 2019, the Company issued 3212 Series D1 CCCPS of Rs. 100 each and on 21st August, 2019, the Company issued 291 Series D1 CCCPS of Rs. 100 each.

The dividend coupon rate of Series D1 CCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D1 CCPS 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 Rs. 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, (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 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 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 Rs. 100 each on 27th May, 2020 and on 1st June, 2020, the Company issued 939 Series D2 CCCPS of Rs. 100 each The dividend coupon rate of Series D2 CCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D2 CCPS 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, (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 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".

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(k) Details of the Shareholders holding more than 5% shares in the

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	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	38.85%	20,574	38.85%
Harshvardhan Lunia	18,395	34.74%	18,395	34.74%
Mukul Sachan	7,521	14.20%	7,521	14.20%
Lendingkart Employees Welfare Trust	5,769	10.89%	5,769	10.89%
CCCPS of ₹ 10 each fully paid				
Ananyashree Ashish Goenka	8,560	47.07%	8,560	47.07%
Mayfield India II Limited	3,112	17.11%	3,112	17.11%
Saama Capital III Limited	3,722	20.47%	3,722	20.47%
India Quotient Investment Trust	1,205	6.63%	1,205	6.63%
Rhythm Ventures Limited	1,095	6.02%	1,095	6.02%
Series A CCCPS of ₹ 100 each fully paid				
Mayfield India II, Limited	20,264	54.78%	20,264	54.78%
Saama Capital III, Limited	14,029	37.92%	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				
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%	-	-
IQ Opportunities Fund	2,503	17.39%	-	-
Bertelsmann Nederland B.V.	2,503	17.39%	-	-
Saama Capital III Ltd.	1,252	8.70%	-	-
Sistema Asia Fund Pte. Ltd.	939	6.52%	-	-

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.

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

16 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account		
Balance as per the last financial statements	95,955.78	72,827.17
Add: Premium on conversion of CCCPS to equity shares	-	0.37
Add: Premium on issue of Series D1 CCCPS	-	23,259.50
Add: Premium on issue of Series D2 CCCPS	8,610.15	-
(Less): Expenses on issue of shares	(22.26)	(131.26)
Balance at the end of the year (A)	**1,04,543.67**	**95,955.78**
Employee stock options outstanding		
Balance as per the last financial statements	137.33	57.49
Add: Expenses during the year	130.45	79.84
Balance at the end of the year (B)	**267.78**	**137.33**
Other Comprehensive Income		
Balance at the beginning of the year	4.76	10.42
Item of other comprehensive income		
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	57.30	(5.66)
Balance at the end of the year (C)	**62.06**	**4.76**
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(14,373.03)	(9,251.22)
Add: Profit / (Loss) for the year	(4,614.89)	(5,127.47)
Item of other comprehensive income		
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	(57.30)	5.66
Balance at the end of the year (D)	**(19,045.22)**	**(14,373.03)**
Total of other equity(A+B+C+D)	**85,828.29**	**81,724.84**

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17 Non-Current Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at amortised cost		
Secured		
1,000 (31 March 2020: 1,000) 16.50% Non-convertible redeemable debentures of Rs. 1,00,000 each (secured)*	-	373.38
Total	**-**	**373.38**

*** The non-convertible redeemable debentures are secured by:**
(a) Hypothecation over all the moveable assets / receivables of the Company.

Terms of Repayment - Debentures as at 31 March 2021

Repayment frequency	Monthly/Quarterly repayment	Total
Rate of interest	**15%-16.50%**	
Due 1 to 2 years		
No. of instalments	-	-
Amount	-	-
Total	-	-

Terms of Repayment - Debentures as at 31 March 2020

Repayment frequency	Monthly/Quarterly repayment	Total
Rate of interest	**15%-16.50%**	
Due 1 to 2 years		
No. of instalments	9.00	9.00
Amount	375.00	375.00
Impact of EIR and accrued interest		(1.62)
Total	**375.00**	**373.38**

18 Other non current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Lease obligation	324.02	484.80
Total	**324.02**	**484.80**

19 Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Provision for gratuity benefits	134.86	124.66
- Provision for leave benefits	171.54	137.98
Total	**306.40**	**262.64**

20 Current Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Overdraft from bank (secured)*	-	436.95
1,000 (31 March 2020: 1,000) 16.50% Non-convertible redeemable debentures of INR. 1,00,000 each (secured)**	331.87	451.07
Total	**331.87**	**888.02**

*Overdraft availed from a bank secured by pledge of ₹ 1580 lakhs fixed deposits (31 March 2020: ₹1,580 lakhs).
** Hypothecation over all the moveable assets / receivables of the Company.

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

Terms of Repayment - Debentures as at 31 March 2021

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	Total
Rate of interest	**15%-16.50%**	
Due within 1 year		
No. of instalments	8.00	8.00
Amount	333.33	333.33
Impact of EIR and accrued interest		(1.46)
Total	**333.33**	**331.87**

Terms of Repayment - Debentures as at 31 March 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	Total
Rate of interest	**15%-16.50%**	
Due within 1 year		
No. of instalments	11.00	11.00
Amount	458.33	458.33
Impact of EIR and accrued interest	-	(7.26)
Total	**458.33**	**451.07**

21 **Other current financial liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Expense and other payables	276.20	396.15
Employee related payables	538.35	68.56
Lease obligation	55.57	142.11
Total	**870.12**	**606.82**

22 **Current provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits		
- Provision for gratuity benefits	12.87	8.14
- Provision for leave benefits	20.69	18.76
Total	**33.56**	**26.90**

23 **Other current liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	101.05	135.04
Total	**101.05**	**135.04**

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

24 Revenue from contract with customers

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
License Fees	327.11	457.18
Commission Income	81.99	-
Total	**409.10**	**457.18**

25 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
on fixed deposits	386.85	544.96
on Intercorproate Loan	-	3.54
Unwinding discount of security deposit	46.90	10.65
Rent income	41.38	68.33
Advertisement Income	234.86	-
Interest on Income Tax refund	23.19	7.52
Gain on derecognition of Asset	157.06	-
Provision Written Back	-	2.70
Other income	0.15	0.59
Total	**890.39**	**638.29**

26 Employee benefits expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, bonus and incentives	4,039.08	3,085.14
Contribution to provident and other funds	91.54	70.84
Leave benefits expense	79.21	56.65
Gratuity benefits expense	73.48	65.98
Employee stock option scheme	96.11	35.87
Staff welfare expenses	41.20	54.47
(Less) : Considered for capitalisation	(1,744.74)	(1,386.45)
Total	**2,675.88**	**1,982.50**

27 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses on financial liabilities measured at amortised cost		
- Non-convertible debentures	107.21	138.10
- Overdraft from bank	10.76	12.55
- Lease obligations	102.78	111.44
Other finance cost	1.13	3.69
Total	**221.88**	**265.78**

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

28 **Depreciation and amortization expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortization	1,775.62	1,476.52
Total	**1,775.62**	**1,476.52**

29 **Other expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	5.72	12.00
Rates and taxes	1.01	1.65
Insurance	10.16	6.15
Legal and professional expenses	94.51	188.91
Service charges	0.68	2.65
Software expenses	298.10	563.05
Printing and stationery	0.30	1.38
Electricity expenses	10.40	24.28
Internet and communication expenses	26.70	29.60
Travelling and conveyance	2.83	73.92
Advertisement expenses	815.96	1,521.53
Franking and stamping expenses	0.18	5.52
Conference expenses	-	3.05
Courier expenses	0.97	9.40
Repairs and maintenance	6.19	6.38
Payment to auditors (Refer note below)	13.34	16.02
Security expenses	0.49	4.32
Loss on sale and write off of property, plant and equipment (net)	0.68	1.12
Housekeeping expense	3.34	7.86
Donation Expense	-	6.34
Miscellaneous expenses	6.74	7.35
Total	**1,298.30**	**2,492.48**

(a) Detail of payment to auditors

- Statutory audit fees	7.00	11.00
- Tax audit fees (incl Transfer pricing audit)	5.50	2.50
- Certification fees	0.50	1.60
- Out of pocket expenses	0.34	0.92
Total	13.34	**16.02**

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LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

30 **Tax Expense**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	-	-
Total current tax expense	-	-
Deferred taxes		
Change in deferred tax assets	-	-
Change in deferred tax liabilities	-	-
Net deferred tax expense/ (income)	-	-
Total income tax expense	-	-

30.1 **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 2021 and 31 March 2020:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before income tax expense	(4,672.19)	(5,121.81)
Income tax rate	25.17%	25.17%
Income tax expense	**(1,175.90)**	**(1,289.16)**
Expenses disallowed	83.75	48.25
Incremental tax on account of Ind AS adjustments	1.01	(0.16)
Tax on other comprehensive income	-	-
Unabsorbed Business loss c/f	1,091.14	1,241.07
Income tax expense	-	-

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Notes to financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

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

Particular	As at 31 March 2021	Changes in deferred tax		As at 31 March 2020
		Profit & loss	Other comprehensive income/ loss	
Deferred tax assets on account of:				
Carry forward of unabsorbed losses	4,134.11	(1,090.89)	-	3,043.22
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	82.02	1.13	-	83.15
Deferred tax on account of Ind AS 116	7.22	14.51	-	21.73
Security deposit discounting	0.53	0.78	-	1.31
	4,223.88	**(1,074.47)**	-	**3,149.41**
Deferred tax liabilities on account of:				
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(48.98)	(84.70)	-	35.72
EIR of borrowings	0.37	(1.87)	-	2.24
	(48.61)	**(86.57)**	-	**37.96**
Net Deferred Tax	**4,272.49**	**(1,161.04)**	-	**3,111.45**
Net Deferred Tax recognised	-			-

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
Total	**9,246.24**	**2,886.52**	**8.63**	**12,141.39**

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LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

Notes forming part financial statements for the year ended 31 March 2021 (₹ in Lakhs unless otherwise stated)

31. Earning per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit/(loss) after tax for the year	(4,672.19)	(5,121.81)
Weighted average number of outstanding equity shares	52,953	52,447
Weighted average number of equity shares diluted	3,21,527	2,92,424
Basic earning per share (In absolute ₹)	(8,823.28)	(9,765.69)
Diluted earning per share* (In absolute ₹)	(8,823.28)	(9,765.69)
[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.

32. 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.

33. 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
Wholly Owned Subsidiary	Lendingkart Account Aggregator Private Limited
Welfare Trust	Lendingkart Employees Welfare Trust
Entity having significant influence	Fullerton Financial Private Limited
Chairman and Managing Director	Mr. Harshvardhan Lunia
Chief Operating Officer	Mr. Mukul Sachan (Resigned w.e.f. 31 May 2019)
Director and shareholder	Mr. Raichand Lunia
Director of company is KMP	Bertelsmann Corporate Services India Private Limited

b. Transactions during the year with related parties

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	**Mr. Harshvardhan Lunia**		
	Salary and perquisites (refer note (i) below)	87.50	105.00
2	**Mr. Mukul Sachan**		
	Salary and perquisites	-	51.16
	Consultancy Fees	-	39.00
3	**Bertelsmann Corporate Services India Private Limited**		
	Reimbursement of expenses for board meeting/ workshop	-	3.80
4	**Mr. Raichand Lunia**		
	Lease rent	-	0.02

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Notes forming part financial statements for the year ended 31 March 2021 (₹ in Lakhs unless otherwise stated)

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
5	**Issue of Series D1 CCCPS of ₹ 100 each fully paid**		
	Fullerton Financial Private Limited	-	16,999.84
6	**Issue of Series D2 CCCPS of ₹ 100 each fully paid**		
	Fullerton Financial Private Limited	4,312.27	-
7	**Lendingkart Finance Limited**		
	Investment in equity share capital (including share premium on issue of equity shares) (refer note (ii) below)	-	21,000.00
	Unsecured inter-corporate loan given	-	1,000.00
	Unsecured inter-corporate loan received back	-	1,000.00
	Interest earned on inter-corporate loans	-	(3.54)
	Income earned towards license fee (refer note (v) & (vi) below)	(327.11)	(457.18)
	Recovery of business support charges	(75.42)	(200.18)
	Recovery of ESOP expenditure	(34.35)	(53.96)
8	**Lendingkart Account Aggregator Private Limited**		
	Investment in equity share capital (refer note (iii) below)	-	400.00
	Recovery of revenue/capital expenditure incurred on behalf of the Company	61.20	39.50
9	**Lendingkart Employee Welfare Trust**		
	Loan given to Trust (refer note (iv) below)	0.20	0.25

c. **Balance receivable/(payable) to Related parties**

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	Lendingkart Finance Limited	71.98	66.02
2	Lendingkart Employee Welfare Trust	3,456.88	3,456.68
3	Lendingkart Account Aggregator Private Limited	21.68	-

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Notes forming part financial statements for the year ended 31 March 2021 (₹ in Lakhs unless otherwise stated)

d. Guarantees given to subsidiary company i.e. Lendingkart Finance Limited*

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	Loans taken by subsidiary company from financial institutions and Banks guaranteed by the Holding Company (including CC facility)	69,651.89	82,223.03
2	Non-Convertible debentures issued by subsidiary company to financial institutions, banks and other company guaranteed by the Company	44,823.77	38,136.36

(i) (a) 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.

(b) Provision made for variable is not included above.

(ii) During the year ended 31 March 2020, the Subsidiary Company, Lendingkart Finance Limited issued 52,02,011 equity shares of ₹ 10 each fully paid-up at a premium of ₹ 393.69 per share to the Company amounting to ₹ 21,000.00.

(iii) During the year ended 31 March 2020, the Subsidiary Company, Lendingkart Account Aggregator Private Limited issued 40,00,000 equity shares of ₹ 10 each fully paid-up per share at par to the Company amounting to ₹ 400.00.

(iv) During the year ended 31 March 2021, the Company has given loan to its trust, i.e. Lendingkart Employees welfare Trust of ₹ 0.20.

(v) 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 licensed software to digitally lend money to its customers.

(vi) The services provided by the Company to the Subsidiary Company, i.e. Lendingkart Finance Limited are of a specialised nature and hence difficult to benchmark with other external sources. The Company has engaged the services of an expert to assess the arm's length price for this inter-company transaction. Based on the assessment of such expert license fees are revised from April 2018 and are paid by the Subsidiary Company to the Company and are considered at arm's length.

34. 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.

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LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

Notes forming part financial statements for the year ended 31 March 2021 (₹ in Lakhs unless otherwise stated)

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 2021		As at 31 March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets - Non-current				
Loans	3,456.88	-	3,456.68	-
Other Financial assets	37.86	-	75.32	-
Financial assets – Current				
Cash and cash equivalents	125.53	-	260.71	-
Bank Balance other than above	7,619.50	-	3,981.81	-
Other financial assets	149.31	-	66.02	-
Financial liabilities - Non-Current				
Borrowings	-	-	373.38	-
Other financial liabilities	324.02	-	484.80	-
Financial liabilities – Current				
Borrowings	331.87	-	888.02	-
Other financial liabilities	870.12	-	606.82	-

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.

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

Particulars	Level of hierarchy	31 March 2021	
		Carrying amount	Fair value
Financial assets - Non-current			
Loans	Level 3	3,456.88	3,456.88
Other Financial assets	Level 3	37.86	37.86
Financial Liabilities - Non-current			
Borrowings	Level 3	-	-
Other financial liabilities	Level 3	324.02	324.02

Particulars	Level of hierarchy	31 March 2020	
		Carrying amount	Fair value
Financial assets - Non-current			
Loans	Level 3	3,456.68	3,456.68
Other Financial assets	Level 3	75.32	75.32
Financial Liabilities - Non-current			
Borrowings	Level 3	373.38	373.38
Other financial liabilities	Level 3	484.80	484.80

During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

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

35. 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 and other office equipments 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 2021		31 March 2020	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial liabilities - Non-Current				
Borrowings	-	-	-	400.94
Other financial liabilities	-	427.87	-	717.47
Financial liabilities – Current				
Borrowings	354.01	-	989.81	-
Other financial liabilities	931.95	-	697.39	-
Total	**1,285.96**	**427.87**	**1,687.20**	**1,118.41**

Financial Assets	31 March 2021		31 March 2020	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial Assets - Non-Current				
Investments	-	72,101.25	-	72,101.25
Loans	-	3,456.88	-	3,456.68
Other financial assets	-	37.86	-	75.32
Financial Assets – Current				
Cash and cash equivalents	125.53	-	260.71	-
Bank Balance other than cash and cash equivalents	7,619.50	-	3,981.81	-
Other financial assets	149.31	-	66.02	-
Total	**7,894.34**	**75,595.99**	**4,308.54**	**75,633.25**

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 The company has following exposure to foreign currency risk at the end of 31 March 2021 (31 March 2020 : Nil).

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Particulars	Foreign currency	Amount in foreign currency	Exchange rate	Amount in ₹
Unhedge foreign currency	USD	7,093.00	72	5,10,696.00

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.

(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.

36. 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 2021	31 March 2020
Borrowings other than CCCPS	331.87	1,261.40
Less: Cash and bank balances	(7,745.03)	(4,242.52)
Net debt (A)	**(7,413.16)**	**(2,981.12)**
Equity (including CCCPS) (B)	**86,080.90**	**81,963.06**
Gearing ratio (A/(A+B))	**(0.09)**	**(0.04)**

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 2021 and 31 March 2020

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37. 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:

(i) Key actuarial assumptions

Particulars	31 March 2021	31 March 2020
Discount rate (per annum)	6.50%	6.60%
Rate of salary increase	12.00%	12.00%
Rate of employee turnover (per annum)		
Age band		
25 & 25 below	18.00%	18.00%
25 to 35	15.00%	15.00%
35 to 45	12.00%	12.00%
45 to 55	9.00%	9.00%
55 & above	6.00%	6.00%

(ii) Movement in defined benefit obligation

Particulars	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	132.80	73.06
Interest expense	8.50	5.27
Current service cost	64.98	60.71
Past service cost	-	-
Benefits paid	(1.24)	(11.91)
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	-	(0.05)
Actuarial (gains) / losses on obligations - due to change in financial assumptions	1.05	8.55
Actuarial (gains) / losses on obligations - due to experience	(58.36)	(2.83)
Present Value of obligation at the end of the year	**147.73**	**132.80**

(iii) Assets and liabilities recognised in the balance sheet

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligation at the end of the year	147.73	132.80
Fair Value of Plan Assets at the end of the year	-	-
Net (liability) / asset recognised in the balance sheet	**(147.73)**	**(132.80)**

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

Particulars	31 March 2021	31 March 2020
Current Service Cost	64.98	60.71
Past service cost	-	-
Net interest (income)/ expense	8.50	5.27
Net gratuity cost recognised in the year	**73.48**	**65.98**

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

Particulars	31 March 2021	31 March 2020
Actuarial gain/ loss on post employment benefit obligation		
Actuarial (gains) / losses on obligations - due to change in demographic assumptions	-	(0.05)
Actuarial (gains) / losses on obligations - due to change in financial assumptions	1.05	8.55
Actuarial (gains) / losses on obligations - due to experience	(58.36)	(2.83)
Total remeasurement cost / (credit) for the year recognised in OCI	**(57.31)**	**5.66**

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

Particulars	31 March 2021	31 March 2020
Opening Net Liability	132.80	73.06
Expenses recognised at the end of year	73.48	65.98
Benefits Paid	(1.24)	(11.91)
Amount recognised in other comprehensive income	(57.31)	5.66
Net Liability/(Asset) Recognized in the Balance Sheet	**147.73**	**132.80**

(vii) Sensitivity analysis:

Particulars	31 March 2021	31 March 2020
Delta effect of +0.5% change in rate of discounting	142.60	127.93
Delta effect of -0.5% change in rate of discounting	153.19	137.98
Delta effect of +0.5% change in rate of salary increase	150.34	135.34
Delta effect of -0.5% change in rate of salary increase	145.11	130.12
Delta effect of +10% change in rate of employee turnover	145.93	130.17
Delta effect of -10% change in rate of employee turnover	149.16	135.07

(viii) Maturity analysis of projected benefit obligation:

Year	31 March 2021	31 March 2020
1	12.87	8.14
2	11.24	6.36
3	12.57	12.08
4	16.90	14.59
5	17.90	17.46
Sum of Years 6 to 10	74.77	72.35

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(ix) **The experience adjustment on plan assets :**

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Defined benefit obligation	147.73	132.80	73.06	47.58	20.62
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(147.73)	(132.80)	(73.06)	(47.58)	(20.62)
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	(58.36)	(2.83)	(10.68)	(8.55)	2.57

(B) **Compensated absences**

Maturity profile

Particulars	31 March 2021	31 March 2020
Present value of unfunded obligations	182.23	156.74
Expense recognised in the Statement of Profit and Loss	79.21	56.65
Discount rate (p.a.)	6.50%	6.60%
Salary escalation rate (p.a)	12.00%	12.00%

(C) **Defined contribution plan**

The Company contributes in 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 ₹ 89.74 (31 March 2020: ₹ 70.77) for provident fund contributions in the Statement of profit and loss.

38. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

39. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2021, 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:

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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 ("Series D")

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

Series A:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	192	10,207	199	10,207
Granted during the year	-	-	-	-
Forfeited during the year	-	-	7	10,207
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	192	10,207	192	10,207
Exercisable at the end of the year	192	10,207	192	10,207

Series B:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	1,863	29,634	2,218	29,634
Granted during the year	-	-	-	-
Forfeited during the year	277	29,634	249	29,634
Surrendered during the year	-	-	-	-
Encashed during the year	-	-	106	29,634
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,586	29,634	1,863	29,634
Exercisable at the end of the year	1,571	29,634	1,345	29,634

Series C:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	2,351	59,918	1,380	59,918
Granted during the year	54	59,918	1,784	59,918
Forfeited during the year	844	59,918	813	59,918
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,561	59,918	2,351	59,918
Exercisable at the end of the year	961	59,918	294	59,918

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Series D:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	9,051	59,918	-	-
Forfeited during the year	2,742	59,918	-	-
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,309	59,918	-	-
Exercisable at the end of the year	-	-	-	-

The average fair value of stock options are as follows:

Series of ESOP	31 March 2021		31 March 2020	
	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	2,059.25
Series B	25-Apr-17	1,973.81	25-Apr-17	2,408.83
Series B	11-Sep-17	2,280.95	11-Sep-17	2,788.31
Series B	13-Dec-17	2,402.19	13-Dec-17	2,662.32
Series C2	04-Feb-19	7,592.34	04-Feb-19	9,400.41
Series C2	08-Jun-19	8,702.71	08-Jun-19	9,273.82
Series C2	11-Feb-20	6,317.59	11-Feb-20	7,297.27
Series D	30-Jun-20	8,795.96	-	-
Series D	10-Nov-20	8,484.37	-	-
Series D	10-Feb-21	10,250.50	-	-

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

Series A:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	31-Mar-16	0%	20%	6.75%	16,000	10,207	Vesting period + Exercise period	10%
31 March 2020	31-Mar-16	0%	20%	6.75%	16,000	10,207		10%

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Series B:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	31-Mar-17	0%	20%	6.75%	23,000	29,634	Vesting period + Exercise period	10%
	25-Apr-17	0%	20%	6.50%	23,000	29,634		10%
	11-Sep-17	0%	20%	6.35%	23,829	29,634		10%
	13-Dec-17	0%	20%	6.85%	23,829	29,634		10%
31 March 2020	31-Mar-17	0%	20%	6.75%	23,000	29,634		10%
	25-Apr-17	0%	20%	6.50%	23,000	29,634		10%
	11-Sep-17	0%	20%	6.35%	23,829	29,634		10%
	13-Dec-17	0%	20%	6.85%	23,829	29,634		10%

Series C:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	11-Feb-20	0%	20%	5.70%	54,944	59,918	Vesting period + Exercise period	10%
	08-Jun-19	0%	20%	6.60%	54,944	59,918		10%
	04-Feb-19	0%	20%	6.80%	54,710	59,918		10%
31 March 2020	11-Feb-20	0%	20%	5.70%	54,944	59,918		10%
	08-Jun-19	0%	20%	6.60%	54,944	59,918		10%
	04-Feb-19	0%	20%	6.80%	54,710	59,918		10%

Series D:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	30-Jun-20	0%	20%	4.34%	59,918	59,918	Vesting period + Exercise period	10%
	10-Nov-20	0%	20%	4.25%	59,918	59,918		10%
	10-Feb-21	0%	20%	4.72%	59,918	59,918		10%
31 March 2020	30-Jun-20	-	-	-	-	-	-	-
	10-Nov-20	-	-	-	-	-	-	-
	10-Feb-21	-	-	-	-	-	-	-

* 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

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40. 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 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.

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

Particulars	Amount
Balance as at 31 March, 2019	**672.90**
Additions	-
Depreciation expense	150.08
Balance as at 31 March, 2020	**522.82**
Additions	454.29
Closure	435.96
Depreciation expense	154.22
Balance as at 31 March, 2021	**386.93**

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

Particulars	31 March 2021	31 March 2020
Opening Balance	**626.91**	**736.65**
Additions	411.55	-
Accretion of interest	102.78	111.44
Closure	(593.01)	-
Payments	(168.64)	(221.18)
Closing Balance	**379.59**	**626.91**
Current	55.57	142.11
Non-Current	324.02	484.80

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

Particulars	31 March 2021	31 March 2020
Short-term leases	5.72	12.00

iv) Maturity profile is as follows:

Lease Liability	As at 31 March 2021	As at 31 March 2020
Not later than one year	117.40	232.68
Later than one year and not later than five years	427.87	633.37
Later than five years	-	84.10
Total undiscounted lease liabilities	**545.27**	**950.15**

v) The effective interest rate of lease liabilities is 17.76% (March 31, 2020: 16.5%) with maturities between one to five years.

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

Particulars	31 March 2021	31 March 2020
Depreciation expense on right of use of assets	154.22	150.08
Interest expense on lease liabilities	102.78	111.44
Expense relating to short term leases (included in other expenses)	5.72	12.00
Loss/(Gain) on derecognition of assets	(157.06)	-
Total Amount recognized in statement of profit and loss account	**105.66**	**273.52**

41. Contingent liabilities and commitments

a) Contingent Liability

Particulars	31 March 2021	31 March 2020
Corporate guarantee provided in connection with loan facilities availed by the subsidiary company, Lendingkart Finance Limited	69,651.89	82,223.03
Corporate guarantee provided in connection with debentures issued by the subsidiary company, Lendingkart Finance Limited	44,823.77	38,136.36
Arrears of dividend on Cumulative Compulsorily Convertible preference shares and taxes thereon [In absolute ₹]	96.68	70.31

b) There are no capital commitments as on 31 March 2021 (31 March 2020: Nil).

c) There are no pending litigations as on 31 March 2021 (31 March 2020: Nil).

42. Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2021	31 March 2020
Software expenses	122.22	230.20
Professional fees	-	2.57
Advertisement expenses	0.90	-
Travelling expenses	-	1.35
Employee training expenses	0.13	0.29
Donation made	-	6.34
Total	**123.25**	**240.75**

43. 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 2021.

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

(a) Inter-corporate investment

Particulars	31 March 2021	31 March 2020
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
Corpus fund in Lendingkart Employee Welfare Trust	0.01	0.01

(b) Inter-corporate loans

Particulars	31 March 2021	31 March 2020
Loan made to Lendingkart Finance Limited (Wholly Owned Subsidiary)	-	1,000.00
Loan made to Lendingkart Employee Welfare Trust	0.20	0.25

(c) 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 2021	
	Sanctioned Amount	Outstanding Amount
Non-convertible redeemable debentures	63,750.00	44,823.77
Term loans	1,41,400.00	54,800.89
Working capital demand loans	14,850.00	10,928.54
Cash credit	5,300.00	3,922.46
Total	**2,25,300.00**	**1,14,475.66**

Type of facility	31 March 2020	
	Sanctioned Amount	Outstanding Amount
Non-convertible redeemable debentures	47,750.00	38,136.36
Term loans	81,450.00	60,839.77
Working capital demand loans	17,400.00	15,941.67
Cash credit	5,600.00	5,441.59
Total	**1,52,200.00**	**1,20,359.39**

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

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

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

S.R.

45. 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 Jayesh Gandhi
Partner
Membership No.: 037924

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

Place: Mumbai
Date: 12th May 2021

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
Company Secretary
Membership No.: A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No.: 098112

Place: Mumbai
Date: 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD.
(INDIA)

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400028, 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 Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Lendingkart Technologies Private Limited ("the Holding Company") and its subsidiaries (together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS 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 Ind AS 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, 2021, their consolidated loss including other comprehensive income, its 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 Ind AS 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 Ind AS Financial Statements' section of our report. We are independent of the Group 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to note 2.4 to the consolidated Ind AS financial statements, which describes the uncertainty caused by the continuing COVID-19 pandemic and its impact on the Group's estimates of impairment of loans to customers and recoverability of intangible assets and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the consolidated Ind AS Financial Statements

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, 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 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 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 Ind AS 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 Ind AS financial statements by the Directors of Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 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

We did not audit the financial statements and other financial information in respect of one subsidiary company and one employee welfare trust included in the accompanying consolidated IND AS financial statements of the Company whose financial statements include total assets of Rs. 38.71 crores as at March 31, 2021 and the total revenues of Rs. 0.22 crores and net cash outflows of Rs. 1.46 crores for the year ended on that date. These IND AS financial statements of subsidiary company and employee welfare trust have been audited by the other auditors whose 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 subsidiary company and trust, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors.

Our opinion above on the consolidated Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. 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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated 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 consolidated Ind AS 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, 2021 taken on record by the Board of Directors, none of the directors of Holding company as well as subsidiary companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to standalone Ind AS financial statements;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company for the year ended March 31, 2021 and In our opinion and based on the consideration of reports of other statutory auditors of the one subsidiary company, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by subsidiaries incorporated in India 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:

i. The Group does not have any pending litigations which would impact its financial position;

ii. The Group 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 Group

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

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADT7219

Place of Signature: Mumbai
Date: May 12,2021

Lendingkart Technologies Private Limited
Consolidated Balance Sheet as at 31 March 2021

(₹ in lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	5	237.91	425.39
Intangible assets	6	2,630.22	2,509.61
Intangible assets under Development		278.82	133.85
Right-of -use assets	5	2,726.00	3,736.47
Financial assets			
(i) Non-current loans	7	1,14,425.85	1,12,958.18
(ii) Other non-current financial assets	8	4,794.63	4,127.57
Current tax assets (net)	9	119.01	527.48
Deferred tax assets (net)	10	3,986.68	1,858.65
Other non-current assets	11	32.43	55.04
Total non-current assets		**1,29,231.55**	**1,26,332.24**
Current assets			
Financial assets			
(i) Cash and cash equivalents	12	28,926.09	5,470.89
(ii) Bank balances other than cash and cash equivalents	13	20,850.45	12,602.24
(iii) Current loans	14	79,443.40	99,730.33
(iv) Other current financial assets	15	4,160.43	1,695.61
Other current assets	16	1,797.16	1,879.04
Total current assets		**1,35,177.53**	**1,21,378.11**
Total assets		**2,64,409.08**	**2,47,710.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	4.72	4.72
Equity component of CCCPS	17	247.31	232.92
Other equity	18	84,823.01	78,847.75
Total equity		**85,075.04**	**79,085.39**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	19	68,821.41	73,885.95
(ii) Other non-current financial liabilities	20	6,220.53	4,058.31
Non-current provisions	21	660.71	614.02
Other non-current liabilities	22	1,324.28	-
Total non-current liabilities		**77,026.93**	**78,558.28**
Current liabilities			
Financial liabilities			
(i) Current borrowings	23	94,682.79	84,872.49
(ii) Other current financial liabilities	24	6,015.02	4,343.34
Current tax liability	25	1,189.18	-
Current provisions	26	62.77	53.99
Other current liabilities	27	357.35	796.86
Total current liabilities		**1,02,307.11**	**90,066.68**
Total equity and liabilities		**2,64,409.08**	**2,47,710.35**

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place: Mumbai
Date: 12th May 2021

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
Company Secretary
Membership No. : A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

Place: Mumbai
Date: 12th May 2021

Lendingkart Technologies Private Limited
Consolidated Statement of profit and loss for the year ended 31 March 2021 *(₹ in lakhs unless otherwise stated)*

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Interest Income	28	47,229.81	42,886.98
Gain on assignment of loans	29	264.74	1,721.87
Total revenue from operations		**47,494.55**	**44,608.85**
Other income	30	2,504.21	2,392.33
Total income		**49,998.76**	**47,001.18**
Expenses			
Employee benefits expenses	31	6,357.69	6,993.93
Finance costs	32	18,469.81	17,978.75
Fees and commission expenses	33	1,237.71	729.80
Impairment of financial instruments	34		
Additional covid provisions (refer note 34)		6,783.58	1,441.44
Other provisions		10,984.94	10,506.79
Depreciation and amortisation expenses	35	2,459.62	2,106.51
Other expenses	36	5,564.10	8,178.48
Total expenses		**51,857.45**	**47,935.70**
Profit/(loss) before tax		**(1,858.69)**	**(934.52)**
Tax expense / (credit)	37		
- Current tax		3,128.07	1,407.18
- Prior period tax adjustments		-	3.28
- Deferred tax (income) / expense		(2,144.21)	(185.27)
		983.86	**1,225.19**
Profit/(loss) after tax		**(2,842.55)**	**(2,159.71)**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		121.54	(11.03)
- Tax impact on above		(16.19)	1.56
Other comprehensive income/(loss), (net of tax)		**105.35**	**(9.47)**
Total comprehensive income/(loss)		**(2,737.20)**	**(2,169.18)**
Earning per equity share(In absolute ₹) :			
Basic	38	(6,024.39)	(4,577.21)
Diluted	38	(6,024.39)	(4,577.21)

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place: Mumbai
Date: 12th May 2021

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
Company Secretary
Membership No. : A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place: Mumbai
Date: 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

Lendingkart Technologies Private Limited
Consolidated Statement of Changes In Equity for the year ended 31 March 2021 *(₹ in lakhs unless otherwise stated)*

(a) Equity share capital

Particulars	No of shares	Amount
Balance at 31 March 2019	47,184	4.72
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**47,184**	**4.72**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**47,184**	**4.72**

(b) Equity component of convertible preference shares

(i) CCCPS of ₹ 10 each fully paid

Particulars	No of shares	Amount
Balance at 31 March 2019	18,187	1.82
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**18,187**	**1.82**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**18,187**	**1.82**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	36,994	36.99
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**36,994**	**36.99**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**36,994**	**36.99**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	44,396	44.40
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**44,396**	**44.40**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**44,396**	**44.40**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	24,711	24.71
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**24,711**	**24.71**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**24,711**	**24.71**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	86,109	86.11
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	**86,109**	**86.11**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**86,109**	**86.11**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	-	-
Changes in equity share capital during the year	1,336	0.01
Balance at 31 March 2020	**1,336**	**0.01**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**1,336**	**0.01**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	-	-
Changes in equity share capital during the year	38,884	38.88
Balance at 31 March 2020	**38,884**	**38.88**
Changes in equity share capital during the year	-	-
Balance at 31 March 2021	**38,884**	**38.88**

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

Particulars	No of shares	Amount
Balance at 31 March 2019	-	-
Changes in equity share capital during the year	-	-
Balance at 31 March 2020	-	-
Changes in equity share capital during the year	14,394	14.39
Balance at 31 March 2021	**14,394**	**14.39**

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

LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

Lendingkart Technologies Private Limited
Consolidated Statement of Changes In Equity for the year ended 31 March 2021 *(₹ in Lakhs unless otherwise stated)*

(c) Other equity

Particulars	Reserves and Surplus						
	Securities premium	Statutory Reserve as per RBI Act	Share options outstanding account	Treasury shares	Retained earnings	OCI Reserves	Total other equity
Balance as at 31 March 2019	**72,827.17**	**687.43**	**57.49**	**(3,455.09)**	**(12,295.16)**	**13.90**	**57,835.74**
Profit / (Loss) for the for the year	-	-	-	-	(2,169.18)	-	**(2,169.18)**
Other comprehensive income (net of tax)	-	-	-	-	9.47	(9.47)	-
Expenses on employee stock options scheme	-	-	79.84	-	-	-	**79.84**
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	593.06	-	-	(593.06)	-	-
Premium on issue of share capital	23,259.50	-	-	-	-	-	**23,259.50**
Share issue expense	(158.15)	-	-	-	-	-	**(158.15)**
Balance as at 31 March 2020	**95,928.52**	**1,280.49**	**137.33**	**(3,455.09)**	**(15,047.93)**	**4.43**	**78,847.75**
Profit / (Loss) for the for the year	-	-	-	-	(2,737.20)	-	**(2,737.20)**
Other comprehensive income (net of tax)	-	-	-	-	(105.35)	105.35	-
Expenses on employee stock options scheme	-	-	130.45	-	-	-	**130.45**
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	376.00	-	-	(376.00)	-	-
Premium on issue of share capital	8,610.15	-	-	-	-	-	**8,610.15**
Share issue expense	(28.14)	-	-	-	-	-	**(28.14)**
Balance as at 31 March 2021	**1,04,510.53**	**1,656.49**	**267.78**	**(3,455.09)**	**(18,266.48)**	**109.78**	**84,823.01**

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place: Mumbai
Date: 12th May 2021

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

Harshvardhan Lunia
Chairman and Managing Director
DIN No. : 01189114

S. Bhatia

Kumudini Aggarwal
Company Secretary
Membership No. : A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place: Mumbai
Date: 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. (INDIA)

Lendingkart Technologies Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2021 *(₹ in Lakhs unless otherwise stated)*

Particulars	31 March 2021	31 March 2020
Operating activities		
Profit/(loss) before tax	(1,858.69)	(934.52)
Adjusted for:		
Impact of EIR accounting of financial assets	601.77	657.55
Impact of EIR accounting of financial liabilities	(131.90)	(242.50)
Upfront gain on direct assignment	(264.74)	(1,721.87)
Guarantee fees	(134.30)	1,119.08
Employee stock option expense	130.45	79.84
Provision for gratuity	12.95	136.52
Provision for leave benefit	42.52	(35.86)
Impairment of loans	9,174.38	1,925.10
Impairment of other financial assets	648.27	24.54
Bad debt written offs	7,945.88	10,004.49
Discount on Commercial Paper	2.35	176.97
Depreciation and amortisation	2,459.63	2,106.51
Share issue expenses	-	5.19
Interest income on inter corporate unsecured loan	-	(3.54)
Interest on bank deposits	(1,304.96)	(1,925.83)
Interest on borrowings and debt securities	17,848.81	16,058.29
Interest on financial lease liability	488.57	489.76
Loss/(profit) on sale of property, plant and equipment	3.70	4.23
Reversal of lease equalisation reserve	54.88	(87.08)
Actuarial gain / (loss) recognised in other comprehensive income	121.54	(11.03)
Cash from operations before working capital changes	**35,841.11**	**27,825.84**
Changes in working capital :		
- (Increase) / decrease in loans	1,050.34	(1,02,934.76)
- (Increase) / decrease in other financial assets	(5,210.44)	(1,102.54)
- (Increase) / decrease in other non financial assets	267.53	(1,239.20)
- Increase / (decrease) in other financial liabilities	4,021.80	2,661.01
- Increase / (decrease) in other non financial liabilities	917.32	218.98
Cash generated from operating activities	**36,887.66**	**(74,570.67)**
Income tax paid (net)	(1,530.42)	(1,385.41)
Net cash flows from / (used in) operating activities	**35,357.24**	**(75,956.08)**
Investing activities:		
Investment in equity shares of subsidiary company	-	(21,400.01)
Purchase of property, plant and equipment and intangible assets	(1,531.13)	(1,948.21)
Proceeds from sale of property, plant and equipment	0.22	0.14
Fixed Deposit Matured	(6,563.02)	(1,676.90)
Interest received on bank deposit	1,304.96	1,903.81
Interest received on inter corporate unsecured loan	-	3.54
Net cash flow from/ (used in) investing activities	**(6,788.97)**	**(23,117.63)**
Financing activities:		
Issue of equity share capital (including securities premium)	8,602.28	44,567.14
Proceeds from inter-corporate loan	-	1,000.00
Repayment of inter-corporate loan	-	(1,000.00)
Proceeds from debt securities	40,750.00	31,730.83
Repayment of debt securities	(19,772.80)	(21,908.18)
Proceeds from other than debt securities	37,510.00	85,598.66
Repayment of other than debt securities	(51,487.61)	(60,929.27)
Change in cash credit/overdraft	2,791.77	2,160.82
Share issue expenses	(5.88)	(32.08)
Repayment of lease liabilities	(735.89)	(751.90)
Proceeds/(repayment) from securitisation liability	(1,532.60)	22,660.56
Repayment of finance cost	(21,232.34)	(15,215.76)
Net cash generated from/(used in) financing activities	**(5,113.07)**	**87,881.12**
Net increase / (decrease) in cash and cash equivalents	**23,455.20**	**(11,192.59)**
Cash and cash equivalents at the beginning of the year	5,470.89	16,663.48
Cash and cash equivalents at the end of the year	**28,926.09**	**5,470.89**

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

LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

Lendingkart Technologies Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2021 *(₹ in Lakhs unless otherwise stated)*

Particulars	31 March 2021	31 March 2020
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with banks		
(i) In Current accounts	6,725.37	5,319.63
(ii) In deposit accounts with original maturity of less than 3 months	22,200.72	151.26
Cash and cash equivalents	**28,926.09**	**5,470.89**

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 Jayesh Gandhi
Partner
Membership No. : 037924

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

Place: Mumbai
Date: 12th May 2021

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
Company Secretary
Membership No. : A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No. : 098112

Place: Mumbai
Date: 12th May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

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 2021. 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 technology tools based on big data analysis which facilitates lenders to evaluate borrower's credit worthiness and provides other related services. 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 2021. 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, its trust 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.

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:

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LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)

(₹ in Lakhs unless otherwise stated)

Name	Relationship	Country of Incorporation	Proportion of ownership	
			31 March 2021	31 March 2020
Lendingkart Finance Limited	Subsidiary	India	100%	100%
Lendingkart Account Aggregator Private Limited	Subsidiary	India	100%	100%
Lendingkart Employees Welfare Trust	Trust	India	100%	100%

2.3 Goodwill on Consolidation

The excess of cost to the Holding Company of its investment in subsidiary over the Holding Company's portion of equity at the date on which investment in subsidiary was made, has been recognised as goodwill in the Consolidated Financial Statements. The Group amortises such goodwill over the best estimate of its useful economic life and the same is tested for impairment annually.

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

COVID-19 virus, a global pandemic has affected the world economy including India. Consequent to the outbreak of COVID – 19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government in a phased manner outside specific containment zones. While there has been improvements in the economic activities from the second half of the year, but with emergence of second wave of COVID-19, its impact on companies performance remain uncertain and will depend on ongoing and future development. However, there are many opportunities created for the company in the current scenario, given the strong need for digital and contactless delivery of financial services and digitalization of services.

The Group has assessed the impact of the COVID-19 pandemic on its liquidity position and ability to repay its obligations as and when they are due. Management has considered continued stimulus package by the Government of India for the NFBC sector and also the continued support from the banking partners in determining the Group's liquidity position over next 12 months. Considering Group's very strong liquidity position as on year end, management believes that the Group has more than adequate liquidity to manage business growth in the foreseeable future.

In assessing the recoverability of loans to customers, the Group has considered internal sources of information and management assessment on impacted industries and states, up to the date of approval of these financial results. Since the current situation is continuously evolving, its impact on the Group's performance has some degree of uncertainty, however the Group continues to closely monitor any changes in the market/economic conditions.

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.

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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.

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.

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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 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.

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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 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.

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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 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

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- 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 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:

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- **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.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

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.

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- **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) Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

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). Over the past 18 years, CGTMSE has been instrumental in providing guarantee cover on credit extended by eligible Member Lending Institutions [MLIs] to MSEs.
The Group has also become the MLI in the same scheme and obtained sovereign guarantee cover of its portfolio. Accordingly, the Group has incorporated the benefit of this sovereign guarantee cover in calculation of impairment of assets.

(x) Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the 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. 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:

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- 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.

- **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.

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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.

➢ **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.

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(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.

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

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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

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➢ 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

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.

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(xxiv) Share issue expenses

Direct expenses in connection with issue of shares are adjusted from securities premium account, to the extent available.

(xxv) Treasury shares

The group has an Employee Stock Option Plan ("ESOP trust"), which is constituted to incentivise the employees by issue of stock options. As a part of the scheme trust acquires shares from the open market at fair value. The Group treats ESOP as extension of its arm and shares held by ESOP trust are treated as treasury shares, to the extent not granted to the employees. The acquisition cost of shares by the trust is deducted from equity share capital to the extent of face value and balance is deducted from other equity.

When options are granted to employees, the difference between vesting price and the carrying value of shares in the trust are adjusted from other equity.

Up to 31 March 2020, no ESOP shares are granted to any 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

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5 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 31 March 2019	**381.50**	**44.99**	**66.78**	**493.27**	**2,619.39**
Additions	289.22	9.55	78.76	**377.53**	1,908.21
Disposals	3.68	2.19	2.14	**8.01**	-
As at 31 March 2020	**667.04**	**52.35**	**143.40**	**862.79**	**4,527.60**
Additions	39.21	2.44	1.84	**43.51**	753.16
Disposals	13.59	-	1.78	**15.37**	1,297.47
As at 31 March 2021	**692.66**	**54.79**	**143.46**	**890.93**	**3,983.29**
Accumulated depreciation					
As at 31 March 2019	119.79	10.12	23.14	**153.05**	273.81
Charge for the year	243.40	10.17	34.42	**287.99**	517.32
Disposals	1.94	0.57	1.13	**3.64**	-
As at 31 March 2020	**361.25**	**19.72**	**56.43**	**437.40**	**791.13**
Charge for the year	178.36	8.60	39.64	**226.60**	617.97
Disposals	9.43	-	1.55	**10.98**	151.82
As at 31 March 2021	**530.18**	**28.32**	**94.52**	**653.02**	**1,257.28**
Net book value					
As at 31 March 2020	**305.79**	**32.63**	**86.97**	**425.39**	**3,736.47**
As at 31 March 2021	**162.48**	**26.47**	**48.94**	**237.91**	**2,726.01**

6 Intangible Assets

Particulars	Computer software
Cost	
As at 31 March 2019	**3,002.89**
Additions	1,588.11
Disposals	-
As at 31 March 2020	**4,591.00**
Additions	1,735.66
Disposals	-
As at 31 March 2021	**6,326.66**
Accumulated amortisation	
As at 31 March 2019	780.19
Charge for the year	1,301.20
Disposals	-
As at 31 March 2020	**2,081.39**
Charge for the year	1,615.05
Disposals	-
As at 31 March 2021	**3,696.44**
Net book value	
As at 31 March 2020	**2,509.61**
As at 31 March 2021	**2,630.22**

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7 **Non-current loans**

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans	1,19,499.96	1,16,330.54
Less: Impairment loss allowance	(5,074.11)	(3,372.36)
	1,14,425.85	**1,12,958.18**
(Refer note 54(C) for Credit risk)		
(A) Out of Above		
(i) Secured	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Unsecured	1,19,499.96	1,16,330.54
Less: Impairment loss allowance	(5,074.11)	(3,372.36)
Total (ii)	**1,14,425.85**	**1,12,958.18**
Total (A) = (i) + (ii)	**1,14,425.85**	**1,12,958.18**
(B) Out of Above		
(i) Public Sector	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Others	1,19,499.96	1,16,330.54
Less: Impairment loss allowance	(5,074.11)	(3,372.36)
Total (ii)	**1,14,425.85**	**1,12,958.18**
Total (B) = (i) + (ii)	**1,14,425.85**	**1,12,958.18**

The Group has extended moratorium/deferment of term loan instalments falling due during the moratorium period, March 01, 2020 to August 31, 2020, to its eligible borrowers, who opted for moratorium/deferment of various instalments in line with RBI COVID-19 Regulatory Package notified vide circulars dated March 27, 2020 and May 23, 2020. The Group has also followed Asset Classification and Provisioning guidelines issued by RBI including guidelines issued vide circular dated April 17, 2020.

As the moratorium/deferment has been provided specifically to enable borrowers to tide over COVID-19 disruptions, the same has not been treated as changes in terms and conditions of loan agreements due to financial difficulty of the borrowers and, consequently, has not resulted in asset classification downgrade.

In line with RBI directions, qualified loans included loans outstanding as on March 01, 2020 including those which were in SMA/Overdue category. As per its Board approved policy and in accordance with RBI guidelines, the loans amounting to ₹ 15,928.01 in SMA Overdue categories were extended moratorium relief. The Group also extended asset classification benefit in terms of paragraph 2 & 3 of RBI circular to loans amounting to ₹ 15,376.63. The Group made provisions in terms of paragraph 4 of the circular amounting to ₹ 2,037.68 out of which an amount of ₹ 281.81 adjusted against slippages and fresh provisions in terms of paragraph 6 of the circular. Residual provision in terms paragraph 6 of the circular stands at ₹ 1,755.87 as on March 31, 2021.

Hon'ble Supreme Court in a public interest litigation (Gajendra Sharma vs. Union of India & Anr) vide an interim order dated September 03, 2020 (interim order) has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Group has not classified any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA as of August 31, 2020. Further in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. However, during such period, the Group has done staging of the borrower accounts in accordance with ECL model/framework under Ind AS.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the Group has carried out asset classification of the borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with ECL model/framework under Ind AS in the financial statements for the half-year and year ended March 31, 2021.

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Recognising the need for continued support to provide Covid-19 relief to various borrowers, RBI vide its circular 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances' dated January 01, 2019 and 'Resolution Framework for COVID 19 - related Stress' dated August 06, 2020, allowed Lending Institutions to restructure the debt, subject to certain conditions, provided the borrower's account was classified as standard with the lender as on March 01, 2020.

The Group has extended restructuring relief to its eligible borrowers under guidelines issued by RBI and as per Restructuring policy approved by Board of Directors. The restructuring relief has been extended to 14,636 loans with an outstanding amount of ₹ 48,643.95 as on March 31, 2021.

The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for moratorium period of six month to borrowers in specified loan accounts as per the eligibility criteria specified in the scheme. The Group has implemented the scheme and passed on the ex-gratia benefit amounting to ₹ 1,666.79 to the eligible borrowers.

The Government of India, Ministry of Finance, vide its notification 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package' dated April 07, 2021, had announced to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the judgement of the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021. Accordingly The Group has estimated the amount of ₹ 60.66 and made provision for refund/adjustment to the eligible borrowers.

8 Other non-current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	699.61	543.87
Deposits - maturity more than 12 months*	1,193.93	2,879.12
Receivable from co-lenders	2,570.30	638.70
Interest receivable on assignment of loans	546.30	87.68
Others	2.30	-
Total	**5,012.44**	**4,149.37**
(Less) : Impairment allowance on other financial assets	(217.81)	(21.80)
Total	**4,794.63**	**4,127.57**

***Fixed deposits are pledged against credit facilities of ₹ 1193.93 (31 March 2020: ₹ 2,676.35)**

9 Current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax*	119.01	527.48
Total	**119.01**	**527.48**

*(net of provision for tax ₹ Nil (31 March 2020: ₹ 1,902.50)

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Notes to consolidated financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

10 Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset on account of :		
Carry forward of unabsorbed losses	4,134.11	3,043.22
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	194.73	193.36
Expected credit losses	3,787.61	1,750.18
Unamortised processing fees	318.42	221.01
Impact of difference between tax depreciation and depreciation charged for the financial reporting	36.83	27.84
Deferred tax on account of Ind AS 116	57.46	45.63
Deferred tax on account of Guarantee fees	247.85	325.88
Deferred tax on account of unwinding discount of Security Deposit	33.52	52.75
Interest on market linked debentures	285.10	111.26
MAT credit entitlement	-	42.10
Gross deferred tax assets	**9,095.63**	**5,813.23**
Deferred tax liability on account of :		
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(48.98)	35.72
Deferred tax on account of securitisation and direct assignment	683.70	562.39
Unamortised borrowing cost	201.74	245.02
Gross deferred tax liabilities	**836.46**	**843.13**
Net deferred tax assets (net)	**8,259.17**	**4,970.10**
Deferred tax asset recognised*	**3,986.68**	**1,858.65**

*Deferred tax asset is recognised only to the extent of deferred tax liability on the basis of reasonable certainty.

11 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	32.43	-
Prepaid expenses	-	55.04
Total	**32.43**	**55.04**

12 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks in current accounts	6,725.37	5,319.63
Bank deposit with maturity upto 3 months	22,200.72	151.26
Total	**28,926.09**	**5,470.89**

Balances with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates. Fixed deposits are pledged against credit facilities of ₹ 362.49 (31 March 2020: ₹ NIL)

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with remaining maturity for less than 12 months	20,850.45	12,602.24
Total	**20,850.45**	**12,602.24**

Fixed deposit and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates. Fixed deposits are pledged against credit facilities of ₹ 12645.35 (31 March 2020: ₹ 10,214.51)

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14 Current loans

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans	90,545.82	1,03,293.93
Less: Impairment loss allowance	(11,102.42)	(3,563.60)
	79,443.40	**99,730.33**
(Refer note 54(C) for Credit risk)		
(A) Out of Above		
(i) Secured	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Unsecured	90,545.82	1,03,293.93
Less: Impairment loss allowance	(11,102.42)	(3,563.60)
Total (ii)	**79,443.40**	**99,730.33**
Total (A) = (i) + (ii)	**79,443.40**	**99,730.33**
(B) Out of Above		
(i) Public Sector	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Others	90,545.82	1,03,293.93
Less: Impairment loss allowance	(11,102.42)	(3,563.60)
Total (ii)	**79,443.40**	**99,730.33**
Total (B) = (i) + (ii)	**79,443.40**	**99,730.33**

15 Other current financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	17.54	117.95
Receivable from co-lenders	2,296.05	672.50
Interest receivable on assignment of loans	546.30	692.44
Other receivables	53.70	-
Other current financial assets	1,750.43	226.28
Total	**4,664.02**	**1,709.17**
(Less) : Impairment allowance on other financial assets	(503.59)	(13.56)
Total	**4,160.43**	**1,695.61**

16 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Indirect tax credits available for utilisation	1,338.21	1,297.42
Prepaid expenses	275.69	307.35
Advances against expenses	24.21	19.25
Other advances	159.05	255.02
Total	**1,797.16**	**1,879.04**

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17 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital		
Authorised capital		
(i) 1,70,000 (31 March 2020 : 1,70,000) equity shares of ₹ 10 each	17.00	17.00
(ii) 40,000 (31 March 2020 : 40,000) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	4.00	4.00
(iii) 37,410 (31 March 2020 : 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 2020 : 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 2020 : 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 2020 : 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 2020 :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 2020 :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 2020 : Nil) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each	88.00	-
Issued, subscribed and fully paid up - Equity Shares		
(i) 47,184 (31 March 2020 : 47,184) Equity shares of ₹ 10 each	4.72	4.72
Issued, subscribed and fully paid up - Equity component of convertible preference shares		
(i) 18,187 (31 March 2020 : 18,187) 0.001% Compulsorily Convertible Cumulative preference shares (CCCPS) of ₹ 10 each	1.82	1.82
(ii) 36,994 (31 March 2020 : 36,994) 0.0001% Series A Compulsorily Convertible Cumulative preference shares (Series A CCCPS) of ₹ 100 each	36.99	36.99
(iii) 44,396 (31 March 2020 : 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 2020 : 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 2020 : 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 2020 :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 2020 : 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 2020 : Nil) 0.0001% Series D2 Compulsorily Convertible Cumulative preference shares (Series D2 CCCPS) of ₹ 100 each.	14.39	-
	252.03	237.64

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Notes to consolidated financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

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

(i) Equity Shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	47,184	4.72	47,184	4.72
CCPS converted into equity	-	-	2,893	0.29
Treasury shares held	-	-	(2,893)	(0.29)
Outstanding at the end of the year	**47,184**	**4.72**	**47,184**	**4.72**

(ii) CCCPS of ₹ 10 each fully paid

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	18,187	1.82	18,187	1.82
CCCPS converted into equity	-	-	(2,476)	(0.25)
Treasury shares held	-	-	2,476	0.25
Outstanding at the end of the year	**18,187**	**1.82**	**18,187**	**1.82**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	36,994	36.99	36,994	36.99
CCCPS converted into equity	-	-	(416)	(0.42)
Treasury shares held	-	-	416	0.42
Outstanding at the end of the year	**36,994**	**36.99**	**36,994**	**36.99**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	As at 31 March 2021		As at 31 March 2020	
	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	As at 31 March 2021		As at 31 March 2020	
	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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,336	0.01	-	-
Issued during the year	-	-	1,336	0.01
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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	38,884	38.88	-	-
Issued during the year	-	-	38,884	38.88
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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	14,394	14.39	-	-
Outstanding at the end of the year	**14,394**	**14.39**	-	-

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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 proportion to their shareholdings.

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

During the period 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, (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 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 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, (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 Rs. 100 each will be 1:1.004 and the conversion ratio for 35,206 series A CCCPS of Rs. 100 each will be 1:0.857. The conversion ratio shall be adjusted in case of split or consolidation, etc.

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".

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(e) Terms of conversion/ redemption 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, (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 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 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, (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 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 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, (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 ₹ 100 each will be 1:1.01204

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".

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(h) Terms of conversion/ redemption of Series C3 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2020, the Company issued 1336 Series C3 CCCPS of Rs. 100 each partly paid-up to the extent of ₹ 1/- each. The dividend coupon rate of Series C3 CCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series C3 CCPS 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 CCPS 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 CCPS 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 CCPS.

The conversion ratio for 1,336 series C3 CCCPS of Rs. 100 each will be 1:1.09519
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 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 Rs. 100 each on 8th August, 2019. On 14th August, 2019, the Company issued 3212 Series D1 CCCPS of Rs. 100 each and on 21st August, 2019, the Company issued 291 Series D1 CCCPS of Rs. 100 each.
The dividend coupon rate of Series D1 CCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D1 CCPS 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 Rs. 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, (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 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 of Series D2 CCCPS of ₹ 100 each fully paid

During the year ended 31 March 2021, the Company issued 13,455 Series D2 CCCPS of Rs. 100 each on 27th May, 2020 and on 1st June, 2020, the Company issued 939 Series D2 CCCPS of Rs. 100 each The dividend coupon rate of Series D2 CCPS shall be 0.0001% (zero point zero zero zero one percent) per annum. The dividend payable on the Series D2 CCPS 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, (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 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".

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Notes to consolidated financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

(k) Details of the Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	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	38.85%	20,574	38.85%
Harshvardhan Lunia	18,395	34.74%	18,395	34.74%
Mukul Sachan	7,521	14.20%	7,521	14.20%
Lendingkart Employees Welfare Trust (held as treasury shares)	5,769	10.89%	5,769	10.89%
CCCPS of ₹ 10 each fully paid				
Ananyashree Ashish Goenka	8,560	47.07%	8,560	47.07%
Mayfield India II Limited	3,112	17.11%	3,112	17.11%
Saama Capital III Limited	3,722	20.47%	3,722	20.47%
India Quotient Investment Trust	1,205	6.63%	1,205	6.63%
Rhythm Ventures Limited	1,095	6.02%	1,095	6.02%
Series A CCCPS of ₹ 100 each fully paid				
Mayfield India II, Limited	20,264	54.78%	20,264	54.78%
Saama Capital III, Limited	14,029	37.92%	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				
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%	-	-
IQ Opportunities Fund	2,503	17.39%	-	-
Bertelsmann Nederland B.V.	2,503	17.39%	-	-
Saama Capital III Ltd.	1,252	8.70%	-	-
Sistema Asia Fund Pte. Ltd.	939	6.52%	-	-

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.

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18 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	95,928.52	72,827.17
Add: Premium on issue of Series D1 CCCPS	-	23,259.50
Add: Premium on issue of Series D2 CCCPS	8,610.15	-
(Less): Expenses on issue of shares	(28.14)	(158.15)
Balance at the end of the year (A)	**1,04,510.53**	**95,928.52**
Employee stock options outstanding		
Balance at the beginning of the year	137.33	57.49
Add: compensation expenses during the year	130.45	79.84
Balance at the end of the year (B)	**267.78**	**137.33**
Statutory Reserve u/s 45-IC of Reserve Bank of India Act,1934		
Balance at the beginning of the year	1,280.49	687.43
Add :Amount transferred during the year	376.00	593.06
Balance at the end of the year (C)	**1,656.49**	**1,280.49**
Other Comprehensive Income		
Balance at the beginning of the year	4.43	13.90
Remeasurement gains / (losses) on defined benefit plan (net of tax)	105.35	(9.47)
Balance at the end of the year (D)	**109.78**	**4.43**
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(15,047.93)	(12,295.16)
Add: Loss for the year	(2,737.20)	(2,169.18)
Less : Item of other comprehensive income		
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	(105.35)	9.47
Less : Transferred to Statutory Reserve u/s 45-IC of Reserve Bank of India Act, 1934	(376.00)	(593.06)
Net surplus/ (deficit) in the statement of profit and loss (E)	**(18,266.48)**	**(15,047.93)**
Treasury shares		
Balance at the beginning of the year	(3,455.09)	(3,455.09)
Less: Treasury shares held	-	-
Balance at the end of the year (F)	**(3,455.09)**	**(3,455.09)**
Total other equity (A+B+C+D+E+F)	**84,823.01**	**78,847.75**

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19 Non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Debenture (Secured)*		
(A) At amortised cost		
Privately placed redeemable non-convertible debentures	31,314.12	24,300.02
(B) At FVTPL		
Privately placed redeemable non-convertible debentures	5,388.09	5,122.94
(ii) Term loans (at amortised cost)		
(A) Secured**		
From banks	18,210.69	20,551.65
From other than banks	7,136.77	14,955.26
Securitisation liabilities	4,272.68	6,457.74
(iii) Subordinated Debt		
At amortised cost		
from banks (unsecured)	2,499.06	2,498.34
Total	**68,821.41**	**73,885.95**
(vi) Out of above		
In India	50,746.64	65,855.27
Outside India	18,074.77	8,030.68
Total	**68,821.41**	**73,885.95**

***The debenture are secured by:**

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Group (To the extent of 1 to 1.25 times of outstanding amount of debentures) and moveable assets of the Group.

ii) Corporate guarantee of the Holding Company for 31 March 2021 is ₹ 44,823.77 and 31 March 2020 is ₹ 38,136.36

****The term loans/ working capital demand loans/ cash credit/ overdraft are secured by:**

i) 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).

ii) Corporate guarantee of the Holding Company as at 31 March 2021 is ₹ 69,651.89 and 31 March 2020 is ₹ 82,223,03

iii) Guarantee by third party as at 31 March 2021: Nil (31 March 2020: 15% of initial value of term loans, capped at 35% due to amortization).

iv) First loss default guarantee (FLDG) in the form of fixed deposits as at 31 March 2021 is ₹ 1451.00, 31 Mar 2020 is ₹ 4,422.32

v) First loss default guarantee (FLDG) in the form of security deposits as at 31 March 2021 is ₹ 125.00, 31 Mar 2020 is ₹ 250.00

vi) Overdraft and cash credit availed from banks secured by pledge fixed deposits as at 31 March 2021 is ₹ 7811.62, 31 March 2020 is ₹ 5,167.97

vii) First loss default guarantee (FLDG) in the form of fixed deposits for securitisation transactions as at 31 March 2021 is ₹ 4,348.62 (31 March 2020: ₹ 3,264.26)

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Notes to consolidated financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

Terms of Repayment - Debentures as at 31 March 2021

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	9%-12%	12%-15%	15%-16.5%	
Due within 1 year				
No. of instalments	19	33	8	**60**
Amount	13,411.00	15,598.15	333.33	**29,342.48**
Due 1 to 2 years				
No. of instalments	16	4	-	**20**
Amount	9,161.00	9,397.02	-	**18,558.02**
Due 2 to 3 years				
No. of instalments	1	3	1	**5**
Amount	128.00	7,700.00	2,000.00	**9,828.00**
Due 3 to 4 years				
No. of instalments	-	4	-	**4**
Amount	-	8,100.48	-	**8,100.48**
Interest accrued and impact of EIR				**2,053.48**
Total	**22,700.00**	**40,795.65**	**2,333.33**	**67,882.46**

Terms of Repayment - Debentures as at 31 March 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	9%-12%	12%-15%	15%-16.5%	
Due within 1 year				
No. of instalments	-	57	11	**68**
Amount	-	14,640.49	458.33	**15,098.82**
Due 1 to 2 years				
No. of instalments	-	33	10	**43**
Amount	-	14,495.87	1,375.00	**15,870.87**
Due 2 to 3 years				
No. of instalments	-	3	4	**7**
Amount	-	7,147.24	4,000.00	**11,147.24**
Due 3 to 4 years				
No. of instalments	-	-	1	**1**
Amount	-	-	2,000.00	**2,000.00**
Due 4 to 5 years				
No. of instalments	-	1	-	**1**
Amount	-	0.26	-	**0.26**
Interest accrued and impact of EIR				**616.00**
Total	-	**36,283.86**	**7,833.33**	**44,733.19**

Terms of Repayment - Term Loans & working capital demand loans as at 31 March 2021

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	9%-12%	12%-15%	15%-16%	
Due within 1 year				
No. of instalments	74	297	88	**459**
Amount	12,800.47	26,187.25	2,574.46	**41,562.18**
Due 1 to 2 years				
No. of instalments	27	115	51	**193**
Amount	3,016.67	16,608.32	1,378.95	**21,003.94**
Due 2 to 3 years				
No. of instalments	11	27	-	**38**
Amount	675.33	3,725.17	-	**4,400.50**
Interest accrued and impact of EIR				**127.20**
Total	**16,492.47**	**46,520.74**	**3,953.41**	**67,093.82**

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Terms of Repayment - Term Loans & working capital demand loans as at 31 March 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	**9%-12%**	**12%-15%**	**15%-16%**	
Due within 1 year				
No. of instalments	139	641	-	**780**
Amount	14,271.15	31,344.46	-	**45,615.61**
Due 1 to 2 years				
No. of instalments	40	388	-	**428**
Amount	3,681.39	19,207.66	-	**22,889.05**
Due 2 to 3 years				
No. of instalments	3	152	-	**155**
Amount	208.33	10,529.86	-	**10,738.19**
Due 3 to 4 years				
No. of instalments	-	33	-	**33**
Amount	-	1,951.39	-	**1,951.39**
Interest accrued and impact of EIR				**304.93**
Total	**18,160.87**	**63,033.37**	**-**	**81,499.17**

Terms of Repayment - Subordinated Debt as at 31 March 2021

Original Maturity / Repayment frequency	Bullet 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		**29.12**
Total	**2,500.00**	**2,529.12**

Terms of Repayment - Subordinated Debt as at 31 March 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	**12%-15%**	**Total**
Due 4 to 5 years		
No. of instalments	1	**1**
Amount	1,000.00	**1,000.00**
Due Above 5 years		
No. of instalments	1	**1**
Amount	1,500.00	**1,500.00**
Interest accrued and impact of EIR		**28.44**
Total	**2,500.00**	**2,528.44**

Terms of Repayment - Commercial papers as at 31 March 2021

Original Maturity / Repayment frequency	Bullet repayment	
Rate of interest	**12.90%**	**Total**
Due within 1 year		
No. of instalments	-	-
Amount	-	-
Impact of undiscounted maturity charges and EIR		-
Total	**-**	**-**

Terms of Repayment - Commercial papers as at 31 March 2020

Original Maturity / Repayment frequency	Bullet repayment	
Rate of interest	**12.90%**	**Total**
Due within 1 year		
No. of instalments	1	**1**
Amount	500.00	**500.00**
Impact of undiscounted maturity charges and EIR		**(1.37)**
Total	**500.00**	**498.63**

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20 Other non current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantee liability	2,066.54	498.53
Payable towards Co-lending	1,518.71	-
Lease obligation	2,635.28	3,557.94
Service obligation on account of securitisation	-	1.84
Total	**6,220.53**	**4,058.31**

21 Non-current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity benefits	285.17	280.18
Provision for leave benefits	375.54	333.84
Total	**660.71**	**614.02**

22 Other non-current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	1,324.28	-
Total	**1,324.28**	**-**

23 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Debenture (Secured)*		
(A) At Amortised cost		
Privately placed redeemable non-convertible debentures	27,694.72	15,310.23
(B) At FVTPL		
Privately placed redeemable non-convertible debentures	3,485.53	-
(ii) Term loans (At amortised cost)		
(A) Secured**		
From Banks	24,391.09	25,682.29
From other than Banks	17,355.27	19,684.51
Securitisation liabilities	16,855.28	16,202.82
(B) Unsecured		
From other than Banks	-	625.46
(iii) Loan repayable on demand (at amortised cost)		
Overdraft from bank (secured)*	1,035.76	1,385.33
Cash credit from banks	2,698.59	3,941.58
Cash credit from other than banks	1,136.49	1,511.54
(iv) Subordinated Debt (at amortised cost)		
(A) Unsecured		
From Banks	30.06	30.10
(v)Commercial Paper (Unsecured) (at amortised cost)		
Borrowings by issue of commercial papers	-	498.63
Total	**94,682.79**	**84,872.49**
(vi) Out of above		
In India	91,480.28	84,575.94
Outside India	3,202.51	296.55
Total	**94,682.79**	**84,872.49**

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***The debenture are secured by:**

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Group (To the extent of 1 to 1.25 times of outstanding amount of debentures) and moveable assets of the Group.

ii) Corporate guarantee of the Holding Company for 31 March 2021 is ₹ 44,823.77 and 31 March 2020 is ₹ 38,136.36

****The term loans/ working capital demand loans/ cash credit/ overdraft are secured by:**

i) 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).

ii) Corporate guarantee of the Holding Company as at 31 March 2021 is ₹ 69,651.89 and 31 March 2020 is ₹ 82,223,03

iii) Guarantee by third party as at 31 March 2021: Nil (31 March 2020: 15% of initial value of term loans, capped at 35% due to amortization).

iv) First loss default guarantee (FLDG) in the form of fixed deposits as at 31 March 2021 is ₹ 1451.00, 31 Mar 2020 is ₹ 4,422.32

v) First loss default guarantee (FLDG) in the form of security deposits as at 31 March 2021 is ₹ 125.00, 31 Mar 2020 is ₹ 250.00

vi) Overdraft and cash credit availed from banks secured by pledge fixed deposits as at 31 March 2021 is ₹ 7811.62, 31 March 2020 is ₹ 5,167.97

vii) First loss default guarantee (FLDG) in the form of fixed deposits for securitisation transactions as at 31 March 2021 is ₹ 4,348.62 (31 March 2020: ₹ 3,264.26)

24 Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Expense and other payables	1,896.18	1,785.33
Payable towards Co-lending	759.36	179.29
Payable towards direct assignment of loans	1,124.63	1,383.33
Payables to employees	752.74	180.26
Guarantee liability	1,194.10	402.13
Lease obligation	284.36	405.67
Service obligation on account of securitisation	3.65	7.33
Total	**6,015.02**	**4,343.34**

25 Current tax liability

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax (Net of advance tax, TDS)*	1,189.18	-
Total	**1,189.18**	-

*(net of Advance tax and TDS March 31, 2021: ₹ 1,917.69 (March 31, 2020: Nil))

26 Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits		
Provision for gratuity benefits	19.85	11.89
Provision for leave benefits	42.92	42.10
Total	**62.77**	**53.99**

27 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	357.35	456.12
Advances from customers	-	340.74
TOTAL	**357.35**	**796.86**

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28 Interest income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortised cost		
Interest on term loans	46,214.43	42,499.50
Guarantee revenue from colending	663.21	122.34
Other interest income	36.33	23.08
Commission income	81.99	-
Other charges	233.85	242.06
Total	**47,229.81**	**42,886.98**

29 Gain on assignment of loans

Gain on assignment of loans for the year ended 31 March 2021 is ₹ 278.25 (31 March 2020: ₹ 1941.16) and loss on modification of loans is ₹ 13.51 (31 March 2020: ₹ 219.30) which is presented as net in the Statement of Profit and Loss.

30 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Unwinding discount of security deposit	149.75	55.57
Commission Income from Insurance	229.96	331.21
Interest on deposits with banks	1,327.62	1,930.31
Advertisement Income	234.86	-
Interest on Income Tax refund	44.04	7.52
Gain on derecognition of Asset	323.66	-
Provision Written Back	-	2.70
Other income	194.32	65.02
Total	**2,504.21**	**2,392.33**

31 Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	7,277.43	7,613.65
Contribution to provident and other funds	203.13	223.49
Leave benefits expense	165.57	73.85
Gratuity benefits expense	154.92	138.04
Employee stock option scheme	133.55	94.69
Staff welfare expenses	167.83	236.66
(Less) : Considered for capitalisation	(1,744.74)	(1,386.45)
Total	**6,357.69**	**6,993.93**

32 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial liabilities measured at amortised cost		
On debt securities	6,484.06	5,440.42
On borrowings (other than debt securities)	10,389.99	11,475.66
On commercial papers	2.35	180.37
On lease obligation	488.57	418.47
Others	354.16	81.74
On financial liabilities measured at fair value		
On debt securities	750.68	382.09
Total	**18,469.81**	**17,978.75**

33 Fees and commission expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Commission and Brokerage	1,237.71	729.80
Total	**1,237.71**	**729.80**

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34 Impairment on financial instruments at amortised cost

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loans		
*Additional covid provisions**	6,783.58	1,441.44
Others provisions	2,390.79	706.71
Other financial assets	648.27	24.54
Write offs	7,945.88	9,775.54
Total	**17,768.52**	**11,948.23**

* Additional covid provisions consist of provisions carried on restructured portfolio and management overlay on other than restructured portfolio.

35 Depreciation and amortization expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortization	2,459.62	2,106.51
Total	**2,459.62**	**2,106.51**

36 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	54.71	59.03
Rates and taxes	37.22	26.48
Insurance	34.07	29.34
Legal and professional expenses	737.62	1,448.47
Service charges	703.16	1,031.01
Guarantee fees	1,371.55	1,266.56
License fees	29.44	41.15
Business support services	6.79	18.02
Software expenses	1,045.84	1,274.08
Printing and stationery	8.50	13.04
Power and fuel	64.81	99.60
Internet and communication expenses	166.25	200.85
Travelling and conveyance	17.28	166.66
Advertisement expenses	815.96	1,521.53
Marketing and sales promotion expenses	50.21	57.00
Franking and stamping expenses	66.68	521.36
Bank charges	82.61	118.08
Conference expenses	-	3.05
Courier expenses	62.09	67.50
Repairs and maintenance	38.85	56.38
Auditor's fees and expenses (refer note 36.1 below)	50.43	47.57
Share issue expenses	-	5.19
Security expenses	17.44	20.92
Loss on sale and write off of property, plant and equipment (net)	3.70	4.23
Director sitting fee	6.54	2.64
Housekeeping expenses	28.20	28.94
CSR Expenditure	34.45	-
Donation Expense	-	6.34
Miscellaneous expenses	29.70	43.46
Total	**5,564.10**	**8,178.48**

36.1 Auditor's Remuneration

Audit fee	31.18	34.39
Tax audit fees	7.68	5.77
In other capacity :		
Certification services	10.86	5.51
Reimbursement of expenses	0.71	1.90
Total	**50.43**	**47.57**

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37 Tax Expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current tax for the year	3,128.07	1,407.18
Prior period tax adjustments	-	3.28
	3,128.07	**1,410.46**
Deferred taxes		
Change in deferred tax assets	2,224.11	562.63
Change in deferred tax liabilities	(79.90)	(377.36)
Net deferred tax expense/(income)	**(2,144.21)**	**(185.27)**
Total income tax expense	**983.86**	**1,225.19**

37.1 Tax reconciliation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before income tax expense	(1,858.69)	(934.52)
Tax at statutory income tax rate	708.68	1,221.37
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses disallowed	44.86	0.54
Impact of change in tax rate	246.51	-
Deferred tax expense on account of OCI	(16.19)	-
Prior period adjustments	-	3.28
Income tax expense	**983.86**	**1,225.19**

The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income-tax Act, 1961, which provides an option for paying income-tax at reduced rates under the new regime. During the year ended March 31, 2021, the Group has opted for paying income-tax at reduced rates and accordingly, the opening deferred tax asset (net) has been measured at the lower rate with a one time corresponding charge of ₹ 246.51 lakhs to the Statement of Profit and Loss.

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Notes to consolidated financial statements for the year ended 31 March 2021 (₹ in lakhs unless otherwise stated)

37.2 Deferred tax movement related to the following:

March 31, 2020 to March 31, 2021

Deferred tax assets (net)	As at 31 March 2021	Recognised in Statement Profit & loss	Recognised in OCI	As at 31 March 2020
Deferred tax asset on account of:				
Carry forward of unabsorbed losses	4,134.11	1,090.89	-	3,043.22
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	194.73	(14.82)	16.19	193.36
Expected credit losses	3,787.61	2,037.43	-	1,750.18
Unamortised processing fees	318.42	97.41	-	221.01
Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	36.83	8.99	-	27.84
Deferred tax on account of Ind AS 116	57.46	11.83	-	45.63
Deferred tax on account of Guarantee fees	247.85	(78.03)	-	325.88
Deferred tax on account of unwinding discount of Security Deposit	33.52	(19.23)	-	52.75
Interest on market linked debentures	285.10	173.84	-	111.26
MAT credit entitlement	-	(42.10)	-	42.10
	9,095.63	**3,266.21**	**16.19**	**5,813.23**
Deferred tax liablity on account of:				
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(48.98)	(84.70)	-	35.72
Deferred tax on account of securitisation and direct assignment	683.70	121.31	-	562.39
Unamortised borrowing cost	201.74	(43.28)	-	245.02
	836.46	**(6.67)**	**-**	**843.13**
Net Deferred Tax	**8,259.17**	**3,259.54**	**16.19**	**4,970.10**
Deferred tax charge/(credit) for the year	**3,986.68**	**(2,144.21)**	**16.19**	**1,858.65**

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
Total	**9,246.24**	**2,886.52**	**8.63**	**12,141.39**

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38. Earnings per share*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(A) Net profit/(loss) after tax for the year	(2,842.55)	(2,159.71)
(B) Weighted average number of outstanding equity shares	47,184	47,184
(C) Weighted average number of equity shares diluted	3,09,934	2,83,763
Basic earning per share [In absolute ₹] (A/B)	(6,024.39)	(4,577.21)
Diluted earning per share [In absolute ₹] (A/C)	(6,024.39)	(4,577.21)
[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.

39. 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 2021				
	Financing	Software services	Others	Elimination	Consolidated total
Revenue					
External sales	47,412.56	-	-	-	47,412.56
Inter segment sales	-	409.10		(327.11)	81.99
Total revenue	**47,412.56**	**409.10**		**(327.11)**	**47,494.55**
Results					
Segment results	1,183.26	(5,340.70)	(24.97)	41.38	(4,141.03)
Unallocated expenses					-
Operating loss					**(4,141.03)**
Finance costs					(221.87)
Other income including finance income					2,504.21
Profit / (Loss) before tax					**(1,858.69)**
Income taxes					983.86
Net loss for the year					**(2,842.55)**

Particulars	Year ended 31 March 2021				
	Financing	Software services	Others	Elimination	Consolidated total
Segment assets	2,05,898.22	80,210.39	3,526.08	(79,107.84)	2,10,526.85
Unallocated assets					53,882.23
Total assets					**2,64,409.08**
Segment liabilities	1,77,437.03	1,635.15	3,480.53	(3,550.54)	1,79,002.17
Unallocated liabilities					331.87
Total liabilities					**1,79,334.04**

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Particulars	Year ended 31 March 2020				
	Financing	Software services	Others	Elimination	Consolidated total
Revenue					
External sales	44,608.85	-	-	-	44,608.85
Inter segment sales	-	457.18		(457.18)	-
Total revenue	**44,608.85**	**457.18**		**(457.18)**	**44,608.85**
Results					
Segment results	2,372.83	(5,494.32)	(6.26)	71.87	(3,055.88)
Unallocated expenses					(5.19)
Operating loss					**(3,061.07)**
Finance costs					(265.78)
Other income including finance income					2,392.33
Profit / (Loss) before tax					**(934.52)**
Income taxes					1,225.19
Net loss for the year					**(2,159.71)**

Particulars	Year ended 31 March 2020				
	Financing	Software services	Others	Elimination	Consolidated total
Segment assets	2,22,508.66	80,133.38	3,689.05	(79,080.00)	2,27,251.09
Unallocated assets					20,459.26
Total assets					**2,47,710.35**
Segment liabilities	1,65,912.12	1,516.39	3,457.75	(3,522.70)	1,67,363.56
Unallocated liabilities					1,261.40
Total liabilities					**1,68,624.96**

Geographic segment:
The group operates in a single geographical segment i.e. domestic

40. 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 Managerial Persons

Nature of Relationship	Name of Related Parties
Chairman and Managing Director	Mr. Harshvardhan Lunia
Chief Operating Officer	Mr. Mukul Sachan (Resigned w.e.f. May 31, 2019)
Shareholder and director	Mr. Raichand Lunia
Independent director of subsidiary company	Mr. Gaurav Mittal
Independent director of subsidiary company	Mr. Thallapaka Venakateswara Rao
Independent director of subsidiary company (Appointed w.e.f March 27, 2021)	Mrs. Uma Subramaniam

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(c) Transactions during the year with related parties

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	**Mr. Harshvardhan Lunia**		
	Salary and perquisites (refer note (i) below)	87.50	105.00
2	**Mr. Mukul Sachan**		
	Salary and perquisites	-	51.16
	Consultancy Fees	-	39.00
3	**Bertelsmann Corporate Services India Private Limited**		
	Reimbursement of expenses for board meeting/ workshop	-	3.80
4	**Mr. Raichand Lunia**		
	Lease rent	-	0.02
5	**Issue of Series D1 CCCPS of ₹ 100 each fully paid**		
	Fullerton Financial Private Limited	-	16,999.84
6	**Issue of Series D2 CCCPS of ₹ 100 each fully paid**		
	Fullerton Financial Private Limited	4,312.27	-
7	**Mr. Gaurav Mittal**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	1.25	0.90
8	**Mr. Thallapaka Venakateswara Rao**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	4.75	1.50

Note (i) (a) 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.

(b) Provision made for variable is not included above.

(d) Balance receivable/(payable) to Related parties

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	Mr. Gaurav Mittal	(0.09)	-

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.

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41. Employee stock option plans

The Group provides share-based payment schemes to its employees. During the year ended 31 March 2021, 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")
	₹ 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 ("Series D")

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

Series A:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	192	10,207	199	10,207
Granted during the year	-	-	-	-
Forfeited during the year	-	-	7	10,207
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	192	10,207	192	10,207
Exercisable at the end of the year	192	10,207	192	10,207

Series B:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	1,863	29,634	2,218	29,634
Granted during the year	-	-	-	-
Forfeited during the year	277	29,634	249	29,634
Surrendered during the year	-	-	-	-
Encashed during the year	-	-	106	29,634
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,586	29,634	1,863	29,634
Exercisable at the end of the year	1,571	29,634	1,345	29,634

Series C:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	2,351	59,918	1,380	59,918
Granted during the year	54	59,918	1,784	59,918
Forfeited during the year	844	59,918	813	59,918
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,561	59,918	2,351	59,918
Exercisable at the end of the year	961	59,918	294	59,918

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Series D:

Particulars	31 March 2021		31 March 2020	
	No. of options	Exercise Price (₹)	No. of options	Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	9,051	59,918	-	-
Forfeited during the year	2,742	59,918	-	-
Surrendered during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,309	59,918	-	-
Exercisable at the end of the year	-	-	-	-

The average fair value of stock options are as follows:

Series of ESOP	31 March 2021		31 March 2020	
	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	2,059.25
Series B	25-Apr-17	1,973.81	25-Apr-17	2,408.83
Series B	11-Sep-17	2,280.95	11-Sep-17	2,788.31
Series B	13-Dec-17	2,402.19	13-Dec-17	2,662.32
Series C2	04-Feb-19	7,592.34	04-Feb-19	9,400.41
Series C2	08-Jun-19	8,702.71	08-Jun-19	9,273.82
Series C2	11-Feb-20	6,317.59	11-Feb-20	7,297.27
Series D	30-Jun-20	8,795.96	-	-
Series D	10-Nov-20	8,484.37	-	-
Series D	10-Feb-21	10,250.50	-	-

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

Series A:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interes t rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	31-Mar-16	0%	20%	6.75%	16,000	10,207	Vesting period + Exercise period	10%
31 March 2020	31-Mar-16	0%	20%	6.75%	16,000	10,207		10%

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Series B:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	31-Mar-17	0%	20%	6.75%	23,000	29,634	Vesting period + Exercise period	10%
	25-Apr-17	0%	20%	6.50%	23,000	29,634		10%
	11-Sep-17	0%	20%	6.35%	23,829	29,634		10%
	13-Dec-17	0%	20%	6.85%	23,829	29,634		10%
31 March 2020	31-Mar-17	0%	20%	6.75%	23,000	29,634		10%
	25-Apr-17	0%	20%	6.50%	23,000	29,634		10%
	11-Sep-17	0%	20%	6.35%	23,829	29,634		10%
	13-Dec-17	0%	20%	6.85%	23,829	29,634		10%

Series C:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	11-Feb-20	0%	20%	5.70%	54,944	59,918	Vesting period + Exercise period	10%
	08-Jun-19	0%	20%	6.60%	54,944	59,918		10%
	04-Feb-19	0%	20%	6.80%	54,710	59,918		10%
31 March 2020	11-Feb-20	0%	20%	5.70%	54,944	59,918		10%
	08-Jun-19	0%	20%	6.60%	54,944	59,918		10%
	04-Feb-19	0%	20%	6.80%	54,710	59,918		10%

Series D:

Year End	Grant Date	Dividend yield (%)	Expected volatility*	Risk-free interest rate	Share price as on the date of grant** (₹)	Exercise price	Expected life of options granted in years	Withdrawal rates
31 March 2021	30-Jun-20	0%	20%	4.34%	59,918	59,918	Vesting period + Exercise period	10%
	10-Nov-20	0%	20%	4.25%	59,918	59,918		10%
	10-Feb-21	0%	20%	4.72%	59,918	59,918		10%
31 March 2020	30-Jun-20	-	-	-	-	-	-	-
	10-Nov-20	-	-	-	-	-	-	-
	10-Feb-21	-	-	-	-	-	-	-

* 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.

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42. 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.

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

Particulars	Amount
Balance as at 31 March 2019	**2,345.58**
Additions	1,908.21
Depreciation expense	517.32
Balance as at 31 March 2020	**3,736.47**
Additions	753.16
Closure	1,145.65
Depreciation expense	617.97
Balance as at 31 March 2021	**2,726.01**

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

Particulars	31 March 2021	31 March 2020
Opening Balance	**3963.61**	**2422.16**
Additions	575.19	1,803.59
Accretion of interest	488.57	418.47
Closure	(1,334.07)	-
Payments	(773.66)	(680.60)
Closing Balance	**2919.64**	**3963.61**

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

Particulars	31 March 2021	31 March 2020
Short-term leases	54.71	59.03

iv. The undiscounted maturity analysis of lease liabilities at 31 March 2021 is as follows:

Lease Liability	31 March 2021	31 March 2020
Not later than one year	659.08	913.76
Later than one year and not later than five years	2,562.63	3,943.36
Later than five years	1,263.07	1,491.58
Total undiscounted lease liabilities	**4,484.78**	**6,348.70**

v. The effective interest rate of lease liabilities for the year ended 31 March 2021 is in range of 13.95% - 17.76% (31 March 2020: 13.24% - 16.50%).

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

Particulars	31 March 2021	31 March 2020
Depreciation expense right of use of assets	617.97	517.32
Interest expense on lease liabilities	488.57	418.47
Expense relating to short term leases (included in other expenses)	54.71	59.03
Loss/(Gain) on derecognition of assets	(323.66)	-
Total amount recognized in statement of profit and loss account	**837.59**	**994.82**

43. Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2021	31 March 2020
Software expenses	123.75	247.35
Professional fees	117.27	83.34
Advertisement expenses	0.90	-
Travelling expenses	-	1.35
Employee training expenses	0.13	0.29
Donation made	-	6.34
Total	**242.05**	**338.67**

44. Contingent liability and Commitments

a) Contingent liability

Description of the contingent liability	31 March 2021	31 March 2020
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)	9,108.00	7,282.41
Corporate guarantee in case of co-lending transactions provided by the subsidiary company i.e. Lendingkart finance limited	10,533.59	6,283.15
Arrears of dividend on Cumulative Compulsorily Convertible preference shares and taxes thereon [In absolute ₹]	96.68	70.31

b) Capital and other commitments

Description of the capital and other commitments	31 March 2021	31 March 2020
Loan sanctioned not yet disbursed*	3,130.30	-
Capital commitments towards implementation of software (Excludes 50% reversal of goods and service tax input credit)	34.80	149.75

*During the previous year ended March 31, 2020, The Subsidiary Company, Lendingkart Finance Limited has sanctioned loans amounting to ₹ 90.50 but not disbursed as on 31st March 2020, due to expiry of agreements during lockdown declared by Government of India.

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45. 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 2021	31 March 2020
Discount rate (per annum)	6.50%	6.60%
Rate of salary increase	12.00%	12.00%
Rate of employee turnover (per annum)		
Age band		
25 & 25 below	18.00%	18.00%
25 to 35	15.00%	15.00%
35 to 45	12.00%	12.00%
45 to 55	9.00%	9.00%
55 & above	6.00%	6.00%

ii. Movement in defined benefit obligation:

Particulars	31 March 2021	31 March 2020
Defined benefit obligation at the beginning of the year	292.07	155.56
Interest on defined benefit obligation	18.89	11.44
Current service cost	136.03	126.60
Benefits paid	(20.42)	(12.57)
Remeasurements due to :		
Actuarial loss/(gain) arising from change in demographic assumptions	-	(0.08)
Actuarial loss/(gain) arising from change in financial assumptions	2.37	20.26
Actuarial loss/(gain) arising on account of experience changes	(123.92)	(9.14)
Present Value of obligation at the end of the year	**305.02**	**292.07**

iii. Assets and liabilities recognised in the balance sheet:

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligation at the end of the year	305.02	292.07
Fair Value of Plan Assets at the end of the year	-	-
Funded Status (Surplus/ (Deficit))	-	-
Net liability recognised in the balance sheet	**305.02**	**292.07**

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iv. Expenses recognised in the Statement of Profit and Loss:

Particulars	31 March 2021	31 March 2020
Current Service Cost	136.03	126.60
Net interest (income)/ expense	18.89	11.44
Net gratuity cost recognised in the current year	**154.92**	**138.04**

v. Expenses recognised in the statement of Other comprehensive income (OCI):

Particulars	31 March 2021	31 March 2020
Actuarial gain/ loss on post-employment benefit obligation		
Actuarial (gains) / losses on obligations – due to change in demographic assumptions	-	(0.08)
Actuarial (gains) / losses on obligations – due to change in financial assumptions	2.37	20.26
Actuarial (gains) / losses on obligations – due to experience	(123.92)	(9.14)
Total remeasurement cost / (credit) for the year recognised in OCI	**(121.54)**	**11.03**

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

Particulars	31 March 2021	31 March 2020
Opening Net Liability	292.07	155.56
Expenses recognised at the end of period	154.92	138.04
Benefits Paid	(20.42)	(12.57)
Amount recognised in other comprehensive income	(121.54)	11.03
Net Liability/(Asset) Recognized in the Balance Sheet	**305.02**	**292.07**

vii. Sensitivity analysis:

Particulars	31 March 2021	31 March 2020
Delta effect of +0.5% change in rate of discounting	293.46	280.52
Delta effect of -0.5% change in rate of discounting	317.38	304.42
Delta effect of +0.5% change in rate of salary increase	311.91	298.95
Delta effect of -0.5% change in rate of salary increase	298.10	285.04
Delta effect of +10% change in rate of employee turnover	298.63	283.93
Delta effect of -10% change in rate of employee turnover	311.05	299.87

viii. Maturity analysis of projected benefit obligation:

Year	31 March 2021	31 March 2020
Expected benefits for year 1	19.85	11.89
Expected benefits for year 2	21.66	16.02
Expected benefits for year 3	24.88	25.16
Expected benefits for year 4	33.57	29.79
Expected benefits for year 5	34.78	36.08
Expected benefits for Years 6 to 10	151.95	154.15

ix. The Experience adjustment on plan assets:

Particulars	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Defined benefit obligation	305.02	292.07	155.56	92.30	42.00
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(305.02)	(292.07)	(155.56)	(92.30)	(42.00)
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	(123.92)	(9.14)	(15.94)	(19.00)	11.10

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B. Compensated absences:

Maturity profile

Particulars	31 March 2021	31 March 2020
Present value of unfunded obligations	408.46	375.95
Expense recognised in the Statement of Profit and Loss	165.57	73.85
Discount rate (p.a.)	6.50%	6.60%
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 ₹ 198.64 (March 31, 2020: ₹ 216.65) for provident fund contributions in the Statement of profit and loss.

46. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

47. Corporate Social Responsibility Expenses:

As per Section 135 of the Companies Act, 2013, the Subsidiary Company i.e. Lendingkart finance limited is under obligation to incur ₹ 34.45 (Previous year ₹ Nil), being 2% of the average net profit during the three immediately preceding financial years, calculated in the manner as stated in the Act towards Corporate Social Responsibility through contribution to fund prescribed in Schedule VII of the Companies Act, 2013 and has incurred ₹ 0.85 in current year, and the remaining amount is transferred into Unspent Corporate Social Responsibility Account within 30 days of completion of financial year.

48. 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 March 31, 2021.

49. Capital Management:

The Group'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 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 summarised as follows:

Particulars	31 March 2021	31 March 2020
Gross debt	1,63,504.20	1,58,758.44
Less: Cash and bank balances	(49,776.54)	(18,073.13)
Net debt (A)	**1,13,727.66**	**1,40,685.31**
Equity (including CCCPS) (B)	**85,075.04**	**79,085.39**
Gearing ratio (A / (B+A))	**0.57**	**0.64**

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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 March 31, 2021 and March 31, 2020.

50. 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.

Particulars	31 March 2021	31 March 2020
Carrying amount of transferred assets measured at amortised cost (including loans placed as collateral)	26,638.84	33,915.58
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	21,127.96	22,660.56
Fair value of assets	26,638.84	33,915.58
Fair value of associated liabilities	21,127.96	22,660.56
Net position at Fair Value	5,510.88	11,255.02

ii. Transferred of financial assets that are derecognised in their entirety
The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

51. Events after reporting date:
There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

52. 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.

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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.

53. 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.

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	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets - non-current				
Loans	1,14,425.85	-	1,12,958.18	-
Other financial assets	4,794.63	-	4,127.57	-
Financial assets – current				
Cash and cash equivalents	28,926.09	-	5,470.89	-
Other bank balance	20,850.45	-	12,602.24	-
Loans	79,443.40	-	99,730.33	-
Other financial assets	4,160.43	-	1,695.61	-
Total financial assets	**2,52,600.85**	-	**2,36,584.82**	-
Financial liabilities - non-current				
Borrowings	63,433.32	5,388.09	68,763.01	5,122.94
Other financial liabilities	6,220.53	-	4,058.31	
Financial liabilities – current				
Borrowings	91,197.26	3,485.53	84,872.49	-
Other financial liabilities	6,015.02	-	4,343.34	-
Total financial liabilities	**1,66,866.13**	**8,873.62**	**1,62,037.15**	**5,122.94**

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Fair value of financial instruments measured at amortised cost:

Particulars	Level of hierarchy	31 March 2021	31 March 2020
Financial assets - non-current			
Loans	Level 3	1,14,425.85	1,12,958.18
Other Financial assets	Level 3	4,794.63	4,127.57
Total financial assets		**1,19,220.48**	**1,17,085.75**
Financial liabilities - non-current			
Borrowings	Level 3	63,433.32	68,763.01
Other financial liabilities	Level 3	6,220.53	4,058.31
Total financial liabilities		**69,653.85**	**72,821.32**

Fair value of financial instruments designated at FVTPL:

Particulars	Level of hierarchy	31 March 2021	31 March 2020
Financial liabilities - non-current			
Borrowings	Level 3	5,388.09	5,122.94

During the periods mentioned above, 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.

54. 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 54(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.

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

Financial Liabilities	As at 31 March 2021		As at 31 March 2020	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial liabilities - Non-Current				
Borrowings	-	78,420.13		83,035.16
Other financial liabilities	-	5,344.41		5,434.94
Financial liabilities - Current				
Borrowings	1,05,600.33	-	97,314.39	-
Other financial liabilities	5,263.96	-	4,507.79	-
Total	**1,10,864.29**	**83,764.54**	**1,01,822.18**	**88,470.10**

Financial Assets	31 March 2021		31 March 2020	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial Assets - Non-Current				
Loans	-	1,14,425.85	-	1,12,958.18
Other financial assets	-	4,794.63	-	4,127.57
Financial Assets - Current				
Cash and cash equivalents	28,926.09	-	5,470.89	-
Bank Balance other than cash and cash equivalents	20,850.45	-	12,602.24	-
Loans	79,443.40	-	99,730.33	-
Other financial assets	4,160.43	-	1,695.61	-
Total	**1,33,380.37**	**1,19,220.48**	**1,19,499.07**	**1,17,085.75**

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.

(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 period are as follows:

Particulars	31 March 2021		31 March 2020	
	USD	₹ in Lakhs	USD	₹ in Lakhs
Expenses payable	1,50,739.00	111.04	-	-

Foreign currency sensitivity

Foreign current rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Foreign currency exposure risk		
Increase by 5%	5.55	-
Decrease by 5%	(5.55)	-

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(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 2021	31 March 2020
Debt Securities (variable)	8,873.62	9,500.00
Debt Securities (fixed)	59,008.84	35,731.82
Borrowings (other than debt securities) (variable)	24,489.69	42,076.05
Borrowings (other than debt securities) (fixed)	68,602.93	68,922.13
Subordinated debts (variable)	-	-
Subordinated debts (fixed)	2,529.12	2,528.44
Total Borrowings	**1,63,504.20**	**1,58,758.44**

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 2021	31 March 2020
Borrowings, debt securities & subordinate debt		
Increase by 50 basis points	(166.82)	(257.88)
Decrease by 50 basis points	166.82	257.88

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.

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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 "F" 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. 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.

  PD is based on a internal rating model, days past due and various historical, current and forward-looking information.
  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 data and involves a wider set of transaction characteristics as well as borrower characteristics.

  Further recent data and forward-looking economic scenarios are used in order to determine the Ind AS 109 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in payment status, geographical location, industrial sector or other factors that are indicative of losses in the Group.

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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 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of gross carrying amount	2,07,893.06	6,938.04	4,793.37	**2,19,624.47**	1,31,103.53	3,205.55	1,766.67	**1,36,075.75**
Transfers during the year								
Transfers to Stage 1	136.34	(135.37)	(0.97)	-	133.97	(133.97)	-	-
Transfers to Stage 2	(42,860.07)	42,865.71	(5.64)	-	(5,399.83)	5,399.83	-	-
Transfers to Stage 3	(7,179.66)	(826.95)	8,006.61	-	(3,914.53)	(284.47)	4,199.00	-
Changes to contractual cash flows due to modifications not resulting in derecognition	3,424.10	10,857.42	936.67	**15,218.19**	602.13	146.92	-	**749.05**
Changes in opening credit exposures (additional disbursement net of repayments)	(86,089.91)	(5,606.44)	(898.98)	**(92,595.33)**	(82,326.26)	(4,849.60)	5,141.65	**(82,034.21)**
New credit exposures during the year, net of repayments	74,975.72	461.61	307.00	**75,744.33**	1,67,694.05	3,453.78	3,461.59	**1,74,609.42**
Amounts written off	-	-	(7,945.88)	**(7,945.88)**	-	-	(9,775.54)	**(9,775.54)**
Closing balance of gross carrying amount	**1,50,299.58**	**54,554.02**	**5,192.18**	**2,10,045.78**	**2,07,893.06**	**6,938.04**	**4,793.37**	**2,19,624.47**

Particulars	31 March 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of ECL allowance	2,716.87	1,529.51	2,689.58	**6,935.96**	3,155.42	664.49	993.15	**4,813.05**
Transfers during the year								
Transfers to Stage 1	26.15	(25.62)	(0.53)	-	26.22	(26.22)	-	-
Transfers to Stage 2	(694.64)	697.75	(3.11)	-	(155.17)	155.17	-	-
Transfers to Stage 3	(134.17)	(283.07)	417.24	-	(109.83)	56.49	53.34	-
Changes to contractual cash flows due to modifications not resulting in derecognition	112.65	1,738.15	298.92	**2,149.72**	13.94	30.02	-	**43.96**
Changes in opening credit exposures (additional disbursement net of repayments)	(0.05)	5,027.28	7,668.19	**12,695.42**	(1,952.03)	(55.74)	8,822.02	**6,814.25**
New credit exposures during the year, net of repayments	1,996.30	142.99	202.02	**2,341.31**	1,738.32	705.31	2,596.61	**5,040.24**
Amounts written off	-	-	(7,945.88)	**(7,945.88)**	-	-	(9,775.54)	**(9,775.54)**
Closing balance of ECL allowance	**4,023.11**	**8,826.99**	**3,326.43**	**16,176.53**	**2,716.87**	**1,529.51**	**2,689.58**	**6,935.96**

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The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As At March 31, 2021:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,50,299.58	54,554.02	5,192.18	**2,10,045.78**
Allowance for ECL	4,023.11	8,826.99	3,326.43	**16,176.53**
ECL Coverage ratio	2.68%	16.18%	64.07%	**7.70%**

As At March 31, 2020:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,07,893.06	6,938.04	4,793.37	**2,19,624.47**
Allowance for ECL	2,716.87	1,416.53	2,802.56	**6,935.96**
ECL Coverage ratio	1.31%	20.42%	58.47%	**3.16%**

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, based on the economic scenarios described below.

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.

Methodology
The Group has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased expected loss. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the upside and downside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and Management estimates which ensure that the scenarios are unbiased.

The Group has used multiple economic factors and tested their correlations with past loss trends witnessed. The economic factors tested were GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, crude oil prices, exchange rate and policy interest rates. Based on past correlation trends, CPI and policy interest rates were the two factors with acceptable correlation with past loss trends which were in line with Management views on the drivers of portfolio trends. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.
ECL sensitivity to future economic conditions
ECL coverage of financial instruments under forecast economic conditions:

Particulars	31 March 2021	31 March 2020
Gross carrying amount of loans	2,10,045.78	2,19,624.47
Reported ECL	16,176.53	6,935.96
Reported ECL coverage	7.70%	3.16%
ECL amounts for alternate scenario (without considering macro-economic overlay)		
Central scenario (80%)	7,514.36	5,548.77
Downside scenario (10%)	8,453.66	6,242.36
Upside scenario (10%)	10,332.25	7,629.56
ECL coverage ratios by scenario (without considering macro-economic overlay)		
Central scenario (80%)	3.58%	2.53%
Downside scenario (10%)	4.02%	2.84%
Upside scenario (10%)	4.92%	3.47%

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LENDINGKART TECHNOLOGIES PVT. LTD. * (INDIA)

(₹ in Lakhs unless otherwise stated)

55. Disclosure required under section 186(4) of the Companies Act, 2013

(a) Inter-corporate investment

Particulars	31 March 2021	31 March 2020
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
Contribution to corpus fund of Lendingkart Employee Welfare Trust	0.01	0.01

(b) Inter-corporate loans

Particulars	31 March 2021	31 March 2020
Loan made to Lendingkart Finance Limited (Wholly Owned Subsidiary)	-	1,000.00
Loan made to Lendingkart Employee Welfare Trust	0.20	0.25

(c) 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 2021	
	Sanctioned Amount	Outstanding Amount
Non-convertible redeemable debentures	63,750.00	44,823.77
Term loans	1,41,400.00	54,800.89
Working capital demand loans	14,850.00	10,928.54
Cash credit	5,300.00	3,922.46
Total	**2,25,300.00**	**1,14,475.66**

Type of facility	31 March 2020	
	Sanctioned Amount	Outstanding Amount
Non-convertible redeemable debentures	47,750.00	38,136.36
Term loans	81,450.00	60,839.77
Working capital demand loans	17,400.00	15,941.67
Cash credit	5,600.00	5,441.59
Total	**1,52,200.00**	**1,20,359.39**

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(₹ in Lakhs unless otherwise stated)

56. 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	12.26%	10,429.11	164.37%	(4,672.19)
Subsidiary				
Lendingkart Finance Limited	87.28%	74,254.99	(64.45)%	1,831.94
Lendingkart Account Aggregator Private Limited	0.46%	391.08	0.08%	(2.20)
Lendingkart Employee Welfare Trust	0.00%	(0.14)	0.00%	(0.10)

57. 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 Jayesh Gandhi
Partner
Membership No.: 037924

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

Place: Mumbai
Date: 12 May 2021

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
Company Secretary
Membership No.: A19536

Sudeep Bhatia
Group Chief Financial Officer
Membership No.: 098112

Place: Mumbai
Date: 12 May 2021

LENDINGKART TECHNOLOGIES PVT. LTD. ★ (INDIA)