

InCred!

InCred
Holdings
Limited



Annual
Report
2023-24

DIRECTOR'S REPORT

To
The Members of
InCred Holdings Limited ("the Company")

The Board of Directors of the Company presents the Annual Report on the business and operations of the Company for the Financial Year ("FY") ended March 31, 2024.

COMPOSITE SCHEME OF ARRANGEMENT

The Company has undergone a Composite Scheme of Amalgamation and Arrangement amongst Bee Finance Limited, InCred Financial Services Limited (erstwhile known as 'KKR India Financial Services Limited') ("IFSL"), InCred Prime Finance Limited (erstwhile known as 'InCred Financial Services Limited') ("IPFL/erstwhile IFSL"), itself and their respective shareholders, hereinafter referred to as Scheme. The Composite Scheme was approved by the National Company Law Tribunal vide its order dated May 06, 2022, certified true copy of which was received by the Company on June 06, 2022.

Accordingly, the Board of Directors at its meeting held on July 26, 2022, has made the Scheme effective. Upon the Scheme becoming effective, the identified business, branches, assets specific & general liabilities, debts, accumulated tax loss and unabsorbed tax depreciation, obligations, permits, contracts, employees, agreements, policies, arrangements, approvals, sanctions and proceedings etc. of the InCred Demerged Undertaking as defined in the Scheme carried on by erstwhile IFSL have vested in IFSL. Further as per the Scheme, the remaining NBFC business (i.e after excluding the InCred Demerged Undertaking) shall continue to be carried out by IPFL

FINANCIAL RESULTS

The Company's financial results for the FY ended March 31, 2024, as compared to previous FY ended March 31, 2023, are summarized in the table below:

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Revenue from Operations	127,270.07	86,565.14	420.69	109.78
Other Income	2,343.22	1,505.48	32.02	83.92
Total Income	129,613.07	88,070.62	452.71	193.70
Total Expenses	87,648.25	62,952.26	423.95	(525.53)
Profit / (Loss) before tax and exceptional items	41,964.82	25,118.36	28.76	719.23
Exceptional Items	2010.53	6,021.94	1800.00	-
Profit / (Loss) before Tax	39,954.29	19,096.42	(1,771.24)	719.23
Total Tax Expense	9,050.38	8,189.99	(1,232.59)	1,760.55
Profit / (Loss) after Tax	30,903.91	10,906.43	(538.65)	(1,041.32)
Other Comprehensive Income	(252.29)	(3.89)	(2.53)	-
Total comprehensive income	30,651.62	10,902.53	(541.18)	(1,041.32)

(Rupees in Lakhs)

Earnings per equity share (EPS)				
Basic (INR)	5.07	1.85	(0.09)	(0.18)
Diluted (INR)	4.87	1.81	(0.08)	(0.17)
Appropriations:				
Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	NA	NA	NA	NA

STATEMENT OF THE COMPANY'S AFFAIRS AND FINANCIAL PERFORMANCE

The Company is registered with the Securities and Exchange Board of India ("SEBI") as a Merchant Banker under the SEBI (Merchant Bankers) Regulations, 1992 ("**SEBI MB Regulations**").

The Company also acts as an Investment Manager and Sponsor to KKR India Opportunities Fund II (KIDOF II), an alternative investment fund registered with SEBI under SEBI (Alternative Investment Funds) Regulations, 2012 as a Category II AIF.

The Audited Financial Statements both on standalone and consolidated basis have been prepared in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 "Ind AS" read with Section 133 of the Companies Act 2013 ("Act"). The Consolidated Financial Statements have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013 based on the financial statements received from the subsidiaries as approved by its respective Board of Directors.

During F.Y 2023-24, revenue from operations of the Company on standalone basis has been INR 420.69 lakhs, as against INR 109.78 lakhs in the previous F.Y. The loss after tax during the F.Y 2023-24 is INR (1,311.13) lakhs as against the loss after tax of INR (1,041.32) lakhs in the previous F.Y.

The consolidated financial statements reflect the cumulative performance of the Company along with that of its subsidiaries. On a consolidated basis, during the year under review, the revenue from operations has been INR 127,270.07 lakhs and profit/(loss) after tax of INR 30,131.44 lakhs as compared to previous FY of INR 86,565.14 lakhs and INR 10,906.43 lakhs respectively.

CHANGE IN THE NATURE OF BUSINESS

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

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has two direct subsidiaries viz InCred Financial Services Limited and InCred Prime Finance Limited as on March 31, 2024.

Further, the Company had two step down subsidiaries viz. Incred Finserv Private Limited (formerly known as InCred Management & Technology Services Private Limited) and InCred.Ai Limited.

Booth Fintech Private Limited and mValu Technology Services Private Limited have ceased to be a subsidiaries w.e.f. July 11, 2023.

The Company does not have any Associate Companies as on March 31, 2024.

PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARY/ASSOCIATE AND JOINT VENTURE COMPANIES

The Financial Performance of InCred Financial Services Limited, Wholly Owned Subsidiary of the Company during the year ended March 31, 2024 is summarised as follows:

- The Company has earned revenue from operations of INR 1,26,918.59 lakh
- Profit After Tax stood at INR 31,489.55 lakh as against INR 12,080.11 lakh in the previous year.
- The Asset Under Management (AUM) grew to INR 7,44,924.17 lakh as against INR 5,55,231.55 lakh in previous year.

Further, The statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, in Form AOC 1, is provided as '**Annexure A**'.

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act"), the Company has prepared consolidated financial statements comprising of the balance sheet, profit & loss accounts and the cash flow statements of the Company which shall be laid before the ensuing Annual General Meeting of the Company. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

ANNUAL RETURN AS PRESCRIBED UNDER THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 shall be hosted on the website of the Company.

TRANSFER TO RESERVES

In the absence of profits, the Board has not recommended any amount for transfer to reserves for the year under review.

DIVIDEND

For the year ended on March 31, 2024, the Company has not proposed any dividend.

REGISTERED OFFICE OF THE COMPANY

The Company continues to have its registered office at 'Unit No, 1203, 12th Floor, B wing, The Capital, Plot No. C-70, G Block, Bandra Kurla Complex, Mumbai – 400051'.

During the year Company has changed the place of keeping and maintaining books of accounts of the Company from Unit No, 1203, 12th Floor, B wing, The Capital, Plot No. C-70, G Block, Bandra Kurla Complex, Mumbai – 400051 to Unit No. 203, 2nd Floor, B wing, Kaledonia Building, Sahar Road, Andheri (East), Mumbai – 400069 w.e.f. September 13, 2023.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

'Link Intime India Private Limited' continues to be the Registrar and Share Transfer Agent of the Company.

SHARE CAPITAL

Authorized Share Capital:

As on March 31, 2024, the Authorized Share Capital stood at INR 20,00,00,00,000/- comprising of 1,00,00,00,000 preference shares of INR 10/- each and 1,00,00,00,000 equity shares of INR 10/- each.

During the year, there was no increase in the Authorized Share Capital of the Company.

Issued, Subscribed and Paid-up Share Capital:

As on March 31, 2024, the issued, subscribed, and paid-up share capital of the Company stood at INR 6,41,81,75,620/- comprising 64,18,17,562 equity shares of INR 10/- each.

Equity Shares

During the year under review, the Company has raised INR 500 Crores through preferential Issue and in light of the same, the Company has issued and allotted 3,70,37,037 equity shares at the price of INR 135 per share on December 22, 2023.

Employee Stock Options

Pursuant to the prevalent Employee Stock Options Scheme of the Company, 95,45,137 ESOPs were exercised by the employees and accordingly shares were allotted during F.Y 2023-24.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Change in Director, including Managing Director/ Whole-time Director

The changes in the Board of Directors and KMP's of the Company are as follows:

Sr. No.	Name of the Director	Designation	Change	With effect from
1	Mr. Gaurav Trehan	Non-Executive Director	Resignation	September 13, 2023
2	Mr. Anil Nagu	Non-Executive Director	Appointment	September 14, 2023
3	Mr. Gajendra Thakur	Company Secretary & Compliance Officer	Resignation	September 13, 2023
4	Ms. Nikita Shetty	Company Secretary & Compliance Officer	Appointment	September 13, 2023

Mr. Gaurav Trehan, Director on the Board of the Company resigned with effect from September 13, 2023, due to his other commitments.

Further to fill the casual vacancy caused due to the resignation of Mr. Gaurav Trehan, Mr. Anil Nagu (00110529) was appointed as an Additional (Non-Executive) Director of the Company with effect from September 14, 2023, and thereafter, the shareholders at their Extra-Ordinary General Meeting held on June 11, 2024, approved his appointment as Directors liable to retire by rotation.

The Board places on record its sincere appreciation for the valuable contribution and guidance provided by Mr. Trehan during his association with the Company.

The Board comprises of the following directors as on March 31, 2024:

Sr. No.	Name of the Director	Designation
1	Mr. Bhupinder Singh	Whole Time Director & Chief Executive Officer
2	Mr. Vivek Bansal	Whole Time Director & Chief Financial Officer
3	Mrs. Rupa Vora	Independent director
4	Mr. Karnam Sekar	Independent director
5	Mr. Vivek Anand PS	Non-Executive Director
6	Mr. Anil Nagu	Non-Executive Director
7	Mr. Rohan Suri	Non-Executive Director

b) Key Managerial Personnel

The following officials are the Key Managerial Personnel of the Company as on March 31, 2024, as well as on the date of this report:

- Mr. Bhupinder Singh – Whole Time Director and Chief Executive Officer
- Mr. Vivek Bansal – Whole-time Director and Chief Financial Officer; and
- Ms. Nikita Shetty - Company Secretary and Compliance Officer

c) Directors liable to retire by rotation

Pursuant to the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Bhupinder Singh (DIN: 07342318), Whole Time Director and CEO and Mr. Rohan Suri, Non-Executive Director (DIN: 07074450) will retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

Necessary details for re-appointment as required under the Act are given in the notice of ensuing Annual General Meeting.

d) Declaration by Directors

Based on the declarations and confirmations received, none of the Directors of the Company are disqualified from being appointed/ continuing as Directors in terms of section 164(2) of the Companies Act, 2013.

e) Declaration by Independent Directors

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair

or impact his/her ability to discharge his/ her duties with an objective independent judgment and without any external influence.

BOARD MEETINGS

Number of meetings of the Board:

During FY 2023-24, the Board met five times on May 17, 2023, May 26, 2023, September 13, 2023, November 08, 2023, and February 22, 2024. The necessary quorum was present for all the Meetings and the maximum interval between any two meetings did not exceed 120 days.

Attendance record of Directors:

Sr. No.	Name of the Director	Category	No. of Board Meeting Attended	Whether attended the AGM held during FY 2023-24
1.	Mr. Bhupinder Singh	Whole-time Director & Chief Executive Officer	4	Yes
2.	Mr. Vivek Bansal	Whole-time Director & Chief Financial Officer	4	Yes
3.	Mrs. Rupa Vora	Independent Director	5	Yes
4.	Mr. Karnam Sekar	Independent Director	5	Yes
5.	Mr. Vivek Anand PS	Non-Executive Director	4	No
6.	Mr. Gaurav Trehan*	Non-Executive Director	2	No
7.	Mr. Rohan Suri	Non-Executive Director	2	No
8.	Mr. Anil Nagu**	Non-Executive Director	2	Not Applicable

*ceased to be a member of the Board w.e.f. September 13, 2023

**appointment on the Board w.e.f. September 14, 2023

COMMITTEES OF THE BOARD

The Board has constituted the following committees to support the Directors in discharging its responsibilities and ensure expedient resolution of diverse matters with the applicable provisions of the Companies Act, 2013:

1. Audit Committee
2. Nomination Remuneration Committee
3. Corporate Social Responsibility Committee; and
4. Stakeholder Relationship Committee

The Company Secretary acts as the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions, which are noted by

the Board / respective Committees of the Board at their next meetings. The Board notes the minutes of meetings of all Committees at regular intervals.

1. AUDIT COMMITTEE (“AC”):

Composition:

The Audit Committee of the Board of Directors of the Company as on March 31, 2024, consists of the following Members:

1. Mrs. Rupa Vora, Chairperson
2. Mr. Karnam Sekar, Member
3. Mr. Vivek Anand P. S., Member

All the members of the AC are financially literate and have accounting or related financial management expertise.

Terms of references:

The role of the AC includes the following:

- a) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Providing recommendations for the appointment, remuneration and terms of appointment of auditors of the Company.
- c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with the management, the annual financial statements and the auditor’s report thereon, before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the director’s responsibility statement, to be included in the Board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in the accounting policies and practices, and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with Companies Act, 2013 and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

- f) Reviewing, with the management, the statement of uses/ application/ end use of funds raised through an issue (public issue, rights issue, preferential issue etc.); the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice; and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.
- h) Approval of, or any subsequent modification of, the transactions of the Company with related parties.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the Company, wherever necessary.
- k) Evaluation of the internal financial controls and risk management systems.
- l) Reviewing, with the management, performance of the statutory and the internal auditors, adequacy of the internal control systems.
- m) Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussions with the internal auditors of any significant findings and follow-ups thereon.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussions with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the whistle blower mechanism.
- s) Approval of the appointment of the chief financial officer after assessing the qualifications, experience and background etc. of the candidate.
- t) Reviewing the utilization of loans and/ or advances from/ investment by the Company in, its subsidiary exceeding INR 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances extended or investments made by the Company in its subsidiary.

- u) To consider and comment on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- v) Any other role/ function as may be specifically referred to the Committee by the Board, or as may be required under the Companies Act, 2013, Shareholders Agreement, Articles of Association or any other applicable law(s) for the time being in force.

The audit committee shall mandatorily review the following information:

- i. management discussion and analysis of financial condition and results of operations;
- ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. internal audit reports relating to internal control weaknesses; and
- v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

All the recommendations by the AC to the Board during the year were duly accepted.

2. NOMINATION AND REMUNERATION COMMITTEE (“NRC”):

Composition:

The Nomination and Remuneration Committee of the Board of Directors of the Company as on March 31, 2024, consists of the following Members:

1. Mrs. Rupa Vora, Member
2. Mr. Karnam Sekar, Member
3. Mr. Bhupinder Singh, Member
4. Mr. Rohan Suri, Member

Terms of references:

The role of the NRC includes the following:

- a) Identification of persons qualified to become directors, and to make recommendations to the Board for their appointment /removal or filling of vacancies on the Board.
- b) Identification of persons for appointment as the Senior Management Personnel of the Company and to make recommendations to the Board for their appointment / removal.

Note: As per Section 178 of the Companies Act, 2013, the term “Senior Management Personnel” of a company shall mean members of the core management team of the company (excluding the board of directors), comprising of all members of management one level below the executive directors, including the functional heads.

- c) Administration and superintendence of the Employee Stock Option Schemes of the Company (as may be applicable).
- d) Formulation, supervision and implementation of the following policies:

- i. Appointment & Remuneration Policy for the Directors and Key Managerial Personnel;
 - ii. Employees Remuneration Policy; and
 - iii. Policy for Annual Performance Evaluation of the Directors.
- e) Formulation of the criteria for determining qualifications, positive attributes and independence of a director, and to recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees. While formulating such policy the Committee shall ensure that:
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. the remuneration to directors, key managerial personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- f) For the appointment of each independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates
- g) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- h) Devising a policy on diversity of the Board of Directors.
- i) Providing recommendation as to whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- j) Recommend to the Board, all remuneration, in whatever form, payable to the Senior Management Personnel.
- k) Any other role / functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company, or as may be required under the Companies Act, 2013, Shareholders Agreement or other applicable law(s), for the time being in force.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR Committee”)

Composition:

The Corporate Social Responsibility Committee of the Board of Directors of the Company as on March 31, 2024, consists of the following Members:

1. Mrs. Rupa Vora, Member
2. Mr. Karnam Sekar, Member
3. Mr. Vivek Bansal, Member

Terms of references:

The role of the CSR Committee includes the following:

- a) To finalise and appraise to the Board a corporate social responsibility (CSR) policy for the Company.
- b) To recommend CSR activities and expenditure on the same.
- c) To monitor implementation of the CSR policy of the Company from time to time.
- d) To formulate and recommend to the Board an annual action plan in pursuance of the CSR policy of the Company (containing such details as may be required under applicable law(s), including the Companies Act, 2013 and rules made thereunder).
- e) Any other role/ functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company, or as may be required under the Companies Act, 2013 and rules made thereunder, as amended from time to time, or any other applicable law(s) for the time being in force.

4. STAKEHOLDER RELATIONSHIP COMMITTEE (“SR Committee”)

Composition:

The Stakeholder Relationship Committee of the Board of Directors of the Company as on March 31, 2024, consists of the following Members:

1. Mrs. Rupa Vora, Member
2. Mr. Karnam Sekar, Member
3. Mr. Vivek Bansal, Member

Terms of references:

The role of the SR Committee includes the following:

- a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

As per section 178 of the Companies Act, 2013 requires the NRC to formulate a policy relating to the remuneration of the Directors, Senior Management/KMPs and other employees of the Company and recommend the same for approval of the Board.

Further, Section 134 of the Companies Act, 2013 stipulates that the Board's Report is required to include a statement on Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and remuneration for KMPs and other employees.

Accordingly, the Board of Directors have, based on the recommendation of the NRC, approved the policy on Directors' appointment and remuneration for Directors, KMP and other employees, which is available on the website of the Company.

PERFORMANCE EVALUATION

The Board acknowledges its intention to establish and follow "best practices" in Board governance to fulfil its fiduciary obligation to the Company. The Board is committed to assessing its own performance as a Board to identify its strengths and areas in which it may improve its functioning.

The Company has laid down an Evaluation Policy for evaluation of the Board, approved by the Board of Directors setting the criteria based on which the Board has carried out an annual performance evaluation of its own performance, the individual directors as well as the evaluation of its various Committees. The evaluation was conducted based on a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process.

DEPOSITS

The Company has not accepted any deposits from public under provisions of 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, during the FY 2023-2024.

AUDITORS AND THEIR AUDIT REPORT

Statutory Auditors:

The Members of the Company at its 13th Annual General Meeting held on July 24, 2023, had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), as the Statutory Auditors of the Company to hold from the conclusion of 13th Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company to be held in the financial year 2028-29.

Further M/s. S.R. Batliboi & Associates LLP has completed their tenure as Statutory Auditor of InCred Financial Services Limited, Wholly Owned Subsidiary of the Company at the AGM held on July, 08, 2024 and have appointed M/s. Deloitte Haskins & Sells, Chartered Accountant in their place. Accordingly to align the Statutory auditor of the Company with the auditors of the group

companies, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have intimated to the Board with respect to their intention to resign from the position of the Statutory Auditors of the Company w.e.f. conclusion of the 14th AGM resulting in a casual vacancy in terms of Section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on September 02, 2024 on the recommendation of the Audit Committee and pursuant to provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, approved the appointment of M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company, to hold office for a period of 5 years from the conclusion of 14th Annual General Meeting till the conclusion of the 19th Annual General Meeting of the Company to be held in the year 2029 – 2030, subject to the approval of the members of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed between the Board of Directors and with Auditors among themselves.

During the year under review, the statutory auditors confirmed that they had remained independent throughout the duration of the audit engagement, as required by the relevant ethical /independence requirements as enunciated in the Code of Ethics issued by the ICAI.

The Statutory Auditors Report for the F.Y ended March 31, 2024, does not contain any qualifications, reservations or adverse remarks which require any clarifications/ explanations by the Board.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ashish Karodia & Co. to undertake the secretarial audit of the Company for the financial year 2023-24.

The Secretarial Audit Report is appended as '**Annexure B**' to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

Internal Auditors

The Company has in place a well-defined and robust internal audit plan, as agreed by the Audit Committee, and is aligned in a way that provides an independent view to the Board of Directors, the Audit Committee and the Senior Management on the quality and efficacy of the internal controls, governance systems and processes in place. As per the agreed scope of audit, the appointed Internal Auditor, Ms. Nikita Mehra Mall periodically carries out audits on a test basis and reports her observations and recommendations to the Audit Committee for corrective and preventive actions.

Reporting of frauds by auditors:

During the year under review the Statutory Auditors, have not reported any instance of frauds committed in the Company by its officers or employees to the Board of Directors under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

INTERNAL CONTROL/INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to the financial statements commensurate with the size, scale, and complexity of the operations of the Company as on March 31, 2024.

During the year under review, the Internal Auditors of the Company evaluated the adequacy of all internal controls and processes and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework and no material weaknesses in the design or operations were observed and reported by the Auditors.

SECRETARIAL STANDARDS

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board Meetings & General Meetings.

RELATED PARTY TRANSACTIONS

Related party transactions (RPTs) entered into by a Company during the FY under review were on an arm's length basis and were in the ordinary course of business in compliance with the requirement of the Companies Act, 2013 and the Rules framed thereunder.

The particulars of such contracts or arrangements with related parties referred to Section 188(1), as prescribed in Form AOC – 2 under Rule 8(2) of the Companies (Accounts) Rules, 2014, are specified in the '**Annexure C**' annexed to this Report.

Further, a statement showing the disclosure of related party transactions as per Ind AS 24 is set out in Notes to the Standalone Audited Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

CORPORATE SOCIAL RESPONSIBILITY

Basis the computation of the average net profit for the purpose of determining the spending on CSR activities in accordance with the provisions of section 198 of the Companies Act, 2013, the Company was not required to spend on the CSR activities for this financial year 2023-24 pursuant to Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The Annual Report on CSR activities is annexed herewith as '**Annexure D**'.

MAINTENANCE OF COST RECORDS

The Company is in the financial services industry. In view of the nature of activities which are being carried on by the Company, the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act is not applicable on the Company and hence such accounts and records are not maintained.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments which affect the financial position of the Company which have occurred between end of the financial year to which the financial statements relate,

and the date of this Report other than as explained above in the para – Composite Scheme of Arrangement.

EMPLOYEE STOCK OPTION SCHEME

The ESOP Plan & Scheme for Employees of the Company including the Employees of its Subsidiary companies was adopted in accordance with Companies Act, 2013 and the applicable provisions, with the objective of rewarding the Employees for building up the value of the Company and for providing to the Employees a sense of ownership and participation in the Company and also to provide them with an opportunity to share in the value creation in its business.

The disclosure on Employee Stock Option Schemes as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 for the F.Y ended March 31, 2024 is annexed as 'Annexure E' of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board to the best of its knowledge and ability, hereby confirms that:

- (i) In the preparation of the Audited Annual Accounts of the Company for the FY ended March 31, 2024, applicable accounting standards have been followed, with proper explanations provided for material departures (if any);
- (ii) The Board has selected such accounting policies and applied them consistently and made judgements and estimates that were 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 FY under review and of the loss of the Company for that period;
- (iii) Board has taken proper and sufficient care for the maintenance of adequate accounting records of the Company in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Board has prepared the accounts for the FY ended March 31, 2024, on a 'going concern' basis;
- (v) The Board has laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- (vi) The Board has devised proper systems to ensure compliance with the provisions of applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of the Section 186 of the Companies Act, 2013, disclosure on particulars, relating to Investments made by the Company are given in the notes to Financial Statements as applicable.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

The Company being an unlisted company, the provisions of Section 197(12) are not applicable.

Further, all the Executive Directors designated as per section 203 of Companies Act, 2013 receive remuneration from the subsidiary Company i.e. InCred Financial Services Limited.

While the remuneration details for Key Managerial Personnel as per Section 203 of Companies Act, 2013 is as follows:

Sr. No.	Name	Designation	Gross Salary	Perquisites/Bonus	Total Salary
1.	Nikita Shetty	Company Secretary	15,95,944*	-	15,95,944*

*Ms. Shetty was appointed as the Company Secretary w.e.f. September 13, 2023.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & EXCHANGE EARNINGS & OUTGO

Information pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014.

A. CONSERVATION OF ENERGY

Since the Company is engaged in the financial services industry, this disclosure is not applicable to the Company.

B. TECHNOLOGY ABSORPTION

Since the Company is engaged in the financial services industry, Rule 8(3)(B) of the Companies (Accounts) Rules, 2014 in relation to technology absorption is not applicable to the Company.

C. FOREIGN EXCHANGE EARNING & OUTGO

During the year under consideration, the Foreign Exchange Earnings and Expenditures were as follows:

Particulars	(INR in Lakhs)	
	2023-24	2022-23
Foreign exchange earning	-	-
Foreign exchange expenditure	-	545.71

RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks and the Management has the overall responsibility for establishing and governing the Company's risk management framework. Accordingly, the Management has formulated a risk management framework which helps in identifying, assessing and prioritizing the risks and followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events. The said framework enables the Management an ongoing tracking of the evolution of risks and ensures delivery of action plans to mitigate them.

VIGIL MECHANISM

The provisions of Section 177 of the Act in relation to establishing a vigil mechanism for Directors and Employees to report genuine concerns and allegations of misconduct is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is not required to constitute an Internal Complaints Committee, as it does not fall under the purview of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

The Company has not filed any application, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), during the year.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under review, there was no instance of one-time settlement with any banks or financial institutions.

ACKNOWLEDGEMENT

Your Directors' commend the continued commitment, contribution and dedication of employees at all levels. The Directors also wish to acknowledge with thanks all other stakeholders, shareholders and regulatory authorities for their valuable sustained support and encouragement. Your Directors' also place on record their deep and sincere appreciation for the commitment and integrity shown and hard work/dedication put in by the Management and the Employees of the Company.

**FOR AND ON BEHALF OF THE BOARD
OF INCRED HOLDINGS LIMITED**

**Sd/-
Bhupinder Singh
Whole-Time Director & CEO
DIN : 07342318**

**Sd/-
Vivek Bansal
Whole-Time Director & CFO
DIN : 07835456**

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)

Part "A": Subsidiaries

(INR in Lakhs)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures					
1	Sr. No.	1	2	3	4
2	Name of the Subsidiary	InCred Financial Services Limited	InCred Prime Finance Limited	InCred Finserv Private Limited (erstwhile known as InCred Management and Technology Services Private Limited)	InCred.AI Limited
3	Registered Office	Mumbai	Mumbai	Mumbai	Mumbai
4	Nature of Business	NBFC	NBFC	Support services	Advisory and Consultancy services company
5	No. of Branches	53	1	1	1
6	Reporting period	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024
7	Reporting currency	INR	INR	INR	INR
8	Exchange rate on the last day of the financial year	NA	NA	NA	NA
9	Share Capital	48,331.01	3,880.26	2,290.00	1.00
10	Reserves and Surplus	283,649.31	(3,088.86)	(1,898.35)	(1.43)
11	Total assets (Fixed assets + Investments + Other assets)	867,837.28	1,218.51	412.26	3.16
12	Total liabilities (Deposits +	535,356.93	427.11	20.61	3.59

	Borrowings + Other liabilities + Provisions)				
13	Investments	58,182.22	813.00	125.69	-
14	Turnover	129,310.13	24.29	15.35	-
15	Profit/ (Loss) Before Tax	41,964.13	(348.36)	(218.76)	(1.23)
16	Provision for tax	10,328.61	(45.64)	-	-
17	Profit/ (Loss)After Tax	31,635.52	(302.72)	(218.76)	(1.23)
18	Proposed dividend	-	-	-	-
19	% of shareholding	100%	59.37%	100%	100%

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year :
 - a) Booth Fintech Private Limited
 - b) mValu Technology Services Private Limited

Part “B”: Associates & Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures		
1	Latest audited balance sheet date	NIL
2	Shares of Associate/joint Ventures held by the company on the year end	
	Number	
	Amount of investment in associates/ joint venture	
	Extent of holding %	
3	Description of how there are significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to shareholding as per latest audited balance sheet	
6	Profit/ loss for the year	
i	Considered in consolidation	
ii	Not considered in consolidation	

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

**FOR AND ON BEHALF OF THE BOARD
of INCRED HOLDINGS LIMITED**

**Sd/-
Bhupinder Singh
Whole Time Director & CEO
DIN : 07342318**

**Sd/-
Vivek Bansal
Whole Time Director & CFO
DIN : 07835456**

INCRED HOLDINGS LIMITED
CIN: U67190MH2011PLC211738

Secretarial Audit Report
For the financial year ended on 31st March 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

MR-3**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
INCREC HOLDINGS LIMITED
U67190MH2011PLC211738
Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C-70, G Block,
BKC, Mumbai-400051, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INCREC HOLDINGS LIMITED, having CIN: U67190MH2011PLC211738 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on our verification of the INCREC HOLDINGS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31,2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by INCREC HOLDINGS LIMITED for the financial year ended on March 31,2024 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) SEBI (Merchant Bankers) Regulations, 1992
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - *Not applicable to the Company during the period under scrutiny*
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - *Not applicable to the Company during the period under scrutiny*
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2009;

- *Not applicable to the Company during the period under scrutiny*
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - *Not applicable to the Company during the period under scrutiny*
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - *Not applicable to the Company during the period under scrutiny*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - *Not applicable to the Company during the period under scrutiny*
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - *Not applicable to the Company during the period under scrutiny*
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - *Not applicable to the Company during the period under scrutiny*

We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for the compliances under the following applicable Act (if applicable), Law & Regulations to the Company:

- a. Applicable Direct and Indirect Tax Laws.
- b. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size

and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

At the Annual General Meeting held on July 24, 2023 to carry on the Ordinary Business along with the following Special businesses:

1. Amendment in Employee Stock Option Plan of the Company.
2. Appointment of Mr. Rohan Suri (DIN:07074450) as the Non-Executive Director of the Company
3. Adoption of Restated Article of Association of the Company.

At the Extraordinary General Meeting held on November 8, 2023 to carry on the following businesses:

1. Approval for issuance of equity shares on Private Placement Basis/Preferential Allotment Basis.

Note: This Report is to be read with our letter even date which is annexed as Annexure A and forms and integral part of this report.

**ASHISH
KARODIA**

Digitally signed by ASHISH KARODIA
DN: cn=P, postalCode=452001, st=MAHARASHTRA,
PRADESH, street=E404 ELITE ANMOL BICHOLI
ROAD IN DONGRE OPPPOSITE BUALI NAGAR
452001, INDORE, o=Personak, id=#7251,
pseudoym=725120230607105020166,
2.5.4.20=746556a4c23ac2350386752661eef1
#910a69c0f881d8a8021db8e8033be0a6,
email=ASHISHKARODIA@GMAIL.COM,
c=ASHISH KARODIA
Date: 2024.09.02 19:20:22 +05'30'

CS Ashish Karodia

M No. 6549 CP 6375

On 02/09/2024

At Indore

UDIN: F006549F001094064

Annexure –A to the Secretarial Audit Report

To,
The Members,
INCRD HOLDINGS LIMITED
U67190MH2011PLC211738
Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C-70, G Block,
BKC, Mumbai-400051 Maharashtra, India

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**ASHISH
KARODIA**

Digitally signed by ASHISH KARODIA
DN: cn=IN, postalCode=452001, st=MADHYA
PRADESH, serial=804 ELITE INNOV. BICHOLI
ROAD,INDORE, o=PERSONAL, ou=7251,
l=INDORE, email=ashishkarodia@gmail.com,
2.5.4.20=f06556e4526c235938075261eaff1e91
c49f98f8f10a0310ba0e40218a0400,
email=ASHISHKARODIA@GMAIL.COM,
cn=ASHISH KARODIA
Date: 2024.09.02 19:20:47 +05'30'

CS Ashish Karodia
M No. 6549 CP 6375
On 02/09/2024
At Indore
UDIN: F006549F001094064

Annexure C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

1.	2.	3.	4.	5.	6.	7.	8.
Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/transactions	Duration of contracts /arrangements/transactions	Salient terms of contracts /arrangements/transactions including the value, if any	Justification for entering into such contracts /arrangements/transactions	Date of approval by the board of directors	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting
Not applicable since all the transactions have been entered at arm's length with related parties.							

2. Details of material contract or arrangements or transactions at arm's length basis:

1.	2.	3.	4.	5.	6.	7.
Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Duration of contracts/arrangements /transactions	Salient terms of Contracts /arrangements /transaction ns including the value, if any	Justification for entering into such contracts /arrangements /transactions	Date of approval by the board of directors	Amount paid as advance , if any
Not applicable since all the transactions are covered within the threshold limit defined by the Company.						

**FOR AND ON BEHALF OF THE BOARD
Of INCRED HOLDINGS LIMITED**

Sd/-
Bhupinder Singh
Whole Time Director & CEO
DIN : 07342318
Place: Mumbai
Date: September 02, 2024

Sd/-
Vivek Bansal
Whole Time Director & CFO
DIN : 07835456

Annexure D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. The Company's CSR mission is to contribute to the social and economic development of the community through a series of interventions. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. The Company, for Corporate Social Responsibility activities, strives to promote education and ensure environmental sustainability/ ecological balance etc.

The CSR Policy adopted by your Company is available on the website of the Company at <https://www.incredholdings.com/home/>

2. The CSR committee of the Board of Directors as on the date of this Board Report comprises of the following:

Sr. No.	Name of Director	Designation	Number of CSR meeting held/entitled to attend during the year	Number of CSR meeting attended during the year
1.	Mr. Karnam Sekar	Independent Director	0	0
2.	Mr. Vivek Bansal	Whole Time Director and CEO	0	0
3.	Ms. Rupa Vora	Independent Director	0	0

3. The Composition of CSR Committee, CSR Policy and CSR projects approved by the Board of our Company is available on the website of the Company at <https://www.incredholdings.com/home/>
4. Impact assessments of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable
5. Amount available for set off in pursuance of sub -rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amount required for set off for the financial year:

Sr. No.	Financial Year	Amount available for set off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1.	2022-23	NIL	NIL
2.	2021-22	NIL	NIL
3.	2020-21	NIL	NIL

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:
NA

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Items from the list of activities in schedule VII of the act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in INR)	Mode of Implementation on Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District			Name	CSR Registration number
1.									
2.									
3.									

(d) Amount spent in administrative overheads: None

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): None

(g) Excess amount for set off, if any: None

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial year	Amount transferred to unspent CSR account under section 135(6) (in INR)	Amount spent in the reporting financial year (in INR)	Amount transferred to any fund specified under schedule VII as per section 135 (6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the fund	Amount (in INR)	Date of transfer	
1.	2022-23	NIL	NIL	-	NIL	-	NIL
2.	2021-22	NIL	NIL	-	NIL	-	NIL
3.	2020-21	NIL	NIL	-	NIL	-	NIL

(b) Details of CSR amount spent in the financial year for **ongoing projects** of preceding financial year(s): NA

10. In case of creation or acquisition of capital asset, furnish the details relating to asset so created or acquired through CSR spent in the financial year. **(asset – wise details).**

(a) Date of creation or acquisition of the capital asset (s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profits as per section 135(5): NA

For InCred Holdings Limited

Sd/-

Bhupinder Singh

Wholetime Director and CEO

DIN: 07342318

Place: Mumbai

Date: September 2, 2024

Annexure E

Disclosure under the Employee Incentive Scheme – 2022 pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on financial year ended March 31, 2024

Particulars	Disclosures*
Number of options granted (in FY 2023-24)	60,92,850
Number of options vested (in FY 2023-24)	79,73,388
Number of options exercised (in FY 2023-24)	95,45,137
Total number of shares arising as a result of exercise of options	95,45,137
Number of options lapsed / cancelled (in FY 2023-24) – includes both vested and unvested	6,21,575
Exercise Price	INR 28 & INR 40
Variation of terms of options	None
Money realised by the exercise of options	35,31,27,364
Total number of options in force	4,32,08,059

Details of options granted to Key Managerial Personnel (“KMP”) during the Financial Year 2023-24:

Sr. No.	Name	Designation	Options Granted
1.	Bhupinder Singh	Whole-time Director & Chief Executive Officer	-
2.	Vivek Bansal	Whole-time Director & Chief Financial Officer	12,50,000
3.	Gajendra Thakur*	Head – Legal, Compliance & Company Secretary	54,000
4.	Nikita Shetty**	Company Secretary & Compliance Officer	24,000

*ceased to be a Company Secretary of the Company w.e.f. September 13, 2023

**appointment as a Company Secretary of the Company w.e.f September 13, 2023

Details of employees who received a grant of options in any one year of options amounting to five per cent or more of options granted during that year:

Sr. No.	Name	Designation	Options Granted
1.	Vivek Bansal	Whole-time Director & Chief Financial Officer	12,50,000
2.	Saumya Mittal	Head - Credit Analysis SME	3,50,000

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

STANDALONE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Members of InCred Holdings Limited

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of InCred Holdings Limited ("the Company"), which comprise the Balance sheet as at 31 March 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material 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 31 March 2024, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, 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, specified under section 133 of the Act. This

responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31 March 2024;
 - (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.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 36 (vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 36 (vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note 40 to the standalone financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Sarvesh
Vishwesh
Warty**

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email=sarvesh.warty@srb.in
Date: 2024.09.02 22:01:50 +05'30'

per Sarvesh Warty

Partner

Membership Number: 121411

UDIN: 24121411BKFRSG6489

Place: Mumbai

Date: 02 September 2024

Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date on the standalone financial statements of InCred Holdings Limited

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended 31 March 2024. The Company has not capitalized any intangible assets in the books of the Company.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) During the year the Company has provided loans, to companies as follows:

	Loans
Aggregate amount granted/ provided during the year	Rs. 1,500 lakhs
- Subsidiaries	Rs. 1,500 lakhs
- Joint Ventures	Nil
- Associates	Nil
- Others	Nil
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	Nil
- Joint Ventures	Nil
- Associates	Nil
- Others	Nil

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees

to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loan(s) during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) During the year, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties as stated below and none of these are granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

	All Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	Rs. 1,500 lakhs
Percentage of loans/ advances in nature of loans to the total loans	100%

- iv. Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, income tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
- xi. (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)/(b)/(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses amounting to Rs. 1,754.09 lakhs in the current year and amounting to Rs. 558.94 lakhs in the immediately preceding financial year respectively.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 37 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note 40 (b) to the financial statements.
- (b) There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 40 (b) to the financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Sarvesh
Vishwesh
Warty**

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per Sarvesh Warty

Partner

Membership Number: 121411

UDIN: 24121411BKFRSG6489

Place: Mumbai

Date: 02 September 2024

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of InCred Holdings Limited

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

We have audited the internal financial controls with reference to standalone financial statements of InCred Holdings Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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per Sarvesh Warty

Partner

Membership Number: 121411

UDIN: 24121411BKFRSG6489

Place: Mumbai

Date: 02 September 2024

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Standalone Financial Statements**Balance Sheet as at March 31, 2024**

(Rs. in lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	167.93	236.36
(b) Investments	3	2,95,412.48	2,42,116.38
(c) Other financial assets	4	133.97	1.50
		2,95,714.38	2,42,354.24
(2) Non-financial assets			
(a) Current tax assets (Net of provision for tax)		2,340.46	2,437.48
(b) Deferred tax assets (Net of deferred tax liabilities)	5	1,752.86	519.42
(c) Property, plant and equipment	6	0.60	0.95
(d) Other intangible assets	7	-	-
(e) Other non-financial assets	8	1,096.34	3,392.72
		5,190.26	6,350.57
Total assets		3,00,904.64	2,48,704.81
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Borrowings (other than debt securities)	9	-	1,500.00
(b) Other financial liabilities	10	2,312.74	1,314.67
		2,312.74	2,814.67
(2) Non-financial liabilities			
(a) Provisions	11	32.63	-
(b) Other non-financial liabilities	12	13.13	48.29
		45.76	48.29
EQUITY			
(a) Equity share capital	13	64,181.76	59,523.54
(b) Other equity	14	2,34,364.38	1,86,318.31
		2,98,546.14	2,45,841.85
Total liabilities and equity		3,00,904.64	2,48,704.81

Material accounting policies and other explanatory information

1

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP**Chartered Accountants**

ICAI Firm Registration No.: 101049W/E300004

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per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

BHUPINDER SINGH
Digitally signed by BHUPINDER SINGH
Date: 2024.09.02 21:28:06 +05'30'

Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

VIVEK BANSAL
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Date: 2024.09.02 21:30:48 +05'30'

Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

NIKITA DEEPAK SHETTY
Digitally signed by NIKITA DEEPAK SHETTY
Date: 2024.09.02 21:32:56 +05'30'

Nikita Shetty

Company Secretary

Membership No: A29555

Place: Mumbai

Date: September 2, 2024

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Standalone Financial Statements

Statement of Profit and Loss for the period ended March 31, 2024

(Rs. in lakhs)

Particulars	Note No	Year ended March 31, 2024	Year ended March 31, 2023
Revenue From operations			
(i) Interest income	15	42.48	19.03
(ii) Fees and commission income	16	120.90	89.05
(iii) Net gain/(loss) on fair value changes	17	257.31	1.70
(I) Total revenue from operations		420.69	109.78
(II) Other income	18	32.02	83.92
(III) Total income (I + II)		452.71	193.70
Expenses			
(i) Finance costs	19	9.50	79.97
(ii) Impairment on financial instruments	20	109.74	(1,250.99)
(iii) Employee benefits expenses	21	76.34	7.31
(iv) Depreciation, amortization and impairment	6 & 7	0.35	42.86
(v) Others expenses	22	228.02	595.32
(IV) Total expenses		423.95	(525.53)
(V) Profit before exceptional items and tax (III - IV)		28.76	719.23
(VI) Exceptional Items	39	1,800.00	-
(VII) Profit before tax (V - VI)		(1,771.24)	719.23
Tax Expense:			
(i) Current Tax		-	-
(ii) Deferred Tax		(1,232.59)	1,760.55
(VIII) Total Tax Expense	23	(1,232.59)	1,760.55
(IX) Profit for the period (VII - VIII)		(538.65)	(1,041.32)
(X) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain/(loss) of the defined benefit plans		(3.38)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.85	-
Subtotal (A)		(2.53)	-
(B) (i) Items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income / (loss) (A + B)		(2.53)	-
(XI) Total comprehensive income for the period (IX + X)		(541.18)	(1,041.32)
(XII) Earnings per equity share (Face Value : Rs. 10 per share)	24		
Basic (Rs.)		(0.09)	(0.18)
Diluted (Rs.)		(0.08)	(0.17)

Material accounting policies and other explanatory information
The accompanying notes form an integral part of the standalone financial statements

1

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Sarvesh
Vishwesh
Warty**

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per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

BHUPINDER SINGH
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Date: 2024.09.02 21:28:34 +05'30'

Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

VIVEK BANSAL
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Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

NIKITA DEEPAK SHETTY
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Date: 2024.09.02 21:33:28 +05'30'

Nikita Shetty

Company Secretary

Membership No: A29555

Place: Mumbai

Date: September 2, 2024

Standalone Financial Statements
Cash Flow Statement for the year ended March 31, 2024

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	(1,771.24)	719.23
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation, amortization and impairment	0.35	42.86
Net (gain) on fair value changes	(257.31)	(1.70)
Impairment of Non current Asset	-	(1,250.99)
Interest income	(42.48)	(19.03)
Finance costs	5.47	79.97
Share based payment to employees	2,691.62	-
Provision for diminution on investment	109.74	-
Retirement Benefit expenses	-	(68.34)
Operating profit before working capital changes	736.15	(498.00)
Working capital adjustments		
Decrease in Trade receivables	-	62.65
(Increase) / Decrease in other financial assets	(132.47)	25.17
(Increase) / Decrease in other non financial assets	2,296.38	(231.89)
(Decrease) / Increase in Trade payables	-	(1,502.71)
(Decrease) / Increase in other financial liabilities	998.07	(2,949.17)
(Decrease) / Increase in other non financial liabilities	(35.16)	(12.01)
(Decrease) / Increase in provisions	29.25	-
Cash generated from operations	3,892.22	(5,105.96)
Income taxes paid (net)	97.02	(26.24)
Net cash (used in) / generated from operating activities	3,989.24	(5,132.20)
Cash flow from investing activities		
(Purchase) / Sale of property, plant and equipment	0.01	(1.04)
Investment in subsidiaries	(50,000.02)	-
Purchase of investments	(30,823.62)	(899.96)
Proceeds from sale of investments	30,107.77	-
Interest income from investing activities	42.48	-
Interest income on term deposits	-	19.03
Net cash (used in) / generated from investing activities	(50,673.38)	(881.97)
Cash flow from financing activities		
Issue of equity shares (including securities premium)	48,121.15	1,337.84
Proceeds from borrowings (other than debt securities)	-	1,500.00
Repayment of borrowings (other than debt securities)	(1,505.44)	(79.97)
Net cash (used in) / generated from financing activities	46,615.71	2,757.87
Net increase / (decrease) in cash and cash equivalents	(68.43)	(3,256.30)
Cash and cash equivalents at the beginning of the year	236.36	3,492.66
Cash and cash equivalents at the end of the year (Refer note 2)	167.93	236.36

Material accounting policies and other explanatory information 1
The accompanying notes form an integral part of the standalone financial statements

Notes:

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh
Vishwesh
Warty

Digitally signed by Sarvesh Vishwesh Warty
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Date: 2024.09.02 22:03:20 +05'30'

per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

BHUPINDER
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Date: 2024.09.02 21:28:56 +05'30'

Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

VIVEK
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Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

NIKITA
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SHETTY

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Date: 2024.09.02 21:33:48 +05'30'

Nikita Shetty

Company Secretary

Membership No: A29555

Place: Mumbai

Date: September 2, 2024

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Standalone Financial Statements**Statement of Changes in Equity for the year ended March 31, 2024****A. Equity share capital**

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	59,523.54	19,275.85
Changes in equity share capital during the year	4,658.22	40,247.69
Balance as at the end of the year	64,181.76	59,523.54

B. Other equity

(Rs. in lakhs)

Particulars	Reserves and Surplus				Total
	Securities premium	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
Balance at March 31, 2022	2,27,332.53	242.00	-	(1,35,743.31)	91,831.22
Profit for the year	-	-	-	(1,041.32)	(1,041.32)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year (net of tax)	-	-	-	(1,041.32)	(1,041.32)
Transfer / utilisations					
Additions during the year	969.07	-	3,758.07	-	4,727.14
Additions during the year (non-cash premium)	907.85	-	(907.85)	-	-
Bonus shares issued during the year	(917.76)	-	-	-	(917.76)
Utilized during the year	-	-	(17.06)	17.06	-
Additions due to business combination	87,826.31	-	3,892.72	-	91,719.03
Balance at March 31, 2023	3,16,118.00	242.00	6,725.88	(1,36,767.57)	1,86,318.31
Profit for the year	-	-	-	(538.65)	(538.65)
Other comprehensive income for the year	-	-	-	(2.53)	(2.53)
Total comprehensive income for the year (net of tax)	-	-	-	(541.18)	(541.18)
Transfer / utilisations					
Additions during the year	48,873.05	-	2,432.70	-	51,305.75
Additions during the year (non-cash premium)	2,691.62	-	(2,691.62)	-	-
Bonus shares issued during the year	-	-	-	-	-
Utilized during the year	(2,718.50)	-	(33.94)	33.94	(2,718.50)
Balance at March 31, 2024	3,64,964.17	242.00	6,433.02	(1,37,274.81)	2,34,364.38

Significant accounting policies and key accounting estimates and judgments 1

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP**Chartered Accountants**

ICAI Firm Registration No.: 101049W/E300004

Sarvesh
Vishwesh
Warty

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DN: cn=Sarvesh Vishwesh Warty, c=IN, o=Personal, email=sarvesh.warty@srb.in
Date: 2024.09.02 22:03:41 +05'30'

per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

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Bhupinder Singh

Whole Time Director and CEO

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Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

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Date: 2024.09.02 21:34:08 +05'30'

Nikita Shetty

Company Secretary

Membership No: A29555

Place: Mumbai

Date: September 2, 2024

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

(1) Material Accounting Policies and Other Explanatory Information

A. Corporate Information

InCred Holdings Limited (formerly known as “KKR Capital Markets India Limited”) (the Company), was incorporated as a private limited company on January 03, 2011 under the provisions of the Companies Act, 1956. The Company is registered with the Securities and Exchange Board of India as a 'Category I Merchant Banker' and the Company is engaged in providing investment advisory, investment management and finance arrangement services. The Company also acts as an Investment Manager to “KKR India Debt Opportunities Fund II” (“Fund”). The Company is converted to Public Company on July 8, 2022.

The registered office of the Company is Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai – 400051

The standalone financial statements are authorized for issue by the Company’s Board of Directors on September 2, 2024.

B. Basis of preparation

The standalone 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.

i. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (‘INR’), which is also the Company’s functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

ii. Basis of measurement

The standalone financial statements have been prepared under the historical cost convention except for the following items:

- a. Certain financial assets and liabilities that are measured at fair value
- b. Net defined benefit asset / liability – plan assets are measured at fair value less present value of defined benefit obligation; and
- c. Share-based payments - measured at fair value on initial recognition

iii. Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements, reported amounts of revenues and expenses during the period. Actual results may defer from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in the accounting estimates are recognised prospectively.

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

Significant accounting estimates and judgements:

- i. Business model assessment
- ii. Fair value of financial instruments
- iii. Impairment of financial assets
- iv. Provision for tax expenses
- v. Residual value, useful life and indicators of impairment and recoverable value of property, plant and equipment

C. Presentation of financial statements

The standalone financial statements of the Company are presented as per Schedule III of the Companies Act, 2013, as notified by the Ministry of Corporate Affairs ('MCA'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Standalone Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and RBI regulations to the extent applicable.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS.

D. Material accounting policies and other explanatory information

1. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair values of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. 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. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital are some examples of financial instruments.

All financial instruments are at amortised cost, unless otherwise specified.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

i. Financial assets

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

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

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

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. The Company classifies its financial assets in the following measurement categories:

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

Financial assets measured at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment), unless the asset is designated at FVTPL:

- i. the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. 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.

Financial assets measured at Fair value through other comprehensive Income ('FVOCI')

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- i. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. the 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.

Financial assets measured at Fair Value through Profit and Loss ('FVTPL')

A financial asset which is not classified in above category is subsequently measured at FVTPL. Where assets are measured at fair value, gains and losses are recognized entirely in the Standalone Statement of Profit and Loss.

Subsequent measurement

The assets classified in the aforementioned categories are subsequently measured as follows:

Financial assets at Amortised cost

These assets are subsequently measured at amortised cost at each reporting period 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 standalone statement of profit and loss. Any gain or loss on derecognition is recognised in standalone statement of profit and loss.

Debt investments at FVOCI

These assets are subsequently measured at each reporting period at fair value. Interest income under the EIR method, foreign gains and losses and impairment are recognised in Standalone Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Standalone Statement of Profit and Loss.

InCred Holdings Limited

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Notes to the Standalone Financial Statements

Equity investments designated at FVOCI

These assets are subsequently measured at each reporting period at fair value. Dividends are recognised as income in standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to standalone statement of profit and loss .

Financial assets at FVTPL

These assets are subsequently measured at each reporting period at fair value. Net gains and losses, including any interest or dividend income, are recognised in Standalone Statement of Profit and Loss.

ii. Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as on initial recognition.

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs profit and loss.

The Company's financial liabilities include trade payables and other financial liabilities.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) when the contractual rights to receive cash flows from the financial asset expires or it transfers the rights to receive to receive the contractual cash flows in a transaction in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

InCred Holdings Limited

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Notes to the Standalone Financial Statements

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of loans which doesn't affect the business model of the Company.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

iv. Offsetting of financial instruments

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

3. Share capital

Equity and preference shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

4. Investment in subsidiaries

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

5. Impairment of financial assets

At each reporting period, the Company assesses whether financial assets carried at amortised cost and FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- Evidence that a financial asset is credit-impaired includes the following observable data:
 - a) Significant financial difficulty of the borrower or issuer;
 - b) A breach of contract such as a default or past due event;

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

- c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

6. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

7. Share-based payment arrangements

- a. 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.
- b. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or 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 expired and the Company's best estimate of the number of equity instruments that will ultimately vest.
- c. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Standalone Statement of Profit and Loss.
- d. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

8. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income ('OCI').

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous

InCred Holdings Limited

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Notes to the Standalone Financial Statements

years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends to realise the asset or settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- i. temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss; and
- ii. temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as on the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

InCred Holdings Limited

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Notes to the Standalone Financial Statements

9. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- (i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
- (ii) any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Standalone Statement of Profit and Loss.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Standalone Statement of Profit and Loss.

ii. 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.

iii. Depreciation

Depreciation is provided on straight line basis as per the useful life given under Schedule II of the Companies Act, 2013, and is generally recognised in the Standalone Statement of Profit and Loss.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e., from / (upto) the date which the asset is ready for use / (disposed of).

The useful life as per Schedule II are as follows:

Asset	Useful life as per Schedule II
Office equipment	3 years
Computers and printers	3 years
Leasehold improvements	amortised over the period of lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimated useful life as given above best represent the period over which management expects to use these assets.

10. Intangible assets

i. Recognition and measurement

Intangible assets (computer software) are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price including any import duties and other taxes (other than those subsequently

InCred Holdings Limited

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Notes to the Standalone Financial Statements

recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the Statement Profit and Loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful life using the straight-line method, and is included in depreciation, amortisation and impairment in the Standalone Statement of Profit and Loss.

The intangible assets are amortised over the estimated useful life of 3 years.

Amortisation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

11. Impairment of non-financial assets

The carrying values of these assets at each balance sheet date are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of these asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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.

If the carrying amount of these assets exceed the estimated recoverable amount, an impairment loss is recognised in the Standalone Statement of Profit and Loss for such excess amount.

In respect of assets (except goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such reversal of impairment loss is recognised in the Standalone Statement of Profit and Loss, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

12. Revenue from operations

Recognition of interest and fee income or expense:

Dividend income is recognised on the date on which the Company's right to receive the payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is recognised by applying the effective interest rate to the recoverable amount of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Fee and commission income:

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

13. Finance Cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost.

14. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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Notes to the Standalone Financial Statements

ii. Contribution to provident fund and ESIC

Company's contribution paid/payable during the period to provident fund and ESIC is recognised in the Statement of profit and loss.

iii. Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

iv. Compensated absence

The Company does not have a policy of encashment of unavailed leaves for its employees and are not permitted to carry forward the leaves. Hence there is no liability towards compensated absence.

15. Foreign currency

Transaction and balances

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each closing date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the Standalone Statement of Profit and Loss.

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Notes to the Standalone Financial Statements

16. Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

17. Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

18. Segment Reporting

The Company operates in a single reportable segment i.e., investment activity. The Company operates in a single geographical segment i.e. domestic.

19. Provisions, contingent liabilities and contingent assets

a. Provisions

Provisions are recognized when there is 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 expenses relating to a provision is presented in the Standalone Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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Notes to the Standalone Financial Statements

c. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. The Company assesses its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts periodically and ensures that appropriate treatment has been made as required under Ind AS.

d. Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

20. Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

21. Standards issued but not yet effective upto the date of issuance of the financial statements

There are no standards that are notified and not yet effective as on date.

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Notes to the Standalone Financial Statements

2. Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	167.93	236.36
Fixed deposit with bank with original maturity of less than 3 months	-	-
Total	167.93	236.36

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Notes to the Standalone Financial Statements

3. Investments

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) At Fair Value Through Profit or Loss (FVTPL)		
- Mutual funds	1,809.05	901.66
- Investment in Alternative Investment Fund*	462.80	397.07
Less: Allowance for impairment loss FVTPL	-	-
Net At Fair Value Through Profit or Loss (FVTPL) (A)	2,271.85	1,298.73
(B) Others (At cost)		
- Subsidiaries (Refer Note 27)	2,93,250.37	2,40,817.65
Less: Allowance for impairment loss others**	(109.74)	-
Net Others (B)	2,93,140.63	2,40,817.65
Total - Gross (C)	2,95,522.22	2,42,116.38
Investments in India (D)	2,95,522.22	2,42,116.38
Total - Allowance for impairment (E)	(109.74)	-
Total - Net (F = D - E)	2,95,412.48	2,42,116.38

*Investment in Alternative Investment Funds (AIF) reflects the investment in KIDOF II. Refer Note no 38

**The Hon'ble National Company Law Tribunal, Mumbai Bench has vide its order dated August 14, 2024 approved the Company's Petition (CP/47(MB)2024) for reduction of equity share capital of InCred Prime Finance Limited ("Prime"). The consideration for the said Capital Reduction is Rs. 0.23 paise per share, as per the approved Order. Accordingly the Company has taken provision for impairment for its investment made in InCred Prime Finance Limited.

4. Other financial assets

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
	Amortised cost	Amortised cost
Security Deposits (Unsecured, considered good)	1.50	1.50
Receivable from related parties (Refer note 27)	132.47	-
Total	133.97	1.50

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Notes to the Standalone Financial Statements

5. Deferred tax

The major components of deferred tax assets arising on account of timing differences are as follows:

(Rs. in lakhs)

Particulars	Net balance as at March 31, 2023	Recognised in profit or loss	Recognised in OCI	Net balance as at March 31, 2024
Deferred tax assets				
Provisions for employee benefit	-	2.58	(0.85)	1.73
Depreciation	28.50	(0.00)	-	28.50
Disallowance under section 40(a) of Income-tax Act, 1961	-	-	-	-
Loss on Investments at FVTPL	24.65	(24.65)	-	-
Carried forward Business Loss	235.34	875.23	-	1,110.57
Others	230.92	381.14	-	612.06
(A)	519.42	1,234.30	(0.85)	1,752.86
Deferred tax liabilities				
(B)	-	-	-	-
Deferred tax asset (net) (A-B)	519.42	1,234.30	(0.85)	1,752.86

(Rs. in lakhs)

Particulars	Net balance as at March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net balance as at March 31, 2023
Deferred tax assets				
Provisions for employee benefit	40.67	(40.67)	-	-
Depreciation	20.84	7.66	-	28.50
Disallowance under section 40(a) of Income-tax Act, 1961	97.82	(97.82)	-	-
Loss on Investments at FVTPL	24.65	-	-	24.65
Carried forward Business Loss	1,810.61	(1,575.27)	-	235.34
Others	285.31	(54.39)	-	230.92
(A)	2,279.90	(1,760.49)	-	519.42
Deferred tax liabilities				
(B)	-	-	-	-
Deferred tax asset (net) (A-B)	2,279.90	(1,760.49)	-	519.42

*The Company has recognised deferred tax assets on carried forward tax losses with respect Financial Year (FY) 2019-20, FY 2020-21 and tax losses incurred in FY 2021-22 . A composite scheme of arrangement has been filed between KKR Capital Markets India Private Limited (KCM) , KKR India Financial Services Limited (KIFSL), Incred Financial Services Limited (IFSL or Incred), Bee Finance Limited(BFL), and their respective shareholders with NCLT Mumbai on September 27, 2021. The resultant entity (post the reorganization subject to necessary approvals) is expected to use the brand name 'InCred Financial Services Ltd' (Incred) and will be spearheaded by the current leadership team of Incred. A consortium led by KKR and comprising existing investors in KIFS will retain a significant minority stake. Based on representation by Incred, the Company believes the said deferred tax assets shall be recoverable based on the estimated future taxable income of the new demerged Company .The losses are allowed to be carried forward to the years in which based on the representation by Incred ,the Company expects that there will be sufficient taxable profits to offset these losses.

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Notes to the Standalone Financial Statements

6. Property, plant and equipment

(Rs. in lakhs)

Particulars	Computer & Printer	Total
Year ended March 31, 2023		
At carrying cost at the beginning of the year	-	-
Additions during the year	1.04	1.04
Disposals	-	-
Gross carrying value as March 31, 2023	1.04	1.04
Accumulated depreciation as at the beginning of the year	-	-
Depreciation for the year	0.09	0.09
Disposals	-	-
Accumulated depreciation as at March 31, 2023	0.09	0.09
Net carrying value as at March 31, 2023	0.95	0.95
Year ended March 31, 2024		
At carrying cost at the beginning of the year	1.04	1.04
Additions during the year	-	-
Disposals	-	-
Gross carrying value as March 31, 2024	1.04	1.04
Accumulated depreciation as at the beginning of the year	0.09	0.09
Depreciation for the year	0.35	0.35
Disposals	-	-
Accumulated depreciation as at March 31, 2024	0.44	0.44
Net carrying value as at March 31, 2024	0.60	0.60

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Notes to the Standalone Financial Statements

7. Other intangible assets

(Rs. in lakhs)

Particulars	Computer software
Year ended March 31, 2023	
At cost at the beginning of the year	218.29
Additions during the year	-
Gross carrying value as March 31, 2023	218.29
Accumulated amortisation:	
Accumulated amortisation as at the beginning of the year	175.46
Amortisation for the year	42.83
Accumulated amortisation as at March 31, 2023	218.29
Net carrying value as at March 31, 2023	-
Year ended March 31, 2024	
At cost at the beginning of the year	218.29
Additions during the year	-
Deletions during the year	(218.29)
Gross carrying value as March 31, 2024	-
Accumulated amortisation:	
Accumulated amortisation as at the beginning of the year	218.29
Amortisation for the year	-
Deletions during the year	(218.29)
Accumulated amortisation as at March 31, 2024	-
Net carrying value as at March 31, 2024	-

8. Other non-financial assets

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
Prepaid expenses	172.02	18.34
Advances to vendors	2.82	2.31
Advance against purchase of property	-	3,000.00
GST receivable	921.50	372.07
Total	1,096.34	3,392.72

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Notes to the Standalone Financial Statements

9. Borrowings (other than debt securities)

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
(a) Inter corporate borrowings from related parties	-	1,500.00
Total	-	1,500.00
Borrowings in India	-	1,500.00
Borrowings outside India	-	-
Total	-	1,500.00

10. Other financial liabilities

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
Reserves - KIDF I & KIDOF III	174.14	181.25
Expenses payable	1,887.79	466.09
Inter Company Payable	250.81	667.33
Total	2,312.74	1,314.67

11. Provisions

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Provision for employee benefits	32.63	-
Total	32.63	-

12. Other non-financial liabilities

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Statutory dues payable	13.13	48.29
Total	13.13	48.29

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Notes to the Standalone Financial Statements

13. Equity share capital

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10/- each	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Total	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Issued, subscribed and paid up capital				
Equity Shares of Rs. 10/- each fully paid up	64,18,17,562	64,181.76	59,52,35,388	59,523.54
Total	64,18,17,562	64,181.76	59,52,35,388	59,523.54

Refer Note No 1 and 35 for details of the Scheme of Arrangement.

Preference Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10/- each	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Total	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Issued, subscribed and paid up capital				
Equity Shares of Rs. 10/- each fully paid up	-	-	-	-
Total	-	-	-	-

The company has only one class of equity shares having par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity shares held by promoters of the company

Out of the equity shares issued by the company, shares held by its promoters:

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of shares held	No. of shares held	% of shares held
B Singh Holdings	10,95,05,412	17.06%	10,95,05,412	18.40%
NAAB Securities Pte Ltd	1,12,96,515	1.76%	-	-
Bhupinder Singh	6,29,554	0.10%	13,69,554	0.23%
Total	12,14,31,481	18.92%	11,08,74,966	18.63%

Details of shareholder(s) holding more than 5% of the total equity shares in the company :

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% Holding	No. of shares held	% Holding
KKR India Financial Investments Pte. Ltd	18,92,86,619	29.49%	20,05,83,134	33.70%
B Singh Holdings	10,95,05,412	17.06%	10,95,05,412	18.40%
MNI Ventures	5,83,92,917	9.10%	6,30,13,917	10.59%
Total	35,71,84,948	55.65%	37,31,02,463	62.69%

Aggregate number of shares issued for consideration other than cash during the period for a period of five years immediately preceding

During the current financial year the Group has issued Nil equity shares for consideration other than cash (Previous year: 39,87,89,263 equity shares).

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Bonus Shares issued during the year	-	-	91,77,664	917.77
Preference shares converted into equity shares*	-	-	38,96,11,599	38,961.16
Total	-	-	39,87,89,263	39,878.93

*During the previous financial year, as per the consideration clause of the Scheme, 75,58,46,578 compulsorily convertible preference shares ("CCPS") were allotted to the shareholders of InCred Prime Finance Limited (formerly known as InCred Financial Services Limited) ("IPFL") and Bee Finance Limited ("BFL") on November 1, 2022. These CCPS were converted into 38,96,11,599 equity shares on the basis of conversion ratio of 1:0.515464. on November 02, 2022- Refer note 35 for details of scheme of amalgamation.

Equity shares reconciliation

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
At the beginning of the year	59,52,35,388	59,523.54	19,27,58,503	19,275.85
<u>Add: Issued during the year</u>				
Shares issued during the year	3,70,37,037	3,703.70	91,77,664	917.77
Stock options exercised during the year	95,45,137	954.52	36,87,622	368.76
Preference shares converted into equity shares	-	-	38,96,11,599	38,961.16
At the end of the year	64,18,17,562	64,181.76	59,52,35,388	59,523.54

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Notes to the Standalone Financial Statements

14. Other Equity

(Rs. in lakhs)

Particulars	Reserves and Surplus				Total
	Securities premium	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
Balance at March 31, 2022	2,27,332.53	242.00	-	(1,35,743.31)	91,831.22
Profit for the year	-	-	-	(1,041.32)	(1,041.32)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year (net of tax)	-	-	-	(1,041.32)	(1,041.32)
Transfer / utilisations					
Additions during the year	969.07	-	3,758.07	-	4,727.14
Additions during the year (non-cash premium)	907.85	-	(907.85)	-	-
Bonus shares issued during the year	(917.76)	-	-	-	(917.76)
Utilized during the year	-	-	(17.06)	17.06	-
Additions due to business combination	87,826.31	-	3,892.72	-	91,719.03
Balance at March 31, 2023	3,16,118.00	242.00	6,725.88	(1,36,767.57)	1,86,318.31
Profit for the year	-	-	-	(538.65)	(538.65)
Other comprehensive income for the year	-	-	-	(2.53)	(2.53)
Total comprehensive income for the year (net of tax)	-	-	-	(541.18)	(541.18)
Transfer / utilisations					
Additions during the year	48,873.05	-	2,432.70	-	51,305.75
Additions during the year (non-cash premium)	2,691.62	-	(2,691.62)	-	-
Bonus shares issued during the year	-	-	-	-	-
Utilized during the year	(2,718.50)	-	(33.94)	33.94	(2,718.50)
Additions due to business combination	-	-	-	-	-
Balance at March 31, 2024	3,64,964.17	242.00	6,433.02	(1,37,274.81)	2,34,364.38

Nature and purpose of each reserves:

Securities premium - The securities premium account is used to record the premium received on issue of shares including non-cash component arising on exercise of stock options. The reserve is utilised in accordance with the provisions of the Act.

Share based payment reserve - The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the company and its subsidiaries under stock option schemes of the Company. During the current year, the Holding Company has adopted new ESOP Scheme. Refer Note no 29.

Retained earnings - Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

Capital Redemption Reserve - Reserve created on buy back of equity shares as per Companies Act, 2013.

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Notes to the Standalone Financial Statements

15. Interest income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial assets measured at amortised cost:		
-Interest on deposits with banks	-	19.03
-Interest income from investments	42.48	-
Total	42.48	19.03

16. Fees and commission income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Investment advisory fees (Refer note 27)	120.90	-
Investment management fees (Refer note 27)	-	89.05
Total	120.90	89.05
Geographical Markets		
Within India	120.90	89.05
Outside India	-	-
Total	120.90	89.05
Timing of revenue recognition		
Services transferred at a point in time	120.90	89.05
Services transferred over time	-	-
Total	120.90	89.05

17. Net gain/ (loss) on fair value changes

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net gain/ (loss) on financial instruments at fair value through profit or loss		
-Investments	257.31	1.70
Total	257.31	1.70
Fair value changes:		
-Realised	166.77	-
-Unrealised	90.54	1.70

18. Other income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service Fee Income	-	83.92
Interest on Income Tax refund	11.75	-
Other income*	20.27	-
Total	32.02	83.92

*includes recoveries against settlement amounting to Rs. 20.00 lakhs

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Notes to the Standalone Financial Statements

19. Finance costs

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial liabilities measured at amortised cost:		
(i) Interest on Inter Corporate Debts ("ICD")	5.47	79.97
(ii) Other finance cost	4.03	-
Total	9.50	79.97

20. Impairment on financial instruments

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On Financial instruments measured at amortised cost:		
(i) Others - Provision for Advance against property	-	(1,250.99)
On Impairment on Investments at Cost	109.74	-
Total	109.74	(1,250.99)

21. Employee benefits expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	75.38	69.62
Contribution to provident and other funds	0.66	8.05
Staff welfare expenses	0.30	(2.02)
Retirement Benefit expenses (Refer Note 28)	-	(68.34)
Total	76.34	7.31

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Notes to the Standalone Financial Statements

22. Other expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Legal, professional and consultancy charges	147.99	537.86
Office Expense	31.55	0.10
Travelling and conveyance	0.11	1.30
Payment to auditors	16.00	15.00
Directors' sitting fees (Refer Note 27)	16.00	19.80
Stamp Duty & Filing fees	2.16	0.04
Bank charges	1.25	0.79
Rent	5.24	0.30
Membership and Subscription	7.59	-
Miscellaneous expenses	0.13	20.13
Total	228.02	595.32

Payment to the auditors:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Auditor's remuneration		
- Audit fees	16.00	15.00
- In other capacity	-	-
Total	16.00	15.00

Notes to the Standalone Financial Statements

23. Tax expense

(a) Amounts recognised in profit and loss

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expense		
Current year	-	-
Current tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(1,232.59)	1,760.55
Deferred tax expense	(1,232.59)	1,760.55
Tax expense for the year	(1,232.59)	1,760.55

(b) Amounts recognised in other comprehensive income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	(3.38)	0.85	(2.53)	-	-	-
(b) Equity instruments through other comprehensive income	-	-	-	-	-	-
	(3.38)	0.85	(2.53)	-	-	-

(c) Amounts recognised directly in equity

There are no temporary difference recognised directly in equity for the year ended March 31, 2024 (Previous Year: Nil)

(d) Reconciliation of effective tax rate

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax as per Statement of profit and loss (A)	(1,771.24)	719.23
Statutory tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate (B)	(445.82)	181.03
Tax effect of:		
Tax effects of amounts which are disallowed for taxable income	2.36	-
Tax on temporary differences on which deferred tax is either not created or reversed due to no reasonable certainty of future profits	(526.16)	1,579.52
Tax adjustment for earlier years	(262.97)	-
Effective tax amount	(1,232.59)	1,760.55
Effective tax rate	69.59%	244.78%

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Standalone Financial Statements****24. Earnings per share**

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

i. Profit attributable to Equity shareholders:

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to equity holders of the Company used in calculating basic earnings per share	(538.65)	(1,041.32)
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	(538.65)	(1,041.32)

ii. Weighted average number of ordinary shares

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (A)	60,89,83,033	59,09,17,857
Adjustments for calculation of diluted earnings per share (B)	2,49,92,452	99,97,268
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (A+B)	63,39,75,485	60,09,15,125
Basic earnings per share	(0.09)	(0.18)
Diluted earnings per share	(0.08)	(0.17)

Refer Note No 35 - Composite Scheme of Arrangement

InCred Holdings Limited
(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

25. Fair Value Measurements

A. Accounting classification

Carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below :

(Rs. in lakhs)

Particulars	As at March 31, 2024				As at March 31, 2023			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets								
Cash and cash equivalents	-	-	167.93	167.93	-	-	236.36	236.36
Investments								
-Mutual funds	1,809.05	-	-	1,809.05	901.66	-	-	901.66
-Alternative Investment Funds	462.80	-	-	462.80	397.07	-	-	397.07
Other financial assets	-	-	133.97	133.97	-	-	1.50	1.50
Total financial assets	2,271.85	-	301.90	2,573.75	1,298.73	-	237.86	1,536.59
Financial liabilities								
Borrowings (other than debt securities)	-	-	-	-	-	-	1,500.00	1,500.00
Other financial liabilities	-	-	2,312.74	2,312.74	-	-	1,314.67	1,314.67
Total financial liabilities	-	-	2,312.74	2,312.74	-	-	2,814.67	2,814.67

Note: Investment carried at cost amounting to Rs. 2,93,140.63 lakhs (Previous year: Rs. 2,40,817.65 lakhs) is carried at cost (less impairment) in accordance with Ind AS 27 and does not form part of the above.

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are 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 three levels prescribed under the accounting standard. An explanation of each level follows underneath table.

(Rs. in lakhs)

Particulars	Fair value							
	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	167.93	-	-	167.93	236.36	-	-	236.36
Investments	1,809.05	-	-	1,809.05	901.66	-	-	901.66
Alternative Investment Funds	-	-	462.80	462.80	-	-	397.07	397.07
Other financial assets	133.97	-	-	133.97	1.50	-	-	1.50
Total	2,110.95	-	462.80	2,573.75	1,139.52	-	397.07	1,536.59
Financial Liabilities								
Borrowings (other than debt securities)	-	-	-	-	-	-	1,500.00	1,500.00
Other financial liabilities	2,312.74	-	-	2,312.74	1,314.67	-	-	1,314.67
Total	2,312.74	-	-	2,312.74	1,314.67	-	1,500.00	2,814.67

InCred Holdings Limited
(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	167.93	167.93	236.36	236.36
Trade receivables	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Loans	-	-	-	-
Investments				
-Mutual funds	1,809.05	1,809.05	901.66	901.66
-Alternative Investment Funds	462.80	462.80	397.07	397.07
Other financial assets	133.97	133.97	1.50	1.50
Total	2,573.75	2,573.75	1,536.59	1,536.59
Financial liabilities				
Borrowings (other than debt securities)	-	-	1,500.00	1,500.00
Other financial liabilities	2,312.74	2,312.74	1,314.67	1,314.67
Total	2,312.74	2,312.74	2,814.67	2,814.67

Except for those financial instruments for which the fair value amounts are mentioned in the above table (which is different than the carrying value), the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

C. Measurement of fair values

The following sets out the Company's basis of establishing fair values of amortised cost financial instruments and their classification between Levels 1, 2 and 3. As certain categories of financial instruments are not actively traded, there is a significant level of management judgement involved in calculating the fair values:

Financial instruments held at amortised cost

i. Cash and bank balance:

The fair value of cash and balances with bank is their carrying amounts

ii. Other financial assets:

The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are short term in nature.

iii. Borrowings:

The company has inter-corporate borrowings from its subsidiary company at fixed interest rate for operational activities and hence the carrying amount of these financial instruments is considered to be a reasonable approximation of fair value.

iv. Other financial liabilities:

The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are either short term in nature.

Financial instruments held at fair value

i. Investment in mutual fund:

The investment in mutual funds are valued using the closing NAV in the market.

Gains or losses on transfers amongst categories

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of reporting period

Inter-level transfers

There are no transfers of financial assets and liabilities measured at fair value between Levels 1 and 2 and Level 2 and 3 during the financial years ended March 31, 2024 and March 31, 2023.

D. Fair value measurements for financial assets measured at FVOCI using significant unobservable inputs (level 3)

There are no changes in level 3 items for the year ended March 31, 2024 and March 31, 2023

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements**26. Financial risk management**

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, market risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A. Credit risk

Credit Risk in simple terms is the risk of borrowers / obligors ability to honour their obligations in timely manner and the loss that may be incurred by the Company in the event of the failure of borrowers to meet their repayment obligations.

Notes to the Standalone Financial Statements

26. Financial risk management (continued)

B. Liquidity risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered.

As at March 31, 2024

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities							
Other financial liabilities	10	2,312.74	(2,312.74)	(2,312.74)	-	-	-
Total		2,312.74	(2,312.74)	(2,312.74)	-	-	-

As at March 31, 2023

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities							
Borrowings (other than debt securities)	9	1,500.00	(1,631.25)	(105.00)	(1,526.25)	-	-
Other financial liabilities	10	1,314.67	(1,314.67)	(1,314.67)	-	-	-
Total		2,814.67	(2,945.92)	(1,419.67)	(1,526.25)	-	-

The following table details the Company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

As at March 31, 2024

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets							
Cash and cash equivalents	2	167.93	167.93	167.93	-	-	-
Investments (other than investments at cost)	3	2,271.85	2,271.85	1,809.05	462.80	-	-
Other financial assets	4	133.97	133.97	133.97	-	-	-
Total		2,573.75	2,573.75	2,110.95	462.80	-	-

As at March 31, 2023

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets							
Cash and cash equivalents	2	236.36	236.36	236.36	-	-	-
Investments (other than subsidiaries)	3	1,298.73	1,298.73	901.66	397.07	-	-
Other financial assets	4	1.50	1.50	1.50	-	-	-
Total		1,536.59	1,536.59	1,139.52	397.07	-	-

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements**26. Financial risk management (continued)****C. Market risk**

Market risk or 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. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Company's interest rate risk arises majorly from borrowings, loans and investments. The company only has inter corporate borrowings at fixed rate and hence there is no exposure to interest rate risk.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

D. Other Price risk

The Company is exposed to price risk arising from investment in mutual funds and classified in the balance sheet at fair value through profit & loss. If the NAV of the mutual fund had been higher/lower by 1% from market price existing as at March 31, 2024, profit or loss(pre-tax) for the year ended March 31, 2024 would increase/decrease by Rs. 0.18 lakhs (Previous Year: 0.02 lakhs) with a corresponding increase/decrease in the Total Equity of the Company as at March 31, 2024.

E. Foreign Currency Risk

The Company is not exposed to any foreign currency risk.

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Standalone Financial Statements****27. Related party disclosures****Key managerial personnel ("KMP")**

Name of the KMP	Designation	Nature of change (resignation, appointment)	Effective date
Mr. Bhupinder Singh	Wholetime Director & CEO	Appointment	26.07.2022
Mr. Vivek Bansal	Wholetime Director & CFO	Appointment	26.07.2022
Mr. Gaurav Trehan	Non-Executive Director	Resignation	13.09.2023
Mr. Vivek Anand PS	Non-Executive Director	Appointment	26.07.2022
Ms. Rupa Vora	Independent Director	Appointment	26.07.2022
Mr. Karnam Sekar	Independent Director	Appointment	26.07.2022
Mr. Rohan Suri	Non-Executive Director	Appointment	30.03.2023
Mr. Anil Nagu	Non-Executive Director	Appointment	14.09.2023
Mr. Gajendra Thakur	Company Secretary	Resignation	13.09.2023
Ms. Nikita Shetty	Company Secretary	Appointment	13.09.2023

Enterprises where key management personnel exercises control

1. *InCred Capital Financial Services Private Limited*
2. *InCred Asset Management Private Limited*
3. *InCred Wealth and Investment Private Limited*
4. *InCred Wealth Private Limited*
5. *InCred Capital Wealth Portfolio Managers Private Limited*
6. *InCred Research Services Private Limited*
7. *InCred Alternative Investments Private Limited*
8. *Oro Financial Consultants Private Limited*
9. *InCred Value Plus Private Limited (incorporated on November 8, 2023)*
10. *Alpha Fintech Private Limited*
11. *B Singh Tech Services Private Limited (incorporated on December 12, 2023)*
12. *Booth Fintech Private Limited* (w.e.f. July 11, 2023) ("Booth")*
13. *mValu Technology Services Private Limited* (w.e.f. July 11, 2023) ("mValu")*
14. *KKR India Debt Opportunities Fund II*

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Direct subsidiaries:**

Name of subsidiaries	Country of Incorporation	Principal place of business	Proportion of ownership interest	
			As at March 31, 2024	As at March 31, 2023
InCred Prime Finance Limited	India	Mumbai	59.37%	59.37%
InCred Financial Services Limited	India	Mumbai	100.00%	100.00%

Step down subsidiaries:

Name of subsidiaries	Country of Incorporation	Principal place of business	Proportion of ownership interest (% holding)	
			As at March 31, 2024	As at March 31, 2023
InCred Finserv Private Limited (formerly known as Incred Management and Technology Services Private Limited)	India	Mumbai	100.00%	100.00%
Booth Fintech Private Limited*	India	Mumbai	NA	100.00%
Incred.AI Limited	India	Mumbai	100.00%	100.00%

*Pursuant to Composite Scheme of Amalgamation and Arrangement, Subsidiaries have been transferred to InCred Financial Services Limited (erstwhile known as KKR India Financial Services Limited) w.e.f. July 26, 2022

Subsidiary of Booth Fintech Private Limited (w.e.f. May 18, 2022)

Name of subsidiaries	Country of Incorporation	Principal place of business	Proportion of ownership interest	
			As at March 31, 2024	As at March 31, 2023
mValu Technology Services Private Limited*	India	Mumbai	NA	75.82%

* w.e.f. July 11, 2023, Booth Fintech Private Limited and mValu Technology Services Private Limited cease to be a subsidiary of IFSL subsequent to transfer of entire stake of Booth to InCred Capital Financial Services Private Limited

Transactions with key management personnel**i. Key management personnel compensation**

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Employee benefit expenses	15.96	-
Directors' sitting fees	16.00	19.80

As the liabilities for gratuity and share based payments are provided on actuarial basis for the Company as a whole and hence the amounts pertaining to the key management personnel are not included in the above.

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

27. Related party disclosures (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in lakhs)

Nature of transactions	Subsidiaries		Step down subsidiaries		Funds over which company having significant influence		KMP / Enterprises owned or controlled by KMP	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance Sheet transactions								
Investment in equity shares	50,000.00	-	-	-	-	-	-	-
ICD taken	-	1,500.00	-	-	-	-	-	-
Repayment of ICD taken (including interest)	1,505.47	-	-	-	-	-	-	-
ICD given	3,100.00	-	-	-	-	-	-	-
Repayment of ICD given (including interest)	3,142.71	-	-	-	-	-	-	-
Purchase of Property, Plant and Equipment	-	-	-	-	-	-	-	1.04
Transfer out / (in) of gratuity liability	-1.59	-	-1.60	-	-	-	-0.30	-
Exercise of Employee Stock Options	-	-	-	-	-	-	431.17	-
Income transactions								
Interest on ICD	42.71	-	-	-	-	-	-	-
Advisory fees	120.90	-	-	-	-	-	-	-
Expense transactions								
Interest on ICD	5.47	79.97	-	-	-	-	-	-
Advisory fees	-	-	-	-	-	-	2,500.00	-
Expense on account of reimbursement	5.24	1.96	-	-	-	-	-	-

Note: During the current year, the Holding Company has issued employee stock options to the employees of the Company (Refer Note 29 for further details).

Balance outstanding	Subsidiaries		Step down subsidiaries		Funds over which company having significant influence		KMP / Enterprises owned or controlled by KMP	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Advances/Receivables	130.57	-	1.60	-	-	-	0.30	-
Investments (at cost)	2,93,250.37	2,40,817.65	-	-	415.00	415.00	-	-
ICD Payable	-	1,500.00	-	-	-	-	-	-
Other Payables	250.22	666.74	-	-	-	-	0.59	-

Notes:

For terms and conditions of ICD payable to related parties, refer Note No 9

There are no debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

Notes to the Standalone Financial Statements

28. Employee benefits

1. The Company has recognised the following amounts in the Profit & Loss Account towards contributions to provident fund and other funds:

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund and other funds	0.66	8.05

2. Gratuity

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per Payment of Gratuity Act, 1972.

Table showing change in the present value of projected benefit obligation

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	-	20.04
Current Service cost	-	(20.04)
Past Service cost - incurred during the period	-	-
Liability Transferred In/ Acquisitions	3.49	-
Liability Transferred Out/ Divestments	-	-
Benefit Paid Directly by the Employer	-	-
Actuarial Loss / (Gains) on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial Loss / (Gains) on Obligations - Due to Change in Financial Assumptions	-	-
Actuarial Losses on Obligations - Due to Experience Adjustment	3.38	-
Liability at the end of the year	6.87	-

Amount recognized in the Balance Sheet

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of benefit obligation at the end of the year	(6.87)	-
Fair value of plan assets at the end of the year		
Funded Status (Deficit)	(6.87)	-
Net (Liability)/Asset Recognized in the Balance Sheet	(6.87)	-

Expenses recognized in the Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	-	(20.04)
Interest cost	-	-
Benefit Paid Directly by the Employer	-	-
Expenses recognised	-	(20.04)

Expenses recognized in the Other comprehensive income (OCI)

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial Loss / (Gains) on obligation for the year	3.38	-
Net Loss / (Income) for the year recognized in OCI	3.38	-

The actuarial assumptions used to determine benefit obligations as at March 31, 2024 and March 31, 2023 are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount Rate	7.21%	N.A
Salary escalation rate	9.00%	N.A
Expected Rate of return on Plan Assets	N.A	N.A
Rate of Employee Turnover	10%	N.A
Retirement Age	60 Years	N.A
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	N.A

Notes to the Standalone Financial Statements

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening net liability	-	20.04
Expenses recognized in Statement of Profit and Loss	-	(20.04)
Expenses recognized in OCI	3.38	-
Net Liability/(Asset) Transfer In	3.49	-
Benefit Paid Directly by the Employer	-	-
Net liability recognized in the Balance Sheet	6.87	-

Cash Flow Projection

Maturity analysis of the benefit payments: from the employer

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Projected benefits payable in future years from the date of reporting		
1st following year	0.30	-
2nd following year	0.51	-
3rd following year	0.50	-
4th following year	0.62	-
5th following year	0.61	-
Sum of years 6 to 10	2.88	-
Sum of years 11 and above	10.47	-

Sensitivity analysis

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Projected benefit obligation on current assumptions	6.87	-
Delta effect of +1% change in rate of discounting	(0.58)	-
Delta effect of -1% change in rate of discounting	0.68	-
Delta effect of +1% change in rate of salary increase	0.61	-
Delta effect of -1% change in rate of salary increase	(0.58)	-
Delta effect of +1% change in rate of employee turnover	(0.13)	-
Delta effect of -1% change in rate of employee turnover	0.14	-

Qualitative disclosures

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Notes to the Standalone Financial Statements

29. Share-based payment arrangements

A. Description of share-based payment arrangements for year ended March 31, 2024

i. Share option plans (equity-settled)

The Board of Directors of InCred Holdings Limited (formerly, KKR Capital Markets Limited) (the "Holding Company") on August 26, 2022 adopted Employees Stock Incentive Plan under which share options shall be granted to eligible employees of the Holding Company and the Company from time to time ("New ESOP Scheme"). Such Scheme also covered employees of the Subsidiary Companies which were transferred pursuant to the Scheme of Arrangement referred to in Note 40 holding Employee Stock Options under the ESOP Scheme of erstwhile IFSL ("Erstwhile ESOP Scheme"). The options granted to employees under the Erstwhile ESOP scheme continue to have similar terms and conditions in respect of vesting / exercise etc. under the New ESOP Scheme. As assessed by the Company, grant of options under the New ESOP Scheme to employees of erstwhile IFSL does not form part of consideration discharged as the Subsidiary Company is assessed to be accounting acquiree as per Ind AS 103.

Consequently, the charge towards share-based payment in terms of Ind AS 102 has been recorded on a basis that such New ESOP Scheme is only a continuation of Erstwhile ESOP Scheme. The liability towards the employee ESOP cost in the books of the Subsidiary Company is compensated by way of capital contribution by Holding Company in the Company. Further, the balance outstanding in Employees Stock Option Reserve as at March 31, 2024 pertaining to erstwhile ESOP Scheme has been transferred to 'Capital contribution from parent' pursuant to such change.

The Company has established share option plans that entitle the employees of the Company and its subsidiary companies to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options.

The key terms and conditions related to the vesting of grants under these plans are continued employment with the company from the date of grant of option till the date of vesting (25% each year); all options are to be settled by the delivery of shares.

A. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using Black-Scholes Option pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

The model inputs for options granted during

Particulars / Grant date	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value as on grant date (weighted average)	26.68 to 99.78	35.03 to 44.82
Share prices during the year , on grant dates	67.02 to 134.98	65.00 to 67.02
Exercise price	40 to 60	40.00
Expected volatility (weighted average volatility)	40%	40%
Rate of Employee Turnover	20%	20%
Expected life (expected weighted average life)	4.61 years	11.02 years
Risk- free interest rate (based on government bonds)	7.22% to 7.55%	6.89% to 7.59%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same industry.	

B. Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan:

Particulars	Average exercise price per option	Number of options	Number of options
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Opening balance	37.32	3,19,57,654	3,42,48,588
Add: Options granted during the year	56.05	60,92,850	27,47,500
Less: Options exercised during the year	37.00	(95,45,137)	(37,31,310)
Less: Options lapsed during the year	42.45	(4,04,938)	(13,07,124)
Options outstanding as at the year end	41.80	2,81,00,429	3,19,57,654
Option exercisable of the above		1,27,54,746	1,33,54,082

Weighted average remaining contractual life of options outstanding at end of the year: 3.52 years

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Standalone Financial Statements****30. Current and Non-current maturity**

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

(Rs. in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	167.93	-	167.93	236.36	-	236.36
Investments	2,271.85	2,93,140.63	2,95,412.48	1,298.73	2,40,817.65	2,42,116.38
Other financial assets	133.97	-	133.97	1.50	-	1.50
Sub total	2,573.75	2,93,140.63	2,95,714.38	1,536.59	2,40,817.65	2,42,354.24
Non-financial assets						
Current Tax assets (Net of provision for tax)	-	2,340.46	2,340.46	-	2,437.48	2,437.48
Deferred Tax assets (Net of deferred tax liabilities)	-	1,752.86	1,752.86	-	519.42	519.42
Property, plant and equipment	-	0.60	0.60	-	0.95	0.95
Other non-financial assets	944.80	151.54	1,096.34	3,392.72	-	3,392.72
Sub total	944.80	4,245.46	5,190.26	3,392.72	2,957.85	6,350.57
Total assets	3,518.55	2,97,386.09	3,00,904.64	4,929.31	2,43,775.50	2,48,704.81
LIABILITIES						
Financial liabilities						
Borrowings (other than debt securities)	-	-	-	-	1,500.00	1,500.00
Other financial liabilities	2,312.74	-	2,312.74	1,314.67	-	1,314.67
Sub total	2,312.74	-	2,312.74	1,314.67	1,500.00	2,814.67
Non-Financial liabilities						
Provisions	0.30	32.33	32.63	-	-	-
Other non-financial liabilities	13.13	-	13.13	48.29	-	48.29
Sub total	13.43	32.33	45.76	48.29	-	48.29
Total liabilities	2,326.17	32.33	2,358.50	1,362.96	1,500.00	2,862.96

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements**31. Contingent liabilities and commitments**

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments		
Capital commitments	85.00	85.00
Total	85.00	85.00

There are no litigations and proceedings against the Company which requires any provision or disclosure as contingent liability.

32. Foreign currency transactions

(Rs. in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Remittance in foreign currency		
Legal, professional and consultancy charges	-	545.71
Total	-	545.71

33. Corporate social responsibility

The Ministry of Corporate Affairs notified section 135 of the Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per the provisions related to Corporate Social Responsibility, the Company does not have any CSR spend obligation for the current and previous year.

34. Micro, Small and Medium Enterprises Development

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, as at March 31, 2024, no dues were outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act till March 31, 2024.

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements**35. Composite Scheme of Arrangement:**

The Board of Directors of the Company at their meeting held on September 3, 2021, had approved the Composite Scheme of Arrangement (the 'Scheme') with KKR Capital Markets India Private Limited, Bee Finance Limited ("BFL"), InCred Prime Finance Limited (formerly known as "InCred Financial Services Limited and the Company) and the same was filed with various regulatory authorities and National Company Law Tribunal.

The NCLT passed the final order dated May 6, 2022. The Scheme was made effective by the Board of Directors of the Company, InCred Prime Finance Limited and KKR Capital Markets Limited at their meetings held on July 26, 2022 and the relevant filing were done with the Registrar of Companies, Mumbai on July 26, 2022.

The Appointed date of the Scheme is April 1, 2022, and accordingly the books of account and financial statements effecting the Scheme have been prepared with effect from April 1, 2022. Under the Scheme, the identified NBFC business of InCred Prime Finance Limited (formerly, InCred Financial Services Limited) ('erstwhile IFSL') shall be demerged with InCred Financial Services Limited (formerly, KKR India Financial Services Limited) ('new IFSL'). As per the terms of the Scheme, the Board of Directors of erstwhile InCred Financial Services Limited have been appointed as the directors of the new IFSL constituting majority. Further, with the discharge of purchase consideration for demerger, the shareholders of erstwhile IFSL will hold majority shareholding of the new IFSL.

Bee Finance Limited was the holding company for Investment in erstwhile IFSL and did not have any other activity generating income. In absence of 'an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return', the merger of BFL is an acquisition of asset and not a business acquisition under Ind AS 103.

As per the terms of the Scheme, the shareholders of erstwhile IFSL have received compulsorily convertible preference shares ("CCPS") of InCred Holdings Limited (formerly known as "KKR Capital Markets Limited"), being the Holding Company, as a consideration for demerger of identified NBFC business. These CCPS have been converted into equity shares on November 2, 2022 as per the terms of the Scheme. The same is shown as investment in subsidiaries.

As per Ind AS 103, the difference between legal capital of erstwhile IFSL (including purchase consideration determined above as per Ind AS 103) and new IFSL along with capital contribution from parent has been recorded as 'Investment in subsidiaries'.

36. Other Statutory Information

During the current year and previous year:

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency.
- (v) The quarterly statement of current assets submitted to banks / financial institutions which are provided as security against the borrowings are in agreement with the books of accounts.
- (vi) Funding Transactions:
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :
(I) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(II) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or
(I) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(II) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (ix) There are no scheme of arrangements which have been filed by the Company under the Act and which have been approved by the competent authority u/s 232 to 237 of the Act except as disclosed in Note no 35.
- (x) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (xii) The Company has not revalued any property plant and equipment and intangible assets.

37. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.51	3.62	-58.18%	Decrease is due to reduction in assets along with increase in the liabilities
Debt-Equity Ratio	Borrowings	Shareholder's Equity	NA	0.01	NA	Current year Company did not have any borrowings outstanding
Debt Service Coverage ratio	NA	NA	NA	NA	NA	
Return on Equity ratio	Net Profits after taxes	Shareholder's Equity	-0.18%	-0.42%	-57.40%	During the current year, shareholder's equity has increased on account of additional infusion of funds.
Inventory Turnover ratio	NA	NA	NA	NA	NA	
Trade Receivable Turnover Ratio	NA	NA	NA	NA	NA	
Trade Payable Turnover Ratio	NA	NA	NA	NA	NA	
Net Capital Turnover Ratio	NA	NA	NA	NA	NA	
Net Profit ratio	Net Profit	Total turnover	-118.98%	-537.59%	-77.87%	During the current year, the revenue has increased as compared to previous year.
Return on Capital Employed	Earnings before interest and taxes (EBIT)	Capital Employed = Tangible Net Worth + Total Debt	-0.59%	0.32%	-282.63%	During the current year, the Company has a negative EBIT and in the previous year the Company had a positive EBIT.
Return on Investment	Interest from investments	Investment	13.20%	1.60%	726.72%	During the current year, company has earned higher profits through sale of investments.

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Standalone Financial Statements

38. Investment management fees payable by the Fund to the Company ("the Investment Manager") are calculated in accordance with the terms and conditions of the Investment Management Agreement (IMA) entered into with the Investment Manager. Based on the agreement, Investment management fee is calculated as a percentage of outstanding investments. Since all the investments are written off in the previous years(s) and no investments are outstanding as at March 31, 2024, investment management fee for the year ended March 31, 2024 is Nil.

39. Pursuant to a complaint raised by two shareholders during FY24, a settlement agreement was signed by the company dated August 26, 2024. Based on the terms of the settlement agreement, the Company has made a provision of Rs 1,800.00 lakhs as at year ended 31st March 2024.

40 . Backup of Books of accounts and Audit trail.

a. As per the MCA notification dated August 05, 2022 Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules back-up of the books of account/other books & papers maintained in electronic mode, including at a place outside India, shall be kept in servers physically located in India on a daily basis. The Company's servers are physically located in India and back up is done on a daily basis. Thus the Company is compliant with the requirements of the above notification.

b. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with.

41 . Previous year figures are regrouped/reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

42. There have been no significant events after the reporting date that require disclosure in these financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Sarvesh
Vishwesh
Warty**

Digitally signed by Sarvesh
Vishwesh Warty
DN: cn=Sarvesh Vishwesh
Warty, c=IN, o=Personal,
email=sarvesh.warty@srb.in
Date: 2024.09.02 22:04:33
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per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

**BHUPINDER
SINGH**

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by BHUPINDER
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Date: 2024.09.02
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Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

**VIVEK
BANSAL**

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by VIVEK BANSAL
Date: 2024.09.02
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Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

**NIKITA
DEEPAK
SHETTY**

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by NIKITA DEEPAK
SHETTY
Date: 2024.09.02
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Nikita Shetty

Company Secretary

Membership No: A29555

Place: Mumbai

Date: September 2, 2024

CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Members of InCred Holdings Limited

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of InCred Holdings Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at 31 March 2024, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2024, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of

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

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

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

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

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

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

on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs. 1,218.51 lakhs as at 31 March 2024, and total revenues of Rs. 24.29 lakhs and net cash inflows of Rs. 156.75 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

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

Report on Other Legal and Regulatory Requirements

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

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books except for the matter stated in paragraph 2 (h) (vi) below on reporting under Rule 11(g)
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2021, as amended specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended 31 March 2024 has been paid / provided by the Holding Company, its 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The Group does not have any pending litigations which would impact its consolidated financial position;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4 to the consolidated financial statements in respect of such items as it relates to the Group
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended 31 March 2024.
 - iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, other than as disclosed in the note 45 (vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in

writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 45 (vii) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 51 to the consolidated financial statements, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered in respect of other accounting software.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Sarvesh
Vishwesh
Warty**

Digitally signed by Sarvesh
Vishwesh Warty
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email=sarvesh.warty@srb.in
Date: 2024.09.02 22:05:17 +05'30'

per Sarvesh Warty

Partner

Membership Number: 121411

UDIN: 24121411BKFRSH7172

Place: Mumbai

Date: 02 September 2024

Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date on the consolidated financial statements of InCred Holdings Limited

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

Sr. No.	Name	CIN	Holding Company / Subsidiary	Clause no. of the CARO report which is qualified or is adverse
1	InCred Financial Services Limited	U67190MH1995PLC360817	Subsidiary	Clause 3(iii)(c) Clause 3(vii)(a)

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sarvesh
Vishwesh Warty
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Date: 2024.09.02 22:05:30 +05'30'

per Sarvesh Warty
Partner
Membership Number: 121411
UDIN: 24121411BKFRSH7172

Place: Mumbai
Date: 02 September 2024

Annexure 2 to the Independent Auditor's Report of the even date on the Consolidated Financial Statements of InCred Holdings Limited

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

In conjunction with our audit of the consolidated financial statements of InCred Holdings Limited (hereinafter referred to as the "Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

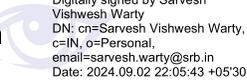
Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiaries, which are companies incorporated in India, is based on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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sarvesh
Vishwesh
Warty



Digitally signed by Sarvesh Vishwesh Warty
DN: cn=Sarvesh Vishwesh Warty, c=IN, o=Personal, email=sarvesh.warty@srb.in
Date: 2024.09.02 22:05:43 +05'30'

per Sarvesh Warty

Partner

Membership Number: 121411

UDIN: 24121411BKFRSH7172

Place: Mumbai

Date: 02 September 2024

Consolidated Financial Statements
Consolidated Balance Sheet as at March 31, 2024

(Rs. in lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	8,496.96	34,472.39
(b) Bank balance other than cash and cash equivalents	3	8,323.96	4,795.43
(c) Derivative financial instruments	4	878.92	1,388.54
(d) Receivables			
(I) Trade receivables	5	-	2.45
(II) Other receivables		-	-
(e) Loans	6	7,25,877.68	5,40,525.05
(f) Investments	7	61,267.07	7,034.28
(g) Other financial assets	8	10,712.97	7,953.28
		8,15,557.56	5,96,171.41
(2) Non-financial assets			
(a) Current tax assets (net)		4,658.18	5,039.07
(b) Deferred tax assets (net)	9	39,497.09	47,707.12
(c) Property, plant and equipment	10	5,031.34	4,359.35
(d) Capital work-in-progress	11	336.65	161.79
(e) Goodwill	43	6,645.58	6,778.74
(f) Other intangible assets	12	393.40	666.43
(g) Other non-financial assets	13	4,642.01	6,996.43
		61,204.25	71,708.93
Total assets		8,76,761.81	6,67,880.34
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial liabilities	4	2,265.96	727.43
(b) Trade Payables	14	271.89	172.45
(c) Debt securities	15	96,989.55	1,15,190.08
(d) Borrowings (other than debt securities)	16	4,04,725.93	2,71,246.87
(e) Other financial liabilities	17	26,571.49	20,935.99
		5,30,824.82	4,08,272.82
(2) Non-financial liabilities			
(a) Provisions	18	5,654.68	2,766.29
(b) Other non-financial liabilities	19	1,605.01	2,061.37
		7,259.69	4,827.66
EQUITY			
(a) Equity share capital	20	64,181.76	59,523.54
(b) Other equity	21	2,74,495.54	1,95,256.32
		3,38,677.30	2,54,779.86
Total liabilities and equity		8,76,761.81	6,67,880.34

Material accounting policies and key accounting estimates and judgements
The accompanying notes form an integral part of the consolidated financial statements

1

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004
Digitally signed by Sarvesh Vishwesh Warty
DN: cn=Sarvesh Vishwesh Warty, c=IN, o=Personal, email=sarvesh.warty@srb.in
Date: 2024.09.02 22:05:57 +05'30'

per Sarvesh Warty
Partner
Membership No: 121411

Place: Mumbai
Date: September 2, 2024

For and on behalf of the Board of Directors of
InCred Holdings Limited
CIN: U67190MH2011PLC211738

BHUPINDER SINGH
Digitally signed by BHUPINDER SINGH
Date: 2024.09.02 21:40:18 +05'30'

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

NIKITA DEEPAK SHETTY
Digitally signed by NIKITA DEEPAK SHETTY
Date: 2024.09.02 21:46:10 +05'30'

Nikita Shetty
Company Secretary
Membership No: A29555

Place: Mumbai
Date: September 2, 2024

VIVEK BANSAL
Digitally signed by VIVEK BANSAL
Date: 2024.09.02 21:43:00 +05'30'

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

InCred Holdings Limited
(formerly known as KKR Capital Markets India Limited)

Consolidated Financial Statements
Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(Rs. in lakhs)

Particulars	Note No	Year ended March 31, 2024	Year ended March 31, 2023
Revenue From operations			
(i) Interest income	22	1,19,359.23	82,296.77
(ii) Dividend income		50.10	25.18
(iii) Net gain on derecognition of financial instruments under amortised cost category		3,218.45	1,560.88
(iv) Fees and commission income	23	3,308.50	2,180.55
(v) Net (loss)/gain on fair value changes	24	1,333.79	501.76
(I) Total revenue from operations		1,27,270.07	86,565.14
(II) Other income	25	2,343.00	1,505.48
(III) Total income (I + II)		1,29,613.07	88,070.62
Expenses			
(i) Finance costs	26	45,325.56	35,601.91
(ii) Net loss on derecognition of financial instruments under amortised cost category		3,765.18	25.00
(iii) Impairment on financial instruments	27	(1,870.86)	(2,423.77)
(iv) Employee benefit expenses	28	26,458.46	19,227.77
(v) Depreciation and amortisation	10 & 12	1,869.92	1,326.78
(vi) Other expenses	29	12,099.99	9,184.44
(IV) Total expenses		87,648.25	62,942.13
(V) Profit before share of loss of Associates (III - IV)		41,964.82	25,128.49
(VI) Share of loss of associates		-	10.14
(VII) Profit before exceptional items and tax (V - VI)		41,964.82	25,118.35
(VIII) Exceptional item	51	2,010.53	6,021.94
(IX) Profit before tax (VII - VIII)		39,954.29	19,096.41
Tax Expense:			
(1) Current Tax		755.40	467.86
(2) Tax pertaining to previous years		-	-
(3) Deferred Tax		8,294.98	7,722.13
(X) Total Tax Expense	30	9,050.38	8,189.99
(XI) Profit for the year (IX - X)		30,903.91	10,906.42
(XII) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain/(loss) of the defined benefit plans		(127.69)	(62.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		32.21	15.92
Subtotal (A)		(95.48)	(46.42)
(B) Items that will be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		24.84	(73.59)
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(234.40)	129.99
(ii) Income tax relating to items that will be reclassified to profit or loss		52.75	(13.87)
Subtotal (B)		(156.81)	42.53
Other comprehensive income (A + B)		(252.29)	(3.89)
(XIII) Total comprehensive income for the year (XI + XII)		30,651.62	10,902.53
Profit is attributable to:			
Owners of the Group		31,026.91	10,905.81
Non controlling interests		(123.00)	0.61
Other Comprehensive Income is attributable to:			
Owners of the Group		(252.05)	(3.89)
Non controlling interests		(0.24)	-
Total Comprehensive Income is attributable to:			
Owners of the Group		30,774.85	10,901.92
Non controlling interests		(123.23)	0.61
(XIV) Earnings per equity share (Face Value : Rs. 10 per share)	31		
Basic (Rs.)		5.07	1.85
Diluted (Rs.)		4.87	1.81

Material accounting policies and key accounting estimates and judgements
The accompanying notes form an integral part of the consolidated financial statements

1

As per our report of even date
For **S. R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sarvesh Vishwesh Warty
Digitally signed by Sarvesh Vishwesh Warty
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Date: 2024.09.02 22:06:10 +05'30'

per Sarvesh Warty
Partner
Membership No: 121411

Place: Mumbai
Date: September 2, 2024

For and on behalf of the Board of Directors of
InCred Holdings Limited
CIN: U67190MH2011PLC211738

BHUPINDER SINGH
Digitally signed by BHUPINDER SINGH
Date: 2024.09.02 21:40:50 +05'30'

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

NIKITA DEEPAK SHETTY
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Date: 2024.09.02 21:46:37 +05'30'

Nikita Shetty
Company Secretary
Membership No: A29555

Place: Mumbai
Date: September 2, 2024

VIVEK BANSAL
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Date: 2024.09.02 21:43:31 +05'30'

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Consolidated Financial Statements

Consolidated Cash Flow Statement for the year ended March 31, 2024

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Profit / (Loss) before tax	39,954.29	19,096.41
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation, amortization and impairment	1,869.92	1,326.78
Loss on sale of property, plant and equipment	-	10.40
Net (gain) on fair value changes	(1,334.48)	(499.12)
Impairment of Goodwill	133.16	16,585.12
Net gain on derecognition of financial instruments	546.73	(1,535.88)
Interest Income	(1,19,359.23)	(82,296.77)
Finance Cost	44,950.95	35,399.59
Impairment on financial instruments	(2,382.57)	(1,155.09)
Retirement Benefit expenses	174.18	139.30
Share based payment to employees	2,432.70	3,765.87
Share in loss of associate	-	10.14
Operating cash flow before working capital changes	(33,014.35)	(9,153.25)
Working capital adjustments		
(Increase) / decrease in other trade receivables	2.45	105.89
(Increase) in loans	(1,82,970.06)	(1,13,268.76)
(Increase) in other financial assets	(3,306.42)	(4,296.83)
(Increase) / decrease in other non financial assets	2,354.42	(1,952.74)
Increase in other financial liabilities	5,937.18	6,528.20
Increase in trade payables	99.44	-
Increase in provisions	2,586.52	549.92
(Decrease) / increase in other non financial liabilities	(456.36)	401.16
Cash (used in) / generated from operations	(2,08,767.18)	(1,21,086.41)
Interest received on loans	1,16,648.30	80,643.89
Interest paid on borrowings and debt	(44,709.39)	(34,973.42)
Income taxes paid	(427.25)	2,811.54
Net cash (used in) / generated from operating activities	(1,37,255.52)	(72,604.40)
Cash flow generated from investing activities		
(Purchase) / Sale of property, plant and equipment	(1,862.93)	(1,940.49)
(Purchase) / Sale of intangibles assets	(111.93)	(466.95)
(Addition) / Deletion of Capital work-in-progress	(174.86)	132.16
Investment in associate	-	4,276.47
Proceeds from business combination	-	39,431.81
Purchase of investments	(10,69,381.37)	(46,211.16)
Proceeds from sale of investments	10,21,085.69	45,939.88
Investment in term deposits	(1,90,240.61)	(1,37,589.04)
Proceeds from maturity of term deposits earmarked with banks	1,86,712.08	1,35,784.97
Net cash (used in) / generated from investing activities	(53,973.94)	39,357.65
Cash flow generated from financing activities		
Issue of equity shares (including securities premium)	50,812.77	1,349.35
Reversal of rent expense	(837.26)	(604.40)
Proceeds of borrowings (other than debt securities)	2,57,899.24	1,74,965.00
Proceeds of debt securities	79,946.24	69,799.19
Repayment of borrowings (other than debt securities)	(1,29,934.78)	(1,20,958.31)
Redemption of debt securities	(98,146.77)	(61,132.88)
Net cash (used in) / generated from financing activities	1,59,739.44	63,417.95
Net increase / (decrease) in cash and cash equivalents	(31,490.02)	30,171.20
Cash and cash equivalents at the beginning of the year	32,960.13	2,788.93
Cash and cash equivalents at the end of the year	1,470.11	32,960.13

Notes:

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow

(b) Cash and cash equivalents comprises of

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balances with banks		
- Current Accounts	8,496.96	31,939.77
Deposit with bank with maturity less than 3 months	-	2,532.62
Cash and cash equivalents (Refer note 2)	8,496.96	34,472.39
Less: Bank overdraft and cash credit (Refer note 16)	(7,026.85)	(1,512.26)
Cash and cash equivalents in cash flow statement	1,470.11	32,960.13

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh Vishwesh Warty
Digitally signed by Sarvesh Vishwesh Warty
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Date: 2024.09.02 22:06:23 +05'30'

per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

BHUPINDER SINGH
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Date: 2024.09.02 21:41:11 +05'30'

Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

NIKITA DEEPAK SHETTY
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Date: 2024.09.02 21:46:53 +05'30'

Nikita Shetty

Company Secretary

Membership No: A29555

Place: Mumbai

Date: September 2, 2024

VIVEK BANSAL
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Date: 2024.09.02 21:44:33 +05'30'

Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Consolidated Financial Statements

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Balance as at the beginning of the year	59,523.54	19,275.85
Changes in equity share capital during the year	4,658.22	40,247.69
Balance as at the end of the year	64,181.76	59,523.54

B. Other equity

(Rs. in lakhs)

Particulars	Reserves and Surplus							Debt instruments through OCI	Cash flow hedge reserve	Equity instruments through OCI	Loss on change in proportion held by NCI	Total
	Special reserve	Securities premium	Capital contribution from parent	Share based payment reserve	Retained earnings	Merger reserve	Capital Redemption reserve					
Balance at March 31, 2022	1,379.07	62,498.29	66.10	3,900.42	5,401.43	19,522.35	-	(0.99)	77.63	15.36	(616.81)	92,242.85
Profit for the year	-	-	-	-	10,905.81	-	-	-	-	-	0.61	10,906.42
Other comprehensive income for the year	-	-	-	-	(46.42)	-	-	(54.74)	97.27	-	-	(3.89)
Total comprehensive income for the year (net of tax)	-	-	-	-	10,859.39	-	-	(54.74)	97.27	-	0.61	10,902.53
Transfer / utilisations	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year (cash premium)	-	980.59	-	-	-	-	-	-	-	-	-	980.59
Additions during the year (non-cash premium)	-	907.85	-	(907.85)	-	-	-	-	-	-	-	-
Utilized during the year	-	(917.77)	-	-	-	-	-	-	-	-	-	(917.77)
Purchase consideration towards business combination (Refer Note No 43)	-	1,64,834.24	(66.10)	-	(1,36,820.60)	(28,171.34)	242.00	-	-	-	437.71	455.91
Transferred to special reserve from retained earnings	2,416.32	-	-	-	(2,416.32)	-	-	-	-	-	-	-
Share based payment expense	-	-	-	3,765.87	-	-	-	-	-	-	-	3,765.87
Transferred from share based payment reserve	-	-	-	(17.06)	17.06	-	-	-	-	-	-	-
Transfer of business (Refer Note No 43)	-	87,826.34	-	-	-	-	-	-	-	-	-	87,826.34
Balance at March 31, 2023	3,795.39	3,16,129.54	-	6,741.38	(1,22,959.04)	(8,648.99)	242.00	(55.73)	174.90	15.36	(178.49)	1,95,256.32
Profit for the year	-	-	-	-	31,026.91	-	-	-	-	-	(123.00)	30,903.91
Other comprehensive income for the year	-	-	-	-	(95.24)	-	-	18.95	(175.40)	-	(0.24)	(251.93)
Total comprehensive income for the year (net of tax)	-	-	-	-	30,931.66	-	-	18.95	(175.40)	-	(123.23)	30,651.98
Transfer / utilisations	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year (cash premium)	-	48,873.05	-	-	-	-	-	-	-	-	-	48,873.05
Additions during the year (non-cash premium)	-	2,691.62	-	(2,691.62)	-	-	-	-	-	-	-	-
Utilized during the year	-	(2,718.50)	-	(33.94)	33.94	-	-	-	-	-	-	(2,718.50)
Purchase consideration towards business combination (Refer Note No 43)	-	-	-	-	(616.81)	-	-	-	-	-	616.81	-
Transferred to special reserve from retained earnings	6,297.91	-	-	-	(6,297.91)	-	-	-	-	-	-	-
Share based payment expense	-	-	-	2,432.70	-	-	-	-	-	-	-	2,432.70
Transferred from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 43)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024	10,093.30	3,64,975.71	-	6,448.52	(98,908.17)	(8,648.99)	242.00	(36.78)	(0.50)	15.36	315.08	2,74,495.54

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh Vishwesh Warty
Digitally signed by Sarvesh Vishwesh Warty, DN: cn=Sarvesh Vishwesh Warty, o=Personal, email=sarvesh.warty@batliboi.com, Date: 2024.09.02 22:06:41 +05'30'

per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: September 2, 2024

For and on behalf of the Board of Directors of

InCred Holdings Limited

CIN: U67190MH2011PLC211738

BHUPINDER SINGH ER SINGH
Digitally signed by BHUPINDER SINGH ER SINGH, Date: 2024.09.02 21:41:30 +05'30'

Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

Place: Mumbai

Date: September 2, 2024

VIVEK BANSAL
Digitally signed by VIVEK BANSAL, DN: cn=VIVEK BANSAL, o=Personal, email=vivek.bansal@incrd.com, Date: 2024.09.02 21:44:58 +05'30'

Vivek Bansal

Whole Time Director and CFO

DIN: 07835456

NIKITA DEEPAK SHETTY
Digitally signed by NIKITA DEEPAK SHETTY, Date: 2024.09.02 21:40:14 +05'30'

Nikita Shetty

Company Secretary

Membership No: A29555

InCred Holdings Limited

(formerly known as KKR Capital Markets India Limited)

Notes to the Consolidated Financial Statements

(1) Material Accounting Policies and Other Explanatory Information

A. Corporate Information

InCred Holdings Limited (formerly known as “KKR Capital Markets India Limited”) (the ‘Parent’) was incorporated as a private limited company in India on January 03, 2011, under the provisions of the Companies Act, 1956. The Parent together with its subsidiaries (hereinafter collectively referred to as the ‘Group’) has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India. The Parent is converted to public company on July 08, 2022.

The Parent is registered with the Securities and Exchange Board of India as a ‘Category I Merchant Banker’ and the Company is engaged in providing investment advisory, investment management and finance arrangement services.

The registered office of the Group is Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai – 400051.

The consolidated financial statements are authorized for issue by the Parent’s Board of Directors on September 2, 2024.

B. Basis of preparation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS 34) 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 Group uses accrual basis of accounting except as explained in Note D15.

i. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (‘INR’), which is also the Group’s functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

ii. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following items:

- a. Certain financial assets and liabilities that are measured at fair value
- b. Net defined benefit asset / liability – plan assets are measured at fair value less present value of defined benefit obligation; and
- c. Share-based payments - measured at fair value on initial recognition

iii. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial

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Notes to the Consolidated Financial Statements

statements, reported amounts of revenues and expenses during the period. Actual results may defer from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in the accounting estimates are recognised prospectively.

Significant accounting estimates and judgements:

- a. Business model assessment
- b. Fair value of financial instruments
- c. Effective interest rate (EIR)
- d. Impairment of financial assets
- e. Provision for tax expenses
- f. Residual value, useful life and indicators of impairment and recoverable value of property, plant and equipment

iv. Basis of consolidation

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which the control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

b. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

- **Equity method**

Under equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee and in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of investment.

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When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent the Group's interest in these entities. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

c. Change in ownership interests

The Group considers transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in the other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

d. Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the:

- Fair values of assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Group and
- Fair value of any assets and liabilities resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at acquisition date. The Group recognizes any non-controlling interests in the acquired entity on acquisition-by-acquisition basis either at fair value or by non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of:

- Consideration transferred
- Any amount of non-controlling interest in the acquired entity and

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- Acquisition date fair value of the previous entity interest in the acquired entity

Over the fair value of identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of identifiable assets, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reason for carrying the business combination as a bargain purchase. In other cases, bargain purchase gain are recognized directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss or other comprehensive income, as appropriate.

C. Presentation of financial statements

The consolidated financial statements of the Group are presented as per Division III of Schedule III, as amended, of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs ('MCA'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and RBI regulations to the extent applicable.

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS.

D. Material accounting policies and other explanatory information

1. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair values of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

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- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. 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. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital are some examples of financial instruments.

All financial instruments are at amortised cost, unless otherwise specified.

All the financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradable securities, the Group recognises the financial instruments on settlement date.

i. Financial assets

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

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

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets. The Group classifies its financial assets in the following measurement categories:

Financial assets measured at amortised cost

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A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment), unless the asset is designated at FVTPL:

- i. the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. 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.

Financial assets measured at Fair value through other comprehensive Income ('FVOCI')

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- i. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. the 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.

Financial assets measured at Fair Value through Profit and Loss ('FVTPL')

A financial asset which is not classified in above category is subsequently measured at FVTPL. Where assets are measured at fair value, gains and losses are recognized entirely in the Consolidated Statement of Profit and Loss.

Subsequent measurement

The assets classified in the aforementioned categories are subsequently measured as follows:

Financial assets at Amortised cost

These assets are subsequently measured at amortised cost at each reporting period 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 consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss .

Debt investments at FVOCI

These assets are subsequently measured at each reporting period at fair value. Interest income under the EIR method, foreign gains and losses and impairment are recognised in Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Consolidated Statement of Profit and Loss.

Equity investments designated at FVOCI

These assets are subsequently measured at each reporting period at fair value. Dividends are recognised as income in consolidated statement of profit and loss unless the dividend clearly

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represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated statement of profit and loss .

Financial assets at FVTPL

These assets are subsequently measured at each reporting period at fair value. Net gains and losses, including any interest or dividend income, are recognised in Consolidated Statement of Profit and Loss.

ii. Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as on initial recognition.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs profit and loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) when the contractual rights to receive cash flows from the financial asset expires or it transfers the rights to receive to receive the contractual cash flows in a transaction in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the asset.

The Group sells, assigns (including Co-lending transaction) its loans to counter-parties wherein the risk and reward of the asset is transferred for the entire/substantial portion of the Loan. As per Ind AS 109, Financial assets are derecognized on the date of assignment. Any right on interest on sold portion of asset is recognized as a financial asset at fair value, basis the scheduled cash flows on execution of the transaction estimated for prepayments and defaults. Estimated costs to be incurred for servicing the de-recognised portion is recorded as servicing liability at fair value.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss.

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If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The group on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of loans which doesn't affect the business model of the Group.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

iv. Offsetting of financial instruments

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

v. Derivatives recorded at fair value through profit and loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks, interest rate risks and equity price risks, respectively. These include cross-currency swaps, forward foreign exchange contracts, futures and options on equities.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net gain on fair value changes unless hedge accounting is applied.

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vi. **Embedded derivatives**

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

If the hybrid contract contains a host that is a financial asset / financial liability within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

3. **Share capital**

Equity and preference shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

4. **Business Combination**

Business combinations of entities under common control are accounted using the “pooling of interests” method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

5. **Impairment of financial assets**

Overview of the Expected Credit Losses ('ECL') principles

- The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with 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), unless there has been no significant increase in credit

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risk since origination, in which case, the allowance is based on the 12 months' expected credit loss)

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. 12' month ECL is recognized on stage 1 exposures.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Lifetime ECL is recognized for exposures with significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage.

W.e.f October 1, 2022, a financial instrument is considered as Stage 3 if the asset crosses 90 days pass due and remains in overdue category. This is aligned to the definition of default for loan assets stipulated in RBI circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances – Clarifications" (the "RBI circular"). For exposures that have become credit impaired, a lifetime ECL is recognized. Stage 3 exposures represent Non-Performing Assets (NPA).

Credit-impaired financial assets:

At each reporting period, the Group assesses whether financial assets carried at amortised cost and FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- Evidence that a financial asset is credit-impaired includes the following observable data:

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- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

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

While estimating the PD, the Group reviews macro-economic developments occurring in the economy and market it operates in. On annual basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, private consumption rate, Gross national saving/investment, real wholesale & retail trade and services with the estimate of PD. Typically, these macro-economic scenarios span a base case, plus an upside and downside scenario.

The ECL model allows for multiple macro-economic scenarios to be reflected in a probabilistic manner. The weights are reviewed on annual basis.

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD)- The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. For products where empirical data is available LGD is determined based on historical recoveries. For other products in absence of enough historical data, LGD rates are adopted from RBI circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" by RBI dated December 22, 2011.- (RBI/2011-12/311 DBOD.No.BP.BC.67/21.06.202/2011-12) .

The Group may also make additional impairment allowance based on its assessment of risk profile and create safeguard from potential future events.

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Write-offs

The Group writes off Retail secured and unsecured loans which have a days past due (DPD) for more than 18 months and 15 months respectively. However, Small and Medium Enterprises (SME) Secured and Unsecured Loans, are written off on a case-to-case basis, based on the probability of recoverability. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

6. Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

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7. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

8. Share-based payment arrangements

- a. 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.
- b. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or 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 expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
- c. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Consolidated Statement of Profit and Loss.
- d. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

9. Lease Accounting

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The Group revises the lease term if there is a change in the non-cancellable period of a lease

At the date of commencement of the lease, the Group recognizes right – of – use (“ROU”) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value

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leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates.

10. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income ('OCI').

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends to realise the asset or settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- ii temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss; and
- iii temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and

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recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 as on the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

11. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- (i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
- (ii) any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Consolidated Statement of Profit and Loss.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is provided on straight line basis as per the useful life given under Schedule II of the Companies Act, 2013, and is generally recognised in the Consolidated Statement of Profit and Loss.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e., from / (upto) the date which the asset is ready for use / (disposed of).

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The useful life as per Schedule II are as follows:

Asset	Useful life as per Schedule II
Buildings	60 years
Furniture & fixtures	10 years
Office equipment	5 years
Computers and printers	3 years
Vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimated useful life as given above best represent the period over which management expects to use these assets.

12. Intangible assets

i. Recognition and measurement

Intangible assets (computer software) are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii. Subsequent expenditure

Subsequent expenditure on an intangible asset is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the Statement Profit and Loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful life using the straight-line method, and is included in depreciation, amortisation and impairment in the Consolidated Statement of Profit and Loss.

The intangible assets are amortised over the estimated useful life of 3 years.

Amortisation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

13. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The carrying values of these assets at each balance sheet date are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of these asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment loss is recognised in the Consolidated Statement of Profit and Loss for such excess amount.

In respect of assets (except goodwill) for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

14. Revenue from operations

Recognition of interest and fee income or expense

Dividend income is recognised on the date on which the Group's right to receive the payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is recognised by applying the effective interest rate to the recoverable amount of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Fee and commission income:

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Loan related charges such as cheque bounce charges, foreclosure charges are recognised only on receipt basis.

15. Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction estimated for prepayments and defaults, discounted at the applicable rate entered into with the transferee is recorded upfront, net off estimated cost, in the statement of profit and loss.

16. Finance Cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost.

17. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Contribution to provident fund and ESIC

Group's contribution paid/payable during the period to provident fund and ESIC is recognised in the Statement of profit and loss.

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iii. Gratuity

The Group's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

iv. Compensated absence

The Group does not have a policy of encashment of unavailed leaves for its employees and are not permitted to carry forward the leaves. Hence there is no liability towards compensated absence.

18. Foreign currency

Transaction and balances

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each closing date, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined. Exchange differences are recognised in the Consolidated Statement of Profit and Loss.

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19. Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

20. Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

21. Segment Reporting

The Group operates in a single reportable segment i.e., financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Group operates in a single geographical segment i.e. domestic.

22. Provisions, contingent liabilities and contingent assets

a. Provisions

Provisions are recognized when there is 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 expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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c. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. The Group assesses its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts periodically and ensures that appropriate treatment has been made as required under Ind AS.

d. Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

23. Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

24. Standards issued but not yet effective upto the date of issuance of the financial statements

There are no standards that are notified and not yet effective as on date.

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2. Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Balances with banks	8,496.96	31,939.77
Fixed Deposit with banks with original maturity of less than 3 months	-	2,532.62
Total	8,496.96	34,472.39

3. Bank balance other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Fixed deposit with bank with original maturity of more than 3 months*	8,323.96	4,795.43
Total	8,323.96	4,795.43

*Includes lien marked fixed deposits for borrowings amounting to Rs. 6,104.07 lakhs (Previous Year Rs. 4,121.04 lakhs)

4. Derivative financial instruments at Fair Value

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(A) Derivative financial assets		
(i) Cross Currency Interest Rate Swaps		
Cash flow hedge (Notional amount : 5,811.40 , PY : 5,110.00)*	25.74	875.63
(ii) Equity Linked Derivatives		
Options and futures (Notional amount : 2,724.25, PY : 5,718.00 (Refer note 15))	853.18	512.91
Total	878.92	1,388.54
(B) Derivative financial liabilities		
Embedded Derivative on Market Linked Debentures (Notional amount : 11,790.00, PY : 5,790.00) (Refer Note 15)	2,265.96	727.43
Total	2,265.96	727.43

*Derivative transactions comprise of currency and interest rate swaps. The Company undertakes such transactions for hedging borrowings in foreign currency.

5. Trade Receivables

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
Unsecured, considered good	-	2.46
Allowance for impairment loss	-	(0.01)
Total	-	2.45

Refer Note 49 for ageing of the outstanding balance

6. Loans

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
(A) (i) Term loans*	7,44,924.45	5,55,563.58
(ii) Loans repayable on demand	-	-
Total - Gross	7,44,924.45	5,55,563.58
Less: Impairment loss allowance	(19,046.77)	(15,038.53)
Total - Net of impairment loss allowance (A)	7,25,877.68	5,40,525.05
(B) (i) Secured by tangible assets**	2,26,645.52	1,92,715.85
(ii) Covered by Bank and Government guarantees	692.38	2,833.05
(iii) Unsecured	5,17,586.55	3,60,014.68
Total - Gross	7,44,924.45	5,55,563.58
Less: Impairment loss allowance	(19,046.77)	(15,038.53)
Total - Net of impairment loss allowance (B)	7,25,877.68	5,40,525.05
(C) Loans in India		
(i) Public sectors	-	-
(ii) Others	7,44,924.45	5,55,563.58
Total - Gross	7,44,924.45	5,55,563.58
Less: Impairment loss allowance	(19,046.77)	(15,038.53)
Total - Net of impairment loss allowance (C)	7,25,877.68	5,40,525.05

* Does not include outstanding of Rs. 1,58,950.12 lakhs (PY : 51,045.20 lakhs) derecognised on account of Co-Lending transaction.

**Secured by charge on immovable properties, vehicles, inventories and receivables.

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7. Investments

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(A) At Amortised Cost		
- Debt securities	36,860.88	-
Less: Allowance for impairment loss on amortised cost		
Net at Amortised Cost (A)	36,860.88	-
(B) At Fair Value Through Other Comprehensive Income		
- Debt securities	20,157.02	4,617.81
Less: Allowance for impairment loss FVOCI	(6.71)	(8.04)
Net At Fair Value Through Other Comprehensive Income (FVOCI) (B)	20,150.31	4,609.77
(C) At Fair Value Through Profit or Loss (FVTPL)		
- Mutual Funds	2,747.74	2,017.78
- investment in Alternative Investment Fund (AIF)	462.80	397.07
- Debt Securities and Liquid funds	1,035.67	
Less: Allowance for impairment loss FVTPL		
Net At Fair Value Through Profit or Loss (FVTPL) (C)	4,246.21	2,414.85
(D) Others		
Equity instruments		
- Convertible Preference Shares	9.67	9.66
'Less: Allowance for impairment loss others#	-	
Net Others (D)	9.67	9.66
Total - Gross (E= A+B+C+D)	61,273.78	7,042.32
Investments in India (F)	61,273.78	7,042.32
Total - Allowance for investment (G)	(6.71)	(8.04)
Total - Net (H= F - G)	61,267.07	7,034.28

Note-

- Investment in Alternative Investment Funds (AIF) reflects the investment in KIDOF II
- Investments at amortised cost and FVOCI are all classified as Stage I under credit risk
- Others are measured as per Equity method

8. Other financial assets

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
Security Deposits (Unsecured, considered good)	578.96	759.71
Retained interest on Loans derecognised	8,042.78	2,775.31
Receivables from related parties (Refer Note 34)	150.21	27.05
Balances with Partners/Anchors	594.57	570.51
Others	1,318.51	302.74
Receivable from Co-lending assignment	27.94	3,580.24
Interest Receivable tax refund	-	130.97
Less: Allowance for impairment loss	-	(193.26)
Total	10,712.97	7,953.28

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9. Deferred tax

The major components of Deferred Tax Assets ('DTA') / Deferred Tax Liabilities ('DTL') arising on account of timing differences for the year ended March 31, 2024:

(Rs. in lakhs)

Particulars	As at April 1, 2023	Merger Adjustment	Demerger Adjustment	Recognised in profit and loss	Recognised in OCI	As at March 31, 2024
Deferred tax assets						
Provision for impairment loss on financial instruments	12,254.56			(733.18)	-	11,521.39
Provision for employee benefit plans	675.86			762.68	30.51	1,469.06
Disallowance of merger expenses	214.78			(53.69)	-	161.10
Lease liability	85.52			9.25	-	94.78
Fair value change on financial instruments	36.51			28.60	-	65.12
Unabsorbed business loss/capital loss	35,002.05			(10,110.76)	-	24,891.30
Difference between written down value of property plant and equipment and Intangible assets as per the books of accounts and income tax	115.81			35.03	-	150.85
Fair value change of investment valued at Fair value through OCI	14.03			(58.68)	52.75	8.11
Provision for expenses	-			1,118.93	-	1,118.94
Others	(112.39)			876.24	-	763.85
Total (A)	48,286.74	-	-	(8,125.59)	83.26	40,244.50
Deferred tax liabilities						
EIR impact on financial instruments	(579.72)	-	-	(167.68)	-	(747.41)
Total (B)	(579.72)	-	-	(167.68)	-	(747.41)
Deferred tax assets (net) (A+B)	47,707.01	-	-	(8,293.27)	83.26	39,497.09

The major components of Deferred Tax Assets ('DTA') / Deferred Tax Liabilities ('DTL') arising on account of timing differences for the year ended March 31, 2023:

(Rs. in lakhs)

Particulars	As at April 1, 2022	Merger Adjustment	Demerger Adjustment	Recognised in profit and loss	Recognised in OCI	As at March 31, 2023
Deferred tax assets						
Provision for impairment loss on financial instruments	2,282.81	4,975.54	-	4,996.21	-	12,254.56
Provision for employee benefit plans	78.99	253.30	-	327.65	15.92	675.86
Disallowance of merger expenses	148.69	248.50	-	(182.41)	-	214.78
Lease liability	67.27	-	-	18.25	-	85.52
Fair value change on financial instruments	57.92	3,379.83	-	(3,401.24)	-	36.51
Unabsorbed business loss/capital loss	-	46,439.90	-	(11,437.85)	-	35,002.05
Difference between written down value of property plant and equipment and Intangible assets as per the books of accounts and income tax	98.51	20.84	-	(3.54)	-	115.81
Fair value change of investment valued at Fair value through OCI	(2.97)	-	-	30.87	(13.87)	14.03
Disallowance under section 40(a) of Income-tax Act, 1961	-	97.82	-	(97.82)	-	-
Others	-	285.31	-	(54.39)	-	230.92
Total (A)	2,731.22	55,701.04	-	(9,804.27)	2.05	48,630.04
Deferred tax liabilities						
EIR impact on financial instruments	(692.55)	(85.05)	-	197.88	-	(579.72)
Fair valuation of investments in associate	(728.89)	-	-	728.89	-	-
Others	-	311.97	-	(655.28)	-	(343.31)
Total (B)	(1,421.44)	226.92	-	271.49	-	(923.03)
Deferred tax assets (net) (A+B)	1,309.78	55,927.96	-	(9,532.78)	2.05	47,707.01

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10. Property, plant and equipment

(Rs. in lakhs)

Particulars	Buildings*	Furniture and fixtures	Leasehold Improvements	Office equipment	Computers & Printers	Vehicles	Right-of-use assets**	Total
Year ended March 31, 2023								
At carrying cost at the beginning of the year	22.71	160.73	974.98	202.59	1,113.71	383.78	2,942.40	5,800.90
Additions during the year	-	132.37	415.57	138.17	448.56	37.53	863.49	2,035.69
Acquisition of subsidiary	-	-	-	-	21.31	-	-	21.31
Disposals	-	(28.99)	(11.02)	(19.19)	-	-	(313.90)	(373.10)
Gross carrying value as March 31, 2023	22.71	264.11	1,379.53	321.57	1,583.58	421.31	3,491.99	7,484.80
Accumulated depreciation as at the beginning of the year	1.54	35.03	241.74	93.69	681.87	175.78	1,091.57	2,321.22
Depreciation for the year	0.38	25.27	197.54	53.58	281.54	40.75	451.17	1,050.23
Acquisition of subsidiary	-	-	-	-	17.29	-	-	17.29
Disposals	-	(10.38)	(3.77)	(16.19)	-	-	(232.95)	(263.29)
Accumulated depreciation as at March 31, 2023	1.92	49.92	435.51	131.08	980.70	216.53	1,309.79	3,125.45
Net carrying value as at March 31, 2023	20.79	214.19	944.02	190.49	602.88	204.78	2,182.20	4,359.35
Year ended March 31, 2024								
At carrying cost at the beginning of the year	22.71	264.11	1,379.53	321.57	1,583.58	421.31	3,491.99	7,484.81
Additions during the year	-	244.85	783.72	338.30	280.36	315.25	294.02	2,256.51
Acquisition of subsidiary	-	-	-	-	(19.60)	-	-	(19.60)
Disposals	-	(24.01)	(204.14)	(4.31)	(52.85)	-	(29.88)	(315.19)
Gross carrying value as March 31, 2024	22.71	484.95	1,959.11	655.56	1,791.49	736.56	3,756.13	9,406.53
Accumulated depreciation as at the beginning of the year	1.92	49.92	435.51	131.08	980.70	216.53	1,309.79	3,125.46
Depreciation for the year	0.38	74.88	211.73	124.24	369.65	71.43	632.44	1,484.74
Acquisition of subsidiary	-	-	-	-	(18.91)	-	-	(18.91)
Disposals	-	(8.30)	(122.26)	(3.23)	(52.43)	-	(29.88)	(216.10)
Accumulated depreciation as at March 31, 2024	2.30	116.50	524.98	252.09	1,279.01	287.96	1,912.35	4,375.19
Net carrying value as at March 31, 2024	20.41	368.45	1,434.13	403.47	512.47	448.59	1,843.78	5,031.34

*There is no immovable property where the title deed of such immovable property is not held in the parent company's name or jointly held with others. Immovable properties have been pledged against debt securities issued. Refer Note 15

** Refer Note 37 for recognition of right-of-use assets

11. Capital Work in progress

Particulars	As at March 31, 2024				As at March 31, 2023			
	Opening Balance	Additions	Deletions	Closing Balance	Opening Balance	Additions	Deletions	Closing
Capital work in Progress	161.79	1,203.43	(1,028.57)	336.65	293.95	415.77	(547.93)	161.79
Total	161.79	1,203.43	(1,028.57)	336.65	293.95	415.77	(547.93)	161.79

(Rs. in lakhs)

Capital work in progress (CWIP)	As at March 31, 2024				As at March 31, 2023			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	336.65	-	-	-	161.79	-	-	-
Projects temporarily suspended	-	-	-	-	-	-	-	-
	336.65	-	-	-	161.79	-	-	-

InCred Holdings Limited

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Notes to the Consolidated Financial Statements

12. Other intangible assets

(Rs. in lakhs)

Particulars	Computer software
Year ended March 31, 2023	
At cost at the beginning of the year	1,604.40
Additions during the year	466.95
Gross carrying value as March 31, 2023 (A)	2,071.35
Accumulated amortisation:	
Accumulated amortisation at the beginning of the year	1,128.30
Amortisation for the year	276.62
Accumulated amortisation as at March 31, 2023 (B)	1,404.92
Net carrying value as at March 31, 2023 (A-B)	666.43
Year ended March 31, 2024	
At cost at the beginning of the year	2,071.35
Additions during the year	111.93
Deletions during the year	(218.29)
Gross carrying value as March 31, 2024 (A)	1,964.98
Accumulated amortisation:	
Accumulated amortisation at the beginning of the year	1,404.92
Amortisation for the year	384.95
Deletions during the year	(218.29)
Accumulated amortisation as at March 31, 2024 (B)	1,571.58
Net carrying value as at March 31, 2024 (A-B)	393.40

13. Other non-financial assets

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	528.66	374.42
Advances to vendors	883.36	135.08
Advance for purchase of property	-	3,000.00
GST receivable	3,229.99	3,486.93
Total	4,642.01	6,996.43

InCred Holdings Limited
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Notes to the Consolidated Financial Statements

14. Payables

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	271.89	172.45
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	271.89	172.45

Payables ageing schedule as on March 31, 2024:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	271.89	-	-	-	271.89
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Payables ageing schedule as on March 31, 2023:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	172.45	-	-	-	172.45
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

InCred Holdings Limited
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Notes to the Consolidated Financial Statements
15. Debt Securities

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
Debentures	96,989.55	1,14,207.24
Commercial Paper	-	982.84
Total	96,989.55	1,15,190.08
Debts securities in India	96,989.55	1,15,190.08
Debt securities outside India	-	-
Total	96,989.55	1,15,190.08

Terms and conditions

(Rs. in lakhs)

Sr No	Particulars	Nature of security	Terms of repayment	Maturity date	As at March 31, 2024	As at March 31, 2023
1	500, 9.75% Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000 each	1. Non- Convertible Debentures issued by the company are secured by way of a first pari-passu charge over the receivables of the Company to the extent they meet the stipulated security cover ("Hypothecated Receivables") created pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Redeemable at par at the end of 1095 days from the date of allotment. Coupon to be paid annually.	22-Jun-23	-	5,364.39
2	1,000, 9.75% Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000 each	2. Additionally secured by way of a pari-passu charge with other debenture holders over the identified immovable property owned by the Company.	Redeemable at par at the end of 1095 days from the date of allotment. Coupon to be paid annually.	26-Jun-23	-	10,729.18
3	350, 9.50% Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 2,50,000 each	Non- Convertible Debentures issued by the company are secured by way of a first pari-passu charge over the receivables of the Company to the extent they meet the stipulated security cover ("Hypothecated Receivables") created pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Principal & Coupon Payment to be paid quarterly	30-Aug-24	879.57	2,626.94
4	1150, 10.95% Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000 each	Redeemable at the end of 2191 days from the date of allotment, subject to a Put Option or Call Option at the end of 1096 days. Coupon to be paid annually.	Redeemable at the end of 2191 days from the date of allotment, subject to a Put Option or Call Option at the end of 1096 days. Coupon to be paid annually.	27-Jul-24	12,366.97	12,293.76
5	4,15,484, 9.25% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable with agreed coupon at the end of 730 days from the date of allotment.	17-Feb-24	-	4,175.32
6	53,836, 9.13% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		50% will be redeemed on the date at the end of 365 days and remaining 50% at the end of 730 days from the date of allotment.	17-Feb-24	-	537.61
7	17,38,325, 9.45% Secured Rated Listed Redeemable Non-Convertible issued at Rs. 1,000 each	Non- Convertible Debentures issued by the company are secured by way of a first ranking exclusive and continuing charge created over identified book debts/loan receivables (the "Hypothecated Assets") pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid quarterly.	02-May-25	17,480.82	17,347.01
8	2,54,599, 9.80% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid annually.	02-May-25	2,563.51	2,543.63
9	1,47,712, 9.65% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 1185 days from the date of allotment. Coupon to be paid quarterly.	02-May-26	1,476.08	1,466.09
10	1,69,758, 10.00% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 1185 days from the date of allotment. Coupon to be paid annually.	02-May-26	1,696.39	1,684.95
11	4,000, 9.50% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 77,777.77 each	Non- Convertible Debentures issued by the company are secured by way of a first pari-passu charge over the receivables of the Company to the extent they meet the stipulated security cover ("Hypothecated Receivables") created pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid monthly.	12-Dec-25	3,103.79	-
12	1,32,867, 9.48% Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 547 days from the date of allotment. Coupon to be paid monthly.	10-May-25	1,322.85	-

13	8,76,454, Redeemable Non-Convertible Debentures issued at Rs. 875 each	9.55% Secured Rated Listed	Non-Convertible Debentures issued by the company are secured by way of a first ranking exclusive and continuing charge created over identified book debts/loan receivables (the "Hypothecated Assets") pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Redeemable at par at the end of 731 days from the date of allotment. Coupon to be paid quarterly.	10-Nov-25	7,671.34	-
14	1,92,719, Redeemable Non-Convertible Debentures issued at Rs. 1,000 each	9.66% Secured Rated Listed		Redeemable at par at the end of 731 days from the date of allotment. Coupon to be paid monthly.	10-Nov-25	1,911.46	-
15	5,72,845, Redeemable Non-Convertible Debentures issued at Rs. 1,000 each	10.30% Secured Rated Listed		Redeemable at par at the end of 1096 days from the date of allotment. Coupon to be paid annually.	10-Nov-26	5,834.29	-
16	8,69,739, Redeemable Non-Convertible Debentures issued at Rs. 1,000 each	9.84% Secured Rated Listed		Redeemable at par at the end of 1096 days from the date of allotment. Coupon to be paid monthly.	10-Nov-26	8,544.41	-
17	370, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 910 days from the date of allotment.	28-Jul-23	-	4,491.65
18	154, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 729 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	26-May-23	-	1,828.81
19	139, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 1221 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	04-Oct-24	1,507.84	1,387.36
20	150, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 1011 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	26-Apr-24	1,846.26	1,359.24
21	389, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 761 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	29-Aug-23	-	4,529.57
22	1330, 0% Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 10,00,000		Non-Convertible Market-Linked Debentures issued by the company are secured by way of a first pari passu charge over the receivables of the Company to the extent they meet the stipulated security cover ("Hypothecated Receivables") created pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Redeemable with agreed coupon at the end of 942 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	22-Apr-24	16,623.33	15,163.88
23	7500, 0% Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000			Redeemable with agreed coupon at the end of 912 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	03-Apr-23	-	8,739.96
24	400, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 547 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	23-Jun-23	-	4,460.70
25	173, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 1205 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	08-May-25	1,510.31	1,369.88
26	117, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 1229 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	05-Dec-25	1,046.05	975.69
27	250, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000			Redeemable with agreed coupon at the end of 929 days from the date of allotment if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	08-Apr-25	2,857.27	2,598.43
28	750, 0% Secured Redeemable Principal Protected Market Linked Non-Convertible Debenture of Rs. 10,00,000		1. First ranking and exclusive charge over the Identified Receivables together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith; 2. A first ranking and exclusive charge over the Cash Collateral; 3. A first ranking and exclusive charge over all right, title and interest of the Company in the SPV Trust, whether as residual beneficiary or in connection with the contribution undertaken to be made available by the Company to the SPV Trust in terms of the Assignment Documents.	Redeemable with agreed coupon at the end of 912 days from the date of allotment (or on the call option exercise date of April 03, 2023) if NIFTY final fixing level is greater than or equal to 25% of the initial fixing level or else at par	29-Mar-24	-	8,533.19
29	2500, 0% Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000		Non-Convertible Market-Linked Debentures issued by the company are secured by way of a first pari passu charge over the receivables of the Company to the extent they meet the stipulated security cover ("Hypothecated Receivables") created pursuant to the deed of hypothecation executed by the Company in favour of the Debenture Trustee.	Redeemable with agreed coupon at the end of 751 days from the date of allotment if NIFTY final fixing level is greater than or equal to 14% of the initial fixing level or else at par with the coupon of 14%	31-Aug-25	2,496.69	-
30	2500, 0% Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000			Redeemable with agreed coupon at the end of 792 days from the date of allotment if NIFTY final fixing level is greater than or equal to 22% of the initial fixing level or else at par	03-Apr-26	2,095.61	-
31	2500, 0% Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000			Redeemable with agreed coupon at the end of 949 days from the date of allotment if NIFTY final fixing level is greater than or equal to 6.67% of the initial fixing level or else at par with the coupon of 10%	12-Oct-26	2,154.72	-
32	Commercial Paper		Unsecured	Issued at a discount and redeemable at par. The tenure is 32 days to 189	NA	-	982.84
	Total					96,989.55	1,15,190.08

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16. Borrowings (other than debt securities)

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amortised cost	Amortised cost
(a) Term loans		
(i) from banks	2,97,812.16	2,13,635.31
(ii) from other parties	69,565.38	41,108.05
(b) Inter corporate borrowings from related parties	360.00	-
(c) Pass Through Certificates (Secured)	3,311.59	-
(d) Loans repayable on demand (Net)		
(i) from banks	33,676.80	16,503.51
Total	4,04,725.93	2,71,246.87
Borrowings in India	3,98,887.58	2,65,470.63
Borrowings outside India	5,838.35	5,776.24
Total	4,04,725.93	2,71,246.87

Note : The borrowings from banks and financial institutions have been used for the specific purpose for which it was borrowed.

Terms and conditions

(Rs. in lakhs)

Particulars	Nature of security	Terms of repayment	As at March 31, 2024	As at March 31, 2023
Borrowings				
a) Banks	Term Loan from Banks are secured by way of a first pari passu charge over all the receivables; both present and future of the Company; to the extent they meet the asset cover requirement of each lender, stipulated in respect of the outstanding facilities.	Loans are repayable in monthly or quarterly installments with original tenure ranging from 24 to 60 months at an average rate of interest ("ROI") of 10.08% p.a.	2,97,812.16	2,13,635.31
a) Others	Term Loan from Others are secured by way of a first pari passu charge over all the receivables; both present and future of the Company; to the extent they meet the asset cover requirement of each lender, stipulated in respect of the outstanding facilities.	Loans are repayable in monthly or quarterly installments with original tenure ranging from 24 to 36 months at an average ROI of 10.18% p.a.	63,727.03	35,331.81
a) Others- External commercial borrowings	Term Loan from Others (External Commercial Borrowings) are secured by way of a first pari passu charge over all the receivables; both present and future of the Company; to the extent they meet the asset cover requirement of each lender, stipulated in respect of the outstanding facilities.	Loan is repayable on maturity at the end of 60 months. Interest linked to SOFR and payable half yearly.	5,838.35	5,776.24
b) Inter Corporate Borrowings	Unsecured	Tenure is of 6 months. Interest is payable quarterly at the ROI of 11.25%	360.00	-
c) Pass through certificate	Secured by an exclusive charge by way of hypothecation/ assignment of specific loan receivables	Facility tenure of 39 months repayable on monthly basis at an average ROI of 9.00% p.a.	3,311.59	-
d) Loans repayable on demand (WCDL and CC)	Working Capital Demand Loans ("WCDL") and Cash Credit ("CC") from Banks are secured by way of a first pari passu charge over all the receivables; both present and future of the Company; to the extent they meet the asset cover requirement of each lender, stipulated in respect of the outstanding facilities.	CC / WCDL facilities are repayable on demand with renewal at the end of 1 year. Interest is payable on a monthly basis at an average ROI of 9.33% p.a.	33,676.80	16,503.51
Total			4,04,725.93	2,71,246.87

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Notes to the Consolidated Financial Statements

17. Other financial liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 37)	2,220.34	2,522.02
Collaterals received towards loans	8,497.81	7,201.54
Reserve - KIDF I & KIDOF III	174.14	181.25
Security deposits	109.93	69.92
Payable on servicing portfolio	3,405.76	2,351.39
Provision for expenses	6,503.61	4,303.68
Payable to customers	3,547.22	3,431.01
Servicing liability on loans derecognised	1,783.26	610.00
Others (includes sundry creditors, employee related payables)	329.42	265.18
Total	26,571.49	20,935.99

18. Provisions

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	5,645.83	2,746.13
Expected credit loss provision on undrawn commitments	8.85	20.16
Total	5,654.68	2,766.29

19. Other non-financial liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,605.01	2,061.37
Total	1,605.01	2,061.37

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Notes to the Consolidated Financial Statements
20. Equity share capital

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10/- each	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Total	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Issued, subscribed and paid up capital				
Equity Shares of Rs. 10/- each fully paid up	64,18,17,562	64,181.76	59,52,35,388	59,523.54
Total	64,18,17,562	64,181.76	59,52,35,388	59,523.54

Refer Note No 1 and 43 for details of the Scheme of Arrangement.

Preference Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10/- each	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Total	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
Issued, subscribed and paid up capital				
Equity Shares of Rs. 10/- each fully paid up	-	-	-	-
Total	-	-	-	-

The Group has only one class of equity shares having par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Group, the holders of the equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity shares held by promoters of the group

Out of the equity shares issued by the group, shares held by its promoters:

(Rs. in lakhs)

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of shares held	No. of shares held	% of shares held
B Singh Holdings	10,95,05,412	17.06%	10,95,05,412	18.40%
NAAB Securities Pte Ltd	1,12,96,515	1.76%	-	0.00%
Bhupinder Singh	6,29,554	0.10%	13,69,554	0.23%
Total	12,14,31,481	18.92%	11,08,74,966	18.63%

Details of shareholder(s) holding more than 5% of the total equity shares in the Group :

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% Holding	No. of shares held	% Holding
KKR India Financial Investments Pte. Ltd	18,92,86,619	29.49%	20,05,83,134	33.70%
B Singh Holdings	10,95,05,412	17.06%	10,95,05,412	18.40%
MNI Ventures	5,83,92,917	9.10%	6,30,13,917	10.59%
Total	35,71,84,948	55.65%	37,31,02,463	62.69%

Aggregate number of shares issued for consideration other than cash during the period for a period of five years immediately preceding

During the current financial year the Group has issued Nil equity shares for consideration other than cash (Previous year: 39,87,89,263 equity shares).

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Bonus Shares issued during the year	-	-	91,77,664	917.77
Preference shares converted into equity shares*	-	-	38,96,11,599	38,961.16
Total	-	-	39,87,89,263	39,878.93

*During the previous financial year, as per the consideration clause of the Scheme, 75,58,46,578 compulsorily convertible preference shares ("CCPS") were allotted to the shareholders of InCred Prime Finance Limited (formerly known as InCred Financial Services Limited) ("IPFL") and Bee Finance Limited ("BFL") on November 1, 2022. These CCPS were converted into 38,96,11,599 equity shares on the basis of conversion ratio of 1:0.515464. on November 02, 2022- Refer note 43 for details of scheme.

Equity shares reconciliation

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
At the beginning of the year	59,52,35,388	59,523.54	19,27,58,503	19,275.85
<u>Add: Issued during the year</u>				
Shares issued during the year	3,70,37,037	3,703.70	91,77,664	917.77
Stock options exercised during the year	95,45,137	954.51	36,87,622	368.76
Preference shares converted into equity shares	-	-	38,96,11,599	38,961.16
At the end of the year	64,18,17,562	64,181.76	59,52,35,388	59,523.54

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Notes to the Consolidated Financial Statements

21. Other equity

Particulars											(Rs. in lakhs)	
	Special reserve	Securities premium	Capital contribution from parent	Reserves and Surplus			Capital Redemption Reserve	Debt instruments through OCI	Cash flow hedge reserve	Equity instruments through OCI	Loss on change in proportion held by NCI	Total
				Share based payment reserve	Retained earnings	Merger reserve						
Balance at March 31, 2022	1,379.07	62,498.29	66.10	3,900.42	5,401.43	19,522.35	-	(0.99)	77.63	15.36	(616.81)	92,242.85
Profit for the year	-	-	-	-	10,905.81	-	-	-	-	-	0.61	10,906.42
Other comprehensive income for the year	-	-	-	-	(46.42)	-	-	(54.74)	97.27	-	-	(3.89)
Total comprehensive income for the year (net of tax)	-	-	-	-	10,859.39	-	-	(54.74)	97.27	-	0.61	10,902.53
Transfer / utilisations	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year (cash premium)	-	980.59	-	-	-	-	-	-	-	-	-	980.59
Additions during the year (non-cash premium)	-	907.85	-	(907.85)	-	-	-	-	-	-	-	-
Utilized during the year	-	(917.77)	-	-	-	-	-	-	-	-	-	(917.77)
Purchase consideration towards business combination (Refer Note No 42)	-	1,64,834.24	(66.10)	-	(1,36,820.60)	(28,171.34)	242.00	-	-	-	437.71	455.91
Transferred to special reserve from retained earnings	2,416.32	-	-	-	(2,416.32)	-	-	-	-	-	-	-
Share based payment expense	-	-	-	3,765.87	-	-	-	-	-	-	-	3,765.87
Transferred from share based payment reserve	-	-	-	(17.06)	17.06	-	-	-	-	-	-	-
Transfer of business (Refer Note No 42)	-	87,826.34	-	-	-	-	-	-	-	-	-	87,826.34
Balance at March 31, 2023	3,795.39	3,16,129.54	-	6,741.38	(1,22,959.04)	(6,648.99)	242.00	(55.73)	174.90	15.36	(178.49)	1,95,256.32
Profit for the year	-	-	-	-	31,026.91	-	-	-	-	-	(123.00)	30,903.91
Other comprehensive income for the year	-	-	-	-	(95.24)	-	-	18.95	(175.40)	-	(0.24)	(251.93)
Total comprehensive income for the year (net of tax)	-	-	-	-	30,931.66	-	-	18.95	(175.40)	-	(123.23)	30,651.98
Transfer / utilisations	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year (cash premium)	-	48,873.05	-	-	-	-	-	-	-	-	-	48,873.05
Additions during the year (non-cash premium)	-	2,691.62	-	(2,691.62)	-	-	-	-	-	-	-	-
Utilized during the year	-	(2,718.50)	-	(33.94)	33.94	-	-	-	-	-	-	(2,718.50)
Purchase consideration towards business combination (Refer Note No 42)	-	-	-	-	(616.81)	-	-	-	-	-	616.81	-
Transferred to special reserve from retained earnings	6,297.91	-	-	-	(6,297.91)	-	-	-	-	-	-	-
Share based payment expense	-	-	-	2,432.70	-	-	-	-	-	-	-	2,432.70
Balance at March 31, 2024	10,093.30	3,64,975.71	-	6,488.52	(98,908.17)	(6,648.99)	242.00	(36.78)	(0.50)	15.36	315.08	2,74,495.54

Description of nature and purpose of each reserve

Special reserve - Reserves created under Section 45IC of Reserve Bank of India Act, 1934.

Securities premium - The securities premium account is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital contribution from parent - The capital contribution from parent is the outcome of share issued by InCred Holdings Limited (formerly known as KKR Capital Markets Pvt Ltd) to shareholders of InCred Prime Limited (formerly known as "InCred Financial Services Limited") as a part of purchase consideration in lieu of demerger of identified NBFC business. Refer Note No 42. The reserves also includes share based arrangement where the Holding Company has granted equity settled options to the employees of the Group. Refer Note No 36.

Share based payment reserve - The employee stock option outstanding reserve is used to recognise the grant date fair value of options issued to employees of the Group during the current year, the Holding Company has adopted new ESOP Scheme. Refer Note no 35.

Retained earnings - Retained earnings represents surplus / accumulated earnings of the Group and are available for distribution to shareholders.

Debt instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income.

Merger Reserve - As per Ind AS 103, on account of reverse acquisition, the share capital to be presented will be as per legal share capital of new IFSL. The merger reserve is created on account of difference in the share capital. Refer Note No 3.

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Cash flow hedge reserve - This represents the cumulative gains / (losses) arising on the revaluation of derivative instruments designated at cash flow hedges through other comprehensive income.

Capital Redemption reserve - Reserve created on buy back of Equity shares as per Companies Act, 2013.

InCred Holdings Limited

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Notes to the Consolidated Financial Statements

22. Interest income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial assets measured at amortised cost:		
-Interest on loans	1,16,648.30	80,280.29
-Interest income from investments	1,195.96	339.10
-Interest on deposits with banks	709.41	874.07
On Financial Assets measured at fair value through profit or loss:		
-Interest on loans	-	363.60
On Financial Assets measured at fair value through Other Comprehensive Income:		
-Interest income from investments	805.56	439.71
Total	1,19,359.23	82,296.77

Note - No revenue from transactions with a single customer amounted to 10% or more of the Group's total revenue for the year ended 31 March 2024 and 31 March 2023.

23. Fees and commission income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loan servicing and administration charges	3,308.50	2,091.50
Service fees (Refer Note 34)	-	89.05
Total	3,308.50	2,180.55
Geographical Markets		
Within India	3,308.50	2,180.55
Outside India	-	-
Total	3,308.50	2,180.55
Timing of revenue recognition		
Services transferred at a point in time	3,308.50	2,180.55
Services transferred over time	-	-
Total	3,308.50	2,180.55

Note: For receivable balances against the income, refer note no 8

24. Net (loss)/ gain on fair value changes

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net (loss)/ gain on financial instruments at fair value through profit or loss		
- Investments	1,637.28	500.44
- Derivatives	(303.49)	1.32
Total	1,333.79	501.76
Fair value changes:		
- Realised	1,660.38	500.44
- Unrealised	(326.59)	1.32

25. Other income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Marketing fees	1,963.10	510.00
Business support charges	238.74	273.26
Other income	141.16	722.22
Total	2,343.00	1,505.48

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Notes to the Consolidated Financial Statements

26. Finance costs

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On financial liabilities measured at amortised cost:		
(i) Interest on borrowings	33,035.84	23,131.97
(ii) Discount on Commercial Paper	933.88	749.41
(iii) Interest on Debentures	9,828.58	10,968.39
(iv) Interest on Inter Corporate Debts ("ICD")	516.86	123.65
(iv) Interest on Pass Through Certificate	394.23	-
(v) Interest on lease liability (Refer Note 36)	241.56	202.32
(vi) Other finance cost (includes bank charges, other treasury cost)	374.61	426.17
Total	45,325.56	35,601.91

27. Impairment on financial instruments

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On Financial instruments measured at amortised cost		
- Loans (including amount written off, net of recovery)	(2,382.57)	(1,163.67)
- Investments	-	(8.58)
- Others	511.71	(1,251.52)
Total	(1,870.86)	(2,423.77)

28. Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	22,517.43	14,403.87
Contribution to provident and other funds	553.79	391.27
Share based payment to employees (Refer Note 35)	2,432.70	3,765.87
Staff welfare expenses	780.36	525.24
Retirement Benefit expenses (Refer Note 34)	174.18	139.30
Others	-	2.22
Total	26,458.46	19,227.77

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Notes to the Consolidated Financial Statements

29. Other expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Information Technology expenses	2,563.61	1,748.41
Cost of collection	3,479.62	1,571.79
Legal, professional and consultancy charges	1,855.71	2,425.79
Office Expense	1,087.35	642.41
Travelling and conveyance	745.65	456.28
Advertisement, publicity and sales promotion expenses	678.04	407.57
Rating fees	226.79	199.59
Payment to auditors	168.72	156.28
Directors' sitting fees (Refer Note 34)	124.51	90.54
Stamp Duty & Filing fees	80.87	41.48
Bank charges	44.47	37.51
Repairs and maintenance	25.07	20.74
Corporate Social responsibility (Refer Note 41)	-	43.43
Rent (Refer Note 37)	210.50	166.91
Membership and Subscription	23.10	6.19
Miscellaneous expenses	785.98	1,169.52
Total	12,099.99	9,184.44

Payment to the auditors:

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Auditor's remuneration		
- Audit fees	110.49	110.15
- Limited review	32.05	29.71
In other capacity		
- Certification services	18.15	16.42
- Taxation	-	-
Other of pocket expenses	8.03	
Total	168.72	156.28

Excludes fees of Rs. 41.52 lakhs (excluding GST) (Previous year Rs. 47.43 lakhs) incurred during the year in respect of services provided in connection with public issue of non-convertible debentures which is considered as a part of finance costs for the issue.

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Consolidated Financial Statements****30. Tax expense****(a) Amounts recognised in profit and loss**

(Rs. in lakhs)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Current tax expense		
Current year	755.40	467.86
Current tax expense	755.40	467.86
Deferred tax expense		
Origination and reversal of temporary differences	8,294.98	7,722.13
Current tax expense	8,294.98	7,722.13
Tax expense for the year	9,050.38	8,189.99

(b) Amounts recognised in other comprehensive income

(Rs. in lakhs)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	Before tax	Tax (expense)	Net of tax	Before tax	Tax (expense)	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	(127.69)	32.21	(95.48)	(62.34)	15.92	(46.42)
Items that will be reclassified to profit or loss						
(a) Debt instruments through other comprehensive income	24.84	(6.25)	18.59	(73.59)	18.85	(54.74)
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(234.40)	59.00	(175.40)	129.99	(32.72)	97.27
Total	(337.25)	84.96	(252.29)	(5.94)	2.05	(3.89)

(c) Reconciliation of effective tax rate

(Rs. in lakhs)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Profit before tax as per Statement of profit and loss	39,954.29	19,096.41
Statutory tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	10,056.49	4,806.57
Tax effect of:		
Tax effect of amounts which are not deductible in calculating taxable income	(476.45)	3,388.17
Tax on temporary differences on which deferred tax is either not created or reversed due to no reasonable certainty of future profits	(526.16)	1,579.52
Tax pertaining to prior year	(49.36)	-
Other adjustments	45.85	(1,584.27)
Total income tax expense	9,050.38	8,189.99
Effective tax rate	22.65%	42.89%

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Notes to the Consolidated Financial Statements

31. Earnings per share

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

i. Profit attributable to Equity shareholders:

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to equity holders of the Company used in calculating basic earnings per share	30,903.91	10,906.42
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	30,903.91	10,906.42

ii. Weighted average number of ordinary shares

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	60,89,83,033	59,09,17,857
Add: Adjustments for calculation of diluted earnings per share	2,49,92,452	99,97,268
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	63,39,75,485	60,09,15,125
Basic earnings per share	5.07	1.85
Diluted earnings per share	4.87	1.81

Refer Note No 43 - Composite Scheme of Arrangement

Notes to the Consolidated Financial Statements

32. Fair value measurements

A. Accounting classification

Carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below :

(Rs. in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Cash and cash equivalents	-	-	8,496.96	-	-	34,472.39
Bank balance other than cash and cash equivalents	-	-	8,323.96	-	-	4,795.43
Derivative financial instruments	878.92	-	-	1,388.54	-	-
Receivables						
(I) Trade receivables	-	-	-	-	-	2.45
(II) Other receivables	-	-	-	-	-	-
Loans	-	-	7,25,877.68	-	-	5,40,525.05
Investments						
- Liquid funds	2,747.74	-	-	2,017.78	-	-
- Debt securities	1,035.67	20,150.31	36,860.88	-	4,609.77	-
- Convertible preference shares	9.67	-	-	9.66	-	-
- Alternative investment fund	462.80	-	-	397.07	-	-
Other financial assets	-	-	10,712.97	-	-	7,953.28
Total financial assets	5,134.80	20,150.31	7,90,272.45	3,813.05	4,609.77	5,87,748.60
Financial liabilities						
Derivative financial instruments	2,265.96	-	-	727.43	-	-
Trade Payables	-	-	271.89	-	-	172.45
Debt securities	-	-	96,989.55	-	-	1,15,190.08
Borrowings (other than debt securities)	-	-	4,04,725.93	-	-	2,71,246.87
Other financial liabilities	-	-	26,571.49	-	-	20,935.99
Total financial liabilities	2,265.96	-	5,28,558.86	727.43	-	4,07,545.39

B. Fair Value

Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, are presented below:

(Rs. in lakhs)

Particulars	Fair value							
	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Convertible preference shares	-	9.67	-	9.67	-	9.66	-	9.66
Investment in liquid funds	2,747.74	-	-	2,747.74	2,017.78	-	-	2,017.78
Derivative financial instruments	-	-	878.92	878.92	-	-	1,388.54	1,388.54
Investment in debt securities	5,381.28	-	15,804.70	21,185.99	-	-	4,609.77	4,609.77
Investment in Alternative Investment Fund	-	-	462.80	462.80	-	-	397.07	397.07
Total	8,129.02	9.67	17,146.42	25,285.12	2,017.78	9.66	6,395.38	8,422.82
Financial liabilities								
Derivative financial instruments	-	-	2,265.96	2,265.96	-	-	727.43	727.43
Total	-	-	2,265.96	2,265.96	-	-	727.43	727.43

This section explains the judgments and estimates made in determining the fair value of the financial instrument that are 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 Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table.

(Rs. in lakhs)

Particulars	Fair value							
	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	8,496.96	-	-	8,496.96	34,472.39	-	-	34,472.39
Bank balance other than cash and cash equivalents	8,323.96	-	-	8,323.96	4,795.43	-	-	4,795.43
Receivables								
(I) Trade receivables	-	-	-	-	2.45	-	-	2.45
(ii) Other receivables	-	-	-	-	-	-	-	-
Investments								
-Debt securities	-	-	36,860.88	36,860.88	-	-	-	-
Loans	-	-	7,60,868.43	7,60,868.43	-	-	6,01,886.03	6,01,886.03
Other financial assets	10,712.97	-	-	10,712.97	7,953.28	-	-	7,953.28
Total	27,533.89	-	7,97,729.31	8,25,263.20	47,223.55	-	6,01,886.03	6,49,109.56
Financial Liabilities								
Trade Payables	271.89	-	-	271.89	172.45	-	-	172.45
Debt securities	-	-	98,714.07	98,714.07	-	-	1,17,566.27	1,17,566.27
Borrowings (other than debt securities)	-	-	4,04,696.00	4,04,696.00	-	-	2,71,156.72	2,71,156.72
Other financial liabilities	26,571.49	-	-	26,571.49	20,935.99	-	-	20,935.99
Total	26,843.38	-	5,03,410.07	5,30,253.45	21,108.44	-	3,88,722.99	4,09,831.43

Notes to the Consolidated Financial Statements

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	8,496.96	8,496.96	34,472.39	34,472.39
Bank balance other than cash and cash equivalents	8,323.96	8,323.96	4,795.43	4,795.43
Derivative financial instruments	878.92	878.92	1,388.54	1,388.54
Receivables				
(I) Trade receivables	-	-	2.45	2.45
(II) Other receivables	-	-	-	-
Loans	7,25,877.68	7,60,868.43	5,40,525.05	6,01,886.03
Investments				
- Mutual funds	2,747.74	2,747.74	2,017.78	2,017.78
- Debt securities at fair value through profit & loss	1,035.67	1,035.67	-	-
- Debt securities at Other comprehensive income	20,150.31	20,150.31	-	-
- Debt securities at amortised cost	36,860.88	36,860.88	4,609.77	4,609.77
- Alternative investment fund	462.80	462.80	397.07	397.07
Convertible preference shares	9.67	9.67	9.66	9.66
Other financial assets	10,712.97	10,712.97	7,953.28	7,953.28
Total	8,15,557.56	8,50,548.32	5,96,171.41	6,57,532.39
Financial liabilities				
Derivative financial instruments	2,265.96	2,265.96	727.43	727.43
Trade Payables	271.89	271.89	172.45	172.45
Debt securities	96,989.55	98,714.07	1,15,190.08	1,17,566.27
Borrowings (other than debt securities)	4,04,725.93	4,04,696.00	2,71,246.87	2,71,156.72
Other financial liabilities	26,571.49	26,571.49	20,935.99	20,935.99
Total	5,30,824.82	5,32,519.41	4,08,272.81	4,10,558.86

Except for those financial instruments for which the fair value amounts are mentioned in the above table (which is different than the carrying value), the Group considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

C. Measurement of fair values

The following sets out the Group's basis of establishing fair values of amortised cost financial instruments and their classification between Levels 1, 2 and 3. As certain categories of financial instruments are not actively traded, there is a significant level of management judgement involved in calculating the fair values:

Notes to the Consolidated Financial Statements
Financial instruments held at amortised cost

i. Cash and bank balance:

The fair value of cash and balances with bank is their carrying amounts

ii. Loans and advances to customers:

For loans and advances to customers, the fair value of floating rate loans is their carrying amounts. Loans and advances are presented net of provisions for impairment. The fair value of loans and advances to customers with a residual maturity of less than one year generally approximates the carrying value. The fair value of fixed rate loans were calculated based on discounted cash flows using a current lending rate.

iii. Other financial assets:

The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are short term in nature.

iv. Investment in debt securities:

The group has investments in debt securities with fixed rates. The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are short term in nature.

v. Debt securities and borrowings:

The estimated fair value of fixed interest bearing borrowings without quoted market prices is based on discounted cash flows using the prevailing rates at which Company has borrowed for debts with a similar credit risk and remaining maturity. For market linked debentures, the fair value published by CARE Rating Agency as at March 31, 2024 has been considered for fair valuation. For floating rate borrowings, the carrying value is a reasonable approximation to the fair value.

vi. Other financial liabilities:

The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are either short term in nature.

Financial instruments held at fair value

i. Investment in liquid fund:

The investment in liquid funds are valued using the closing NAV in the market.

ii. Investment in debt securities:

Fair value is based on market-observable data such as secondary market prices for its traded debt and where no data is available, it is estimated using market yeild on the balance period to maturity on similar instruments using G-Sec rates adjusted for credit risk of the instruments.

Gains or losses on transfers amongst categories

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of reporting period

Inter-level transfers

There are no transfers of financial assets and liabilities measured at fair value between Levels 1 and 2 and Level 2 and 3 during the financial years ended March 31, 2024 and March 31, 2023.

D. Sensitivity analysis of financial instruments at Level 3

Particulars	Input name	As at March 31, 2024		As at March 31, 2023	
		Delta effect of		Delta effect of	
		+ 1% change	- 1% change	+ 1% change	- 1% change
Financial Assets:					
Loans	Discount rate	(4,613.00)	4,710.06	(3,639.93)	3,719.65
Investment in debt securities	Gsec / FIMMDA rate	(12.56)	13.29	(10.53)	10.69
Derivative Financial Instruments	Volatility rate	(1.14)	1.14	21.56	(21.91)
				-	-
Financial Liabilities:					
Debt securities	Discount rate	(292.15)	293.98	(22.16)	19.43
Borrowings (other than debt securities)	Discount rate	(428.83)	434.49	(336.15)	344.16
Derivative Financial Instruments	Volatility rate	7.98	(14.96)	21.87	(25.12)

E. Fair value measurements for financial assets measured at FVOCI using significant unobservable inputs (level 3)

The following table presents the change in level 3 items for the year ended March 31, 2024 and March 31, 2023

Particulars	(Rs. in lakhs)	
	Derivative	Debt
As at March 31, 2022	299.22	2,909.12
Acquisitions/(Disposal)	-	1,782.28
Gains recognised in other comprehensive income	576.41	(73.59)
As at March 31, 2023	875.63	4,617.81
Acquisitions/(Disposal)	-	15,514.37
Gains recognised in other comprehensive income	(849.89)	24.84
As at March 31, 2024	25.74	20,157.02

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33. Financial risk management

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk, market risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations i.e. receivables from customers, investments in debt securities. Credit risk arises from loans and advances, investments carried at amortized cost and deposits with banks and financial institutions.

i) Credit risk management

The Group key objective is to maintain a strong culture of responsible lending, and robust risk policies and control frameworks. The Group considers various factors, which provide an assessment of the borrower's ability-to-pay and willingness-to-pay. While the techniques used for assessment vary across product-segments, the credit principles remain a common factor.

The key factors considered include:

- Income and cash flow analysis: The borrower's income from multiple sources is assessed, along with the borrower's obligations and financial commitments. Hence, the funds available to repay the loan/EMI is computed, and the loan is tailored to be affordable to the borrower. For certain product types working capital gap is also calculated. For student loans, country risks are also taken into consideration for income assessment.

- Credit history analysis: The borrower's experience in managing debt is considered. Prior delinquencies are considered. A strong repayment track record is typically an indicator of the customer's ability-to-pay. Exceptions and nuances, like customers with a limited credit history but with strengths like job-tenure or asset-ownership, are also considered to make appropriate credit decisions.

- Borrower's profile and intended use of the funds: The borrower's intended use of funds is considered as a part of the credit process, including the calculation of working capital cycle for certain product types. In some product-segments, the use of funds may be certified by the borrower or controlled by disbursing directly to the end-use. Borrower profiles which are not in targeted market-segments are screened out.

- Security cover provided: The Group has a well defined credit policy which lays out the security to be provided. In certain cases, providing the relevant collateral is a pre-condition for loan sanction.

- Collectability and geo-location: . The borrower's location, accessibility, stability and contact-ability are all considered before loan sanction. In cases where there are doubts or concerns about any of these factors, an adverse adjustment to the risk-profile is made.

The Group has separate data science/analytics team which monitors the vintage curve, bounce rates, collection efficiency, portfolio metrics and delinquencies further periodic re-audit of existing cases to unearth delinquency trends and credit learnings.

Measurement of Expected Credit Losses ('ECL')

The Group has segmented its outstanding portfolio based based on multiple factors such as risk profile, product type, credit underwriting policy, sourcing channels etc. for the computation of ECL.

A three-stage model for impairment based on changes in credit quality since initial recognition has been implemented. The Group has used Days Past Due ('DPD') basis for staging of the portfolio and has opted for the rebuttable presumption prescribed by the standard to recognize default in case payments are overdue more than 90 days and a Significant Increase in Credit Risk ('SICR') in case payments are overdue for more than 30 days.

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis /collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3.

The Group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models and other historical data. In addition, the Group uses reasonable and supportable information on future economic conditions including macroeconomic factors such as real GDP, unemployment rate, growth in wages, real wholesale and retail trade, services etc. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly. While considering the macroeconomic factor Group consider economic span of base case, plus upside and downside scenario.

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Portfolio Segment	Lending verticals	PD			EAD	LGD
		Stage 1	Stage 2	Stage 3		
Unsecured	Personal Loan	An empirical PD is derived basis the historical portfolio default rates. Forward looking PD is estimated from a statistical model that takes the empirical PD and future the macro-economic forecast as inputs.			100%	Exposure at Default (EAD) is the amount which the borrower owes as at the reporting date (including overdue and undrawn amount)
	Student Loans					
	Supply Chain Finance					
	Escrow Backed Unsecured Business Loan					
Secured	Structured Finance	An empirical PD is derived basis the historical portfolio default rates. Forward looking PD is estimated from a statistical model that takes the empirical PD and future the macro-economic forecast as inputs			100%	Exposure at Default (EAD) is the amount which the borrower owes as at the reporting date (including overdue and undrawn amount)
	Two Wheeler Finance					
	Secured School Finance					
	Supply Chain Finance					
	Lending to Other Financial Institutions	In absence of sufficient default data, a management judgement-based PD is used in line with industry benchmarks				
	Loan Against Property					
	Home Loans					

As at March 31, 2024

(Rs. in lakhs)

Particulars	Asset group	Gross carrying amount	Expected credit losses	Net carrying amount
Stage 1	Term Loans*	7,16,172.23	5,989.41	7,10,182.82
	Loan commitments	49,641.06	8.85	49,632.21
Stage 2	Term Loans	12,815.87	3,382.05	9,433.82
Stage 3	Term Loans	15,936.35	9,675.31	6,261.04

* Out of the above GCA of Rs. 7,16,172.93 lakhs from 3,50,446 loan accounts, 3,36,153 loan accounts with GCA of Rs. 7,02,072.90 lakhs are zero days past due.

As at March 31, 2023

(Rs. in lakhs)

Particulars	Asset group	Gross carrying amount	Expected credit losses	Net carrying amount
Stage 1	Term Loans*	5,17,734.29	2,959.89	5,14,774.40
	Loan commitments	34,555.27	20.16	34,535.11
Stage 2	Term Loans	26,125.43	5,463.35	20,662.08
Stage 3	Term Loans	11,703.86	6,615.28	5,088.58

* Out of the above GCA of 5,17,734.29 from 3,90,161 loan accounts, 3,72,403 loan accounts with GCA of Rs. 4,95,604.55 lakhs are zero days past due.

Collateral held

The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

- i) First/Subservient charge on the Land and/or Building of the project or other projects
- ii) First/Subservient charge on the fixed and current assets of the borrower
- iii) Hypothecation over receivables from funded project or other projects of the borrower
- iv) Default Loss Guarantee (DLG) in the form of cash collateral, lien on fixed deposits etc.

Further, the Group on the basis of its assessment of credit risk classifies loans under Stage 2 irrespective of its overdues status during the period, including loans under one-time resolution (OTR) framework prescribed by the Reserve Bank of India (RBI) for COVID-19 related stress. These accounts are upgraded to Stage 1 as and when they demonstrate satisfactory behaviour under the revised repayment schedule.

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(ii) Reconciliation of Loan exposure and Loan loss allowance

For Loan exposure:

The below table signifies movement of gross carrying amount:

(Rs. in lakhs)

Reconciliation of Loan exposure	Stage 1	Stage 2	Stage 3
Loan exposure on March 31, 2022	3,49,541.03	21,971.46	10,811.36
New credit exposures due business Combination	48,520.59	4,400.87	-
Transfer of credit exposure due demerger	(0.00)	(0.00)	0.00
Loan exposure on April 01, 2022	3,98,061.62	26,372.34	10,811.36
Change in opening credit exposure	(2,52,758.55)	1,108.82	(4,288.25)
New credit exposures during the year, net of repayment*	3,76,402.96	3,283.46	1,239.05
Transferred to 12-month ECL	5,127.05	(5,104.24)	(22.81)
Transferred to Lifetime ECL not credit impaired	(4,103.52)	4,109.52	(5.99)
Transferred to Lifetime ECL credit impaired	(4,995.26)	(3,644.46)	8,639.72
Write – offs	-	-	(4,669.21)
Loan exposure on March 31, 2023	5,17,734.29	26,125.43	11,703.87
Change in opening credit exposure	(2,96,445.03)	(19,886.86)	(7,503.59)
New credit exposures during the year, net of repayment*	5,10,143.41	3,976.48	4,197.70
Transferred to 12-month ECL	2,316.61	(1,741.49)	(575.11)
Transferred to Lifetime ECL not credit impaired	(5,667.27)	6,123.73	(456.46)
Transferred to Lifetime ECL credit impaired	(11,909.77)	(1,781.42)	13,691.19
Write – offs	-	-	(5,121.25)
Loan exposure on March 31, 2024	7,16,172.23	12,815.87	15,936.35

*represents outstanding balance of loan exposures originated during the year as at reporting date.

For Loan loss allowance:

(Rs. in lakhs)

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on March 31, 2022	2,461.46	1,229.09	5,406.89
Transfer of credit exposure due demerger	(0.00)	(0.00)	0.00
Loss allowance on Apr 01, 2022	2,461.46	1,229.09	5,406.89
Change in opening credit exposure	(1,930.72)	4,330.94	4,920.20
New credit exposures during the year, net of repayment*	2,254.94	438.44	596.51
Transferred to 12-month ECL	294.84	(283.38)	(11.46)
Transferred to Lifetime ECL not credit impaired	(35.68)	38.89	(3.20)
Transferred to Lifetime ECL credit impaired	(84.92)	(290.64)	375.55
Write – offs	-	-	(4,669.21)
Loss allowance on March 31, 2023	2,959.91	5,463.34	6,615.28
Change in opening credit exposure	(2,400.18)	(2,776.77)	6,634.31
New credit exposures during the year, net of repayment*	5,053.81	902.75	1,715.55
Transferred to 12-month ECL	537.71	(253.11)	(284.60)
Transferred to Lifetime ECL not credit impaired	(45.84)	248.73	(202.89)
Transferred to Lifetime ECL credit impaired	(116.00)	(202.89)	318.89
Write – offs	-	-	(5,121.24)
Loss allowance on March 31, 2024	5,989.41	3,382.05	9,675.31

*represents outstanding balance of loss allowance on loan exposures originated during the year as at reporting date.

For investments:

(Rs. in lakhs)

Reconciliation of loss allowance	Stage 1
Loss allowance on March 31, 2022	9.28
Changes in loss allowances due to Assets used or released	(1.24)
Loss allowance on March 31, 2023	8.04
Changes in loss allowances due to Assets used or released	(1.33)
Loss allowance on March 31, 2024	6.71

For loan commitments:

(Rs. in lakhs)

Reconciliation of loss allowance	Stage 1
Loss allowance on 31 March 2022	9.42
Changes in loss allowances due to Assets used or released	10.74
Loss allowance on 31 March 2023	20.16
Changes in loss allowances due to Assets used or released	(11.31)
Loss allowance on 31 March 2024	8.85

Offsetting financial assets and financial liabilities

There are no financial assets and Financial liabilities which are subject to offsetting, enforceable master netting arrangements and similar agreements.

Impact of COVID-19

(A) In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID19 -Regulatory Package', the Group had granted moratorium up to six months on the payment of instalments which became due between 1 March, 2020 and 31 August, 2020 to all eligible borrowers. During the financial year 2022 and 2021, the Group had provided loan moratorium in respect of certain loan accounts pursuant to RBI's Resolution Framework 1.0. dated August 6, 2020 and Resolution Framework 2.0. dated May 5, 2021 for COVID-19 induced stress. As at March 31, 2024 and March 31, 2023, the Group holds adequate impairment allowance on the loan portfolio as per requirements of Ind AS 109.

(B) Pursuant to the RBI circular dated February 15, 2022, the Group has implemented necessary system in place w.e.f. October 01, 2022 to align its definition of default for loan assets with the guidelines stipulated in RBI circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances – Clarifications" (the "RBI circular").

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33. Financial risk management (continued)

B. Liquidity risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group has formulated an Asset Liability Management Policy. The Asset Liability Management Committee ('ALCO') is responsible for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

The Group has the following undrawn credit lines available as at the end of the reporting period:

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Expiring within one year	9,873.00	26,137.00
Total	9,873.00	26,137.00

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered.

As at March 31, 2024

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities							
Derivative financial instruments	4	2,265.96	(2,265.96)	(891.37)	(1,374.59)	-	-
Trade Payables	14	271.89	(271.89)	(271.89)	-	-	-
Debt securities	15	96,989.55	(1,09,199.43)	(42,913.39)	(66,286.04)	-	-
Borrowings	16	4,04,725.93	(4,49,552.69)	(2,39,487.38)	(1,79,988.54)	(30,076.76)	-
Other financial liabilities	17	26,571.49	(26,571.72)	(15,217.37)	(1,614.25)	(676.03)	(9,064.07)
Commitments	38	50,083.24	(50,083.24)	(17,743.96)	(32,254.28)	-	(85.00)
Total		5,80,908.06	(6,37,944.93)	(3,16,525.36)	(2,81,517.70)	(30,752.79)	(9,149.07)

As at March 31, 2023

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities							
Derivative financial instruments	4	727.43	(727.43)	-	(727.43)	-	-
Debt securities	15	1,15,190.08	(1,26,757.59)	(62,752.34)	(60,789.16)	(3,216.09)	-
Borrowings	16	2,71,246.87	(3,10,752.75)	(1,32,467.48)	(1,55,086.12)	(23,199.15)	-
Other financial liabilities	17	21,109.03	(21,109.04)	(11,527.45)	(1,232.92)	(942.52)	(7,406.16)
Commitments	38	34,972.46	(34,972.46)	(34,555.27)	(332.20)	-	(85.00)
Total		4,43,245.87	(4,94,319.27)	(2,41,302.55)	(2,18,167.83)	(27,357.76)	(7,491.16)

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33. Financial risk management (continued)

The following table details the Group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

As at March 31, 2024

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets							
Cash and cash equivalents	2	8,496.96	8,496.96	8,496.96	-	-	-
Bank deposits	3	8,323.96	8,579.48	8,579.48	-	-	-
Derivative financial instruments	4	878.92	878.92	878.92	-	-	-
Trade receivables	5	-	-	-	-	-	-
Loans	6	7,25,877.68	14,07,973.11	4,30,495.45	4,04,545.66	1,63,819.30	4,09,112.70
Investments (other than subsidiaries)	7	61,273.78	62,735.67	55,309.93	6,929.96	-	495.78
Other financial assets	8	10,712.97	10,712.96	4,918.15	2,308.07	820.95	2,665.80
Total		8,15,564.27	14,99,377.10	5,08,678.89	4,13,783.69	1,64,640.25	4,12,274.28

As at March 31, 2023

(Rs. in lakhs)

Particulars	Note No	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets							
Cash and cash equivalents	2	34,472.39	34,472.38	34,472.38	-	-	-
Bank deposits	3	4,795.43	4,975.17	4,140.87	834.30	-	-
Derivative financial instruments	4	1,388.54	1,388.54	226.82	1,161.72	-	-
Trade receivables	5	2.45	2.45	2.45	-	-	-
Loans	6	5,40,525.05	8,65,474.61	3,25,373.65	2,34,473.03	87,987.21	2,17,640.73
Investments	7	7,042.32	5,729.29	1,456.61	4,272.69	-	-
Other financial assets	8	7,953.28	7,110.71	6,828.87	137.78	43.90	100.16
Total		5,96,179.45	9,19,153.15	3,72,501.64	2,40,879.52	88,031.11	2,17,740.89

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Notes to the Consolidated Financial Statements

33. Financial risk management (continued)

C. Market risk

Market risk or 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. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely. The Group has Asset and Liability Management Committee (ALCO) and has empowered it to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and loans. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(Rs. in lakhs)

Particulars	Nominal amount	
	As at March 31, 2024	As at March 31, 2023
Loans		
Fixed rate loans	4,52,042.75	3,43,666.12
Variable rate loans	2,84,567.94	2,15,879.21
Bank balance other than cash and cash equivalents	8,323.96	4,795.43
Fixed rate investments in debt securities at amortised cost	36,860.88	-
Fixed rate investments in debt securities at other comprehensive income	20,157.02	4,617.81
Total	8,01,952.55	5,68,958.57
Debt and Borrowings		
Fixed rate Debt and Borrowings	(1,87,728.20)	(1,34,450.54)
Variable rate Debt and Borrowings	(3,10,269.92)	(2,44,713.90)
Total	(4,97,998.12)	(3,79,164.44)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

If interest rates related to loans and borrowings had been 100 bps higher/ lower and all other variables were held constant, the Group's Profit before tax for the year ended/ Other Equity (pre-tax) as on March 31, 2024 and March 31, 2023 would increase/ (decrease) by the following amounts:

(Rs. in lakhs)

Particulars	Profit or (loss)		Equity (before of tax)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2024				
Variable-rate instruments	(257.02)	257.02	(257.02)	257.02
Cash flow sensitivity (net)	(257.02)	257.02	(257.02)	257.02
March 31, 2023				
Variable-rate instruments	(288.35)	288.35	(288.35)	288.35
Cash flow sensitivity (net)	(288.35)	288.35	(288.35)	288.35

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

D. Price risk

The Group is exposed to price risk arising from investment in mutual funds and investment in debt securities classified in the balance sheet at fair value through profit & loss and at fair value through Other Comprehensive Income respectively. If the market price of the investments had been higher/lower by 1% from market price existing as at March 31, 2024, profit or loss(pre-tax) for the year ended March 31, 2024 would increase/decrease by Rs. 106.57 lakhs (Previous Year: Rs. 0.76 lakhs) with a corresponding increase/decrease in the Total Equity of the Group as at March 31, 2024.

E. Foreign Currency Risk

The Group is exposed to foreign currency fluctuation risk for its external currency borrowing (ECB). The Group's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Group hedges its entire ECB exposure for the full tenure of the ECB as per Board approved policy. The Group for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Group manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved policy.

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Consolidated Financial Statements****34. Related party disclosures****Key managerial personnel ("KMP")**

Name of the KMP	Designation	Nature of change (resignation, appointment)	Effective date
Mr. Bhupinder Singh	Wholetime Director & CEO	Appointment	26.07.2022
Mr. Vivek Bansal	Wholetime Director & CFO	Appointment	26.07.2022
Mr. Gaurav Trehan	Non-Executive Director	Resignation	13.09.2023
Mr. Vivek Anand PS	Non-Executive Director	Appointment	26.07.2022
Ms. Rupa Vora	Independent Director	Appointment	26.07.2022
Mr. Karnam Sekar	Independent Director	Appointment	26.07.2022
Mr. Rohan Suri	Non-Executive Director	Appointment	30.03.2023
Mr. Anil Nagu	Non-Executive Director	Appointment	14.09.2023
Mr. Gajendra Thakur	Company Secretary	Resignation	13.09.2023
Ms. Nikita Shetty	Company Secretary	Appointment	13.09.2023

Enterprises where key management personnel exercises control

1. InCred Capital Financial Services Private Limited
2. InCred Asset Management Private Limited
3. InCred Wealth and Investment Private Limited
4. InCred Wealth Private Limited
5. InCred Capital Wealth Portfolio Managers Private Limited
6. InCred Research Services Private Limited
7. InCred Alternative Investments Private Limited
8. Oro Financial Consultants Private Limited
9. InCred Value Plus Private Limited (incorporated on November 8, 2023)
10. Alpha Fintech Private Limited
11. B Singh Tech Services Private Limited (incorporated on December 12, 2023)
12. Booth Fintech Private Limited* (w.e.f. July 11, 2023) ("Booth")
13. mValu Technology Services Private Limited* (w.e.f. July 11, 2023) ("mValu")
14. KKR India Debt Opportunities Fund II

Transactions with key management personnel**i. Key management personnel compensation**

(Rs. in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Employee benefit expenses	15.96	-
Directors' sitting fees	16.00	19.80

As the liabilities for gratuity and share based payments are provided on actuarial basis for the Company as a whole and hence the amounts pertaining to the key management personnel are not included in the above.

InCred Holdings Limited

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Notes to the Consolidated Financial Statements

34. Related party disclosures (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in lakhs)

Nature of transactions	KMP/ KMP exercising influence/ close member of KMP		Enterprises owned or controlled by KMP		Associate of subsidiary	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance Sheet transactions						
ICD taken	-	-	4,360.00	3,500.00	-	-
Repayment of ICD taken (including interest)	-	-	4,001.07	3,503.72	-	-
ICD given	-	-	17,915.00	-	-	-
Repayment of ICD given (including interest)	-	-	219.41	-	-	-
Subscription to Debentures	-	-	1,150.00	-	-	-
Proceeds from sale of subsidiary	-	-	1,735.01	-	-	-
Purchase of investments	-	-	4,375.23	-	-	-
Proceeds from sale of investments	-	-	7,955.17	-	-	-
Purchase of Property, Plant and Equipment ("PPE")	-	-	-	1.04	-	-
Proceeds from sale of PPE	-	-	-	1.95	-	-
Issue of Debentures	-	-	6,650.00	6,899.36	-	-
Exercise of Employee Stock Options	-	-	431.17	-	-	-
Transfer out / (in) of gratuity liability	-0.11	-	2.31	-	-	-
Income transactions						
License fees	-	-	-	-	-	-
Interest on ICD	-	-	204.41	-	-	-
Income on account of reimbursement	-	-	138.68	70.36	-	-
Profit on sale of Debentures	-	-	-	-	-	-
Expense transactions						
Advisory fees	-	-	2,500.00	-	-	-
Interest on ICD	-	-	1.07	3.72	-	-
Expenses on account of reimbursement	-	-	4.53	-	-	-
Fee and commission	-	-	108.89	158.18	-	-

Note: During the current year the Holding Company has issued employee stock options to its own and subsidiary employees (Refer Note 36 for further details).

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Consolidated Financial Statements****34. Related party disclosures (continued)**

Summary of balance receivable from / payable to the above related are as follows:

(Rs. in lakhs)

Sr. No.	Balance outstanding	KMP/ KMP exercising influence/ close member of KMP		Enterprises owned or controlled by Key Managerial Personnel		Funds over which company having significant influence	
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Advances/Receivables	0.11	-	21.07	27.05	-	-
2	ICD Payable	-	-	360.00	-	-	-
3	ICD Receivable	-	-	17,900.00	-	-	-
4	Other Payables	-	-	0.59	-	-	-
5	Investments (at cost)	-	-	-	-	415.00	-
6	Investments in debentures	-	-	1,150.00	-	-	-
7	Outstanding debenture payable	-	-	1,622.51	-	-	-

Notes:

There are no debts due by directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Consolidated Financial Statements****35. Employee benefits**

1. The Group has recognised the following amounts in the Profit & Loss Account towards contributions to provident fund and other funds:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund and other funds	553.79	391.27

2. Gratuity

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per Payment of Gratuity Act, 1972.

Table showing change in the present value of projected benefit obligation

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	549.24	315.04
Liability acquired on account of business combination	-	21.15
Interest cost	39.54	16.24
Acquisition of subsidiary (Refer Note 42)	-	0.56
Current Service cost	128.72	70.69
Liability Transferred In/ Acquisitions	25.77	
Liability Transferred Out/ Divestments	(27.98)	
Past Service cost - incurred during the period	-	122.22
Benefit Paid Directly by the Employer	(11.26)	(58.25)
Actuarial (Gains) / Loss on Obligations - Due to Change in Demographic Assumptions	26.99	-
Actuarial (Gains) / Loss on Obligations - Due to Change in Financial Assumptions	28.95	(24.55)
Actuarial (Gains) / Loss on Obligations - Due to Experience	71.76	86.14
Liability at the end of the year	831.74	549.24

Amount recognized in the Balance Sheet

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of benefit obligation at the end of the year	(831.74)	(549.24)
Fair value of plan assets at the end of the year		
Funded Status (Deficit)	(831.74)	(549.24)
Net (Liability) Recognized in the Balance Sheet	(831.74)	(549.24)

Expenses recognized in the Statement of Profit and Loss

(Rs. in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost*	128.72	70.69
Interest cost	39.54	16.24
Past Service cost - incurred during the period	-	122.22
Expenses recognised	168.26	209.15

*Above does not include the movement of opening gratuity liability on account of business combination

Expenses recognized in the Other comprehensive income (OCI)

(Rs. in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (Gains) on obligation for the year	127.70	61.59
Net (Income) for the year recognized in OCI	127.70	61.59

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The actuarial assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.21%	7.20%
Salary escalation rate	9.00%	8.00%
Expected Rate of return on Plan Assets	N.A	N.A
Rate of Employee Turnover	10.00%	35%
Retirement Age	60 Years	60 years
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening net liability	549.24	315.04
Liability acquired on account of business combination	-	21.71
Expenses recognized in Statement of Profit and Loss	168.26	209.15
Expenses recognized in OCI	127.70	61.59
Net Liability/(Asset) Transfer In	25.77	-
Net (Liability)/Asset Transfer Out	(27.98)	-
Benefit Paid Directly by the Employer	(11.26)	(58.25)
Net liability recognized in the Balance Sheet	831.73	549.24

Maturity analysis of the benefit payments: from the employer

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future years from the date of reporting		
1st following year	192.85	159.92
2nd following year	162.19	123.66
3rd following year	139.01	96.07
4th following year	121.46	75.86
5th following year	101.58	59.29
Sum of years 6 To 10	244.81	115.89
Sum of years 11 and above	80.30	20.23

Sensitivity analysis

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefit obligation on current assumptions	831.73	549.24
Delta effect of +1% change in rate of discounting	(21.74)	(11.04)
Delta effect of -1% change in rate of discounting	23.24	11.66
Delta effect of +1% change in rate of salary increase	29.62	16.25
Delta effect of -1% change in rate of salary increase	(28.30)	(15.65)
Delta effect of +1% change in rate of employee turnover	(7.01)	(3.31)
Delta effect of -1% change in rate of employee turnover	7.26	3.41

Qualitative disclosures

Gratuity is a defined benefit plan and group is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

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Notes to the Consolidated Financial Statements

36. Share-based payment arrangements

A. Description of share-based payment arrangements

i. Share option plans (equity-settled)

The Board of Directors of InCred Holdings Limited (formerly, KKR Capital Markets Limited) (the "Holding Company") on August 26, 2022 adopted Employees Stock Incentive Plan under which share options shall be granted to eligible employees of the Holding Company and the Company from time to time ("New ESOP Scheme"). Such Scheme also covered employees of the Company which were transferred pursuant to the Scheme of Arrangement referred to in Note 43 holding Employee Stock Options under the ESOP Scheme of erstwhile IFSL ("Erstwhile ESOP Scheme"). The options granted to employees under the Erstwhile ESOP scheme continue to have similar terms and conditions in respect of vesting / exercise etc. under the New ESOP Scheme. As assessed by the Company, grant of options under the New ESOP Scheme to employees of erstwhile IFSL does not form part of consideration discharged as the Company is assessed to be accounting acquiree as per Ind AS 103.

Consequently, the charge towards share-based payment in terms of Ind AS 102 has been recorded on a basis that such New ESOP Scheme is only a continuation of Erstwhile ESOP Scheme. The liability towards the employee ESOP cost in the books of the Group is compensated by way of capital contribution by Holding Company in the Group. Further, the balance outstanding in Employees Stock Option Reserve as at March 31, 2024 pertaining to erstwhile ESOP Scheme has been transferred to 'Capital contribution from parent' pursuant to such change.

The Group has established share option plans that entitle the employees of the Group and its subsidiary companies to purchase the shares of the Group. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options.

The key terms and conditions related to the vesting of grants under these plans are continued employment with the Group from the date of grant of option till the date of vesting (25% each year); all options are to be settled by the delivery of shares.

A. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using Black-Scholes Option pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

The model inputs for options granted during

Particulars / Grant date	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value as on grant date (weighted average)	26.68 to 99.78	35.03 to 44.82
Share prices during the year , on grant dates	67.02 to 134.98	65.00 to 67.02
Exercise price	40 to 60	40.00
Expected volatility (weighted average volatility)	40%	40%
Rate of Employee Turnover	20%	20%
Expected life (expected weighted average life)	4.61 years	11.02 years
Risk-free interest rate (based on government bonds)	7.22% to 7.55%	6.89% to 7.59%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same industry.	

B. Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan:

Particulars	Average exercise price per option	Number of options	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Opening balance	37.32	3,19,57,654	3,42,48,588
Add: Options granted during the year	56.05	60,92,850	27,47,500
Less: Options exercised during the year	37.00	-95,45,137	-37,31,310
Less: Options lapsed during the year	42.45	-4,04,938	-13,07,124
Options outstanding as at the year end	41.80	2,81,00,429	3,19,57,654
Option exercisable of the above		1,27,54,746	1,33,54,082

Weighted average remaining contractual life of options outstanding at end of the year: 3.52 years

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Notes to the Consolidated Financial Statements

37. Lease accounting

The Group has entered into leasing arrangements for premises. Right of Use Assets ("ROU") has been included under 'Property, Plant and Equipment' and Lease Liability has been included under 'Other Financial Liabilities' in the Balance Sheet.

i. Following are the changes in the carrying value of right of use assets (ROU):

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,182.21	1,850.83
Addition during the year	294.01	863.49
Disposals during the year	-	(80.95)
Depreciation for the year	(632.44)	(451.17)
Balance as at the end of the year	1,843.78	2,182.21

ii. The following is the movement in lease liabilities:

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2,522.02	2,141.57
Addition during the year	294.02	782.53
Finance cost accrued during the year	241.56	202.32
Payment of Lease liabilities made during the year	(837.26)	(604.40)
Balance as at the end of the year	2,220.34	2,522.02

iii. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	623.84	553.85
Between one and five years	1,596.50	1,950.12
More than five years	-	18.05
Total	2,220.34	2,522.02

iv. Expenses recognised in the statement of Profit and Loss

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation expense on right-of-use assets (Refer Note 10)	632.44	451.17
Interest expense on lease liabilities (Refer Note 26)	241.56	202.32
Expense relating to short-term leases (Refer Note 29)	210.50	166.91

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

38. Contingent liabilities and commitments

(Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments		
Undrawn committed credit lines*	49,641.06	34,555.27
Obligation on investments in partly paid up preference shares	357.18	332.20
Capital commitments	85.00	85.00
Total	50,083.24	34,972.47

*Does not include undrawn commitments which are unconditionally cancellable by the Company or improbable for future drawdowns. Such lines are not considered for impairment allowance testing.

There are no litigations and proceedings against the Group which requires any provision or disclosure as contingent liability.

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Notes to the Consolidated Financial Statements

39. Current and Non-Current Maturity

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

(Rs. in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	8,496.96	-	8,496.96	34,472.39	-	34,472.39
Bank Balance other than cash and cash equivalents	8,323.96	-	8,323.96	4,019.85	775.58	4,795.43
Derivatives financial instruments	878.92	-	878.92	893.28	495.26	1,388.54
Receivables	-	-	-	-	-	-
(I) Trade receivables	-	-	-	2.45	-	2.45
(II) Other receivables	-	-	-	-	-	-
Loans	2,58,193.08	4,67,684.60	7,25,877.68	2,35,901.98	3,04,623.07	5,40,525.05
Investments	53,818.50	7,448.57	61,267.07	4,970.37	2,063.91	7,034.28
Other Financial assets	4,922.25	5,790.72	10,712.97	5,877.89	2,075.39	7,953.28
Sub total	3,34,633.67	4,80,923.89	8,15,557.56	2,86,138.21	3,10,033.21	5,96,171.42
Non-financial assets						
Current Tax assets (Net)	85.74	4,572.45	4,658.19	1,183.68	3,855.39	5,039.07
Deferred Tax assets (Net)	-	39,497.09	39,497.09	-	47,707.12	47,707.12
Property, plant and equipment	69.90	4,961.43	5,031.33	-	4,359.35	4,359.35
Capital work-in-progress	-	336.65	336.65	-	161.79	161.79
Goodwill	-	6,645.58	6,645.58	-	6,778.74	6,778.74
Other intangible assets	-	393.40	393.40	-	666.43	666.43
Other non-financial assets	4,482.08	159.93	4,642.01	6,973.35	23.08	6,996.43
Sub total	4,637.72	56,566.53	61,204.25	8,157.03	63,551.89	71,708.93
Total assets	3,39,271.39	5,37,490.42	8,76,761.81	2,94,295.24	3,73,585.11	6,67,880.35
LIABILITIES						
Financial liabilities						
Derivatives financial instruments	891.37	1,374.59	2,265.96	-	727.43	727.43
Trade Payables	271.89	-	271.89	172.45	-	172.45
Debt securities	41,821.90	55,167.65	96,989.55	55,950.22	59,239.86	1,15,190.08
Borrowings (Other than Debt Securities)	1,86,980.22	2,17,745.71	4,04,725.93	1,11,579.60	1,59,667.27	2,71,246.87
Other Financial liabilities	15,221.49	11,350.01	26,571.49	11,356.33	9,579.66	20,935.99
Sub total	2,45,186.85	2,85,637.96	5,30,824.82	1,79,058.60	2,29,214.23	4,08,272.82
Non-Financial liabilities						
Provisions	4,999.30	655.39	5,654.69	2,358.85	407.44	2,766.29
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	1,605.01	-	1,605.01	2,061.37	-	2,061.37
Sub total	6,604.31	655.39	7,259.70	4,420.22	407.43	4,827.66
Total liabilities	2,51,791.16	2,86,293.35	5,38,084.52	1,83,478.82	2,29,621.66	4,13,100.48

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40. Foreign Currency Transactions

(Rs. in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure in foreign currency		
Legal, professional and consultancy charges	827.66	1,510.52
Information Technology expenses	42.68	66.42
Advance to vendor	24.80	-
Membership and subscription	-	0.42
Travelling and conveyance	-	1.10
Miscellaneous expenses	14.07	19.55
Interest on External Commercial Borrowings	610.72	418.26
Purchase of Software	81.74	83.32
Total	1,601.67	2,099.59

41. Corporate social responsibility

The Ministry of Corporate Affairs notified section 135 of the Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per the provisions related to Corporate Social Responsibility, the Group does not have any CSR spend obligation for the current and previous year.

42. Micro, Small and Medium Enterprises Development

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, as at March 31, 2024, no dues were outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act till March 31, 2024.

InCred Holdings Limited*(formerly known as KKR Capital Markets India Limited)***Notes to the Consolidated Financial Statements****43. Business Combination****A. Composite Scheme of Arrangement**

The Board of Directors of the Company at their meeting held on September 3, 2021, had approved the Composite Scheme of Arrangement (the 'Scheme') with KKR Capital Markets India Private Limited ('KCM'), Bee Finance Limited, InCred Prime Finance Limited (formerly known as "InCred Financial Services Limited and the Company) and the same was filed with various regulatory authorities and National Company Law Tribunal.

The NCLT passed the final order dated May 6, 2022. The Scheme was made effective by the Board of Directors of the Company, InCred Prime Finance Limited and KKR Capital Markets Limited at their meetings held on July 26, 2022 and the relevant filing were done with the Registrar of Companies, Mumbai on July 26, 2022.

The Appointed date of the Scheme is April 1, 2022, and accordingly the books of account and financial results effecting the Scheme have been prepared with effect from April 1, 2022.

Under the Scheme, the identified NBFC business of InCred Prime Finance Limited (formerly, InCred Financial Services Limited) ('erstwhile IFSL') shall be demerged with InCred Financial Services Limited (formerly, KKR India Financial Services Limited) ('new IFSL'). As per the terms of the Scheme, the Board of Directors of erstwhile InCred Financial Services Limited have been appointed as the directors of the new IFSL constituting majority. Further, with the discharge of purchase consideration for demerger, the shareholders of erstwhile IFSL will hold majority shareholding of the new IFSL.

Accordingly, the business combination has been treated as reverse acquisition for financial reporting purpose as per Ind AS 103 and erstwhile IFSL has been identified as the accounting acquirer and new IFSL and KCM being the accounting acquiree.

As per Ind AS 103, these financial results issued under the name of new IFSL represent the continuation of the financial results of erstwhile IFSL (including comparatives) except for share capital which is currently presented as per legal share capital of KCM. Accordingly the assets, liabilities and reserves of erstwhile IFSL have been continued at their pre-business combination carrying values and measured the fair value of identified assets and liabilities of new IFSL and KCM acquired as per requirements of Ind AS 103.

The accounting impact of the aforesaid Scheme in the books of new IFSL has been summarily presented as follows:

Business Combination of erstwhile KIFS:

Particulars	Rs. in lakhs	Rs. in lakhs
(A) Deemed Purchase consideration (Equity instruments to be issued on reverse merger as per Ind AS 103)		1,22,373.35
(B) Assets and liabilities (Net Assets) recorded at fair value pursuant to reverse merger		
(i) Assets taken over at fair value:		
Cash and cash equivalents	36,802.10	
Loans	52,921.51	
Other financial assets	105.87	
Current Tax Assets	3,622.84	
Deferred tax assets	53,648.13	
Other non-financial assets	650.89	
(ii) Liabilities taken over at fair value:		
Trade Payables	1,675.99	
Borrowings (Other than Debt Securities)	43,379.48	
Other financial liabilities	760.66	
Current tax liabilities (Net)	6.46	
Provisions	68.15	
Other non-financial liabilities	242.00	
Net Assets Recognised Pursuant to the Scheme (i-ii)		1,01,618.60
Goodwill (A-B)		20,754.75

Business Combination of erstwhile KCM:

Particulars	Rs. in lakhs	Rs. in lakhs
(A) Deemed Purchase consideration (Equity instruments to be issued on reverse merger as per Ind AS 103)		4,873.33
(B) Assets and liabilities (Net Assets) recorded at fair value pursuant to reverse merger		
(i) Assets taken over at fair value:		
Cash and cash equivalents	3,492.66	
Trade Receivables	62.65	
Investments	397.07	
Other financial assets	26.67	
Current Tax Assets	2,411.12	
Deferred tax assets	469.26	
Other Intangible Asset	42.77	
Other non-financial assets	1,909.84	
(ii) Liabilities taken over at fair value:		
Trade Payables	1,502.71	
Other financial liabilities	4,324.12	
Provisions	68.34	
Net Assets Recognised Pursuant to the Scheme (i-ii)		2,916.87
Goodwill (A-B)		1,956.46

As per the terms of the Scheme, the shareholders of erstwhile IFSL have received compulsorily convertible preference shares ("CCPS") of M/s. InCred Holdings Limited (formerly known as "KKR Capital Markets Limited"), being the Holding Company, as a consideration for demerger of identified NBFC business. These CCPS have been converted into equity shares on November 2, 2022 as per the terms of the Scheme. The same is shown as capital contribution from parent.

As per Ind AS 103, the difference between legal capital of erstwhile IFSL (including purchase consideration determined above as per Ind AS 103) and new IFSL along with capital contribution from parent has been recorded as 'Merger Reserve'.

Further as per the Scheme, the remaining NBFC business (i.e after excluding identified NBFC business demerged under the Scheme) shall continue to be carried out by erstwhile IFSL. Accordingly, the net assets of Rs. 1,077.31 lakhs pertaining to the remaining NBFC business will continue to remain in the erstwhile IFSL.

Particulars	Rs. in lakhs	Rs. in lakhs
(i) Assets		
Loans	1,033.58	
Other assets	2,213.71	
(ii) Liabilities		
Borrowings (Other than Debt Securities)	1,000.00	
Other liabilities	1,169.98	
Net Assets transferred (i-ii)		1,077.31

InCred Holdings Limited

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Notes to the Consolidated Financial Statements

43. Business Combination(Continued)

B. Acquisition of Subsidiary

On May 18, 2022, the Holding Company acquired incremental stake in its associate mValu Technology Services Private Ltd. (mValu) for Rs.1,819.80 lakhs from existing shareholders, thus acquiring control by holding 75.82% interest in mValu post such acquisition.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in mValu, the Group has elected to recognise the non-controlling interests at fair value.

The acquired business contributed revenues of Rs. 25.74 lakhs and net profit of Rs. 310.86 lakhs to the Group for the period from 18 May 2022 to 30 September 2022. If the acquisition had occurred on 1 April 2022, consolidated pro-forma revenue and profit for the period ended September 30, 2022 would have been Rs. 29.75 lakhs and Rs. 332.25 lakhs respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary.

Details of acquisition as follows:

Particulars	Rs. in lakhs	Rs. in lakhs
(A) Purchase consideration		4,852.40
Proceeds paid for incremental stake	1,819.80	
Fair value of existing interest in mValu (Net of charge of Rs 1,233.94 lakhs on remeasurement as per Ind AS)	3,032.60	
(B) Assets and Liabilities as at May 18, 2022		
(i) Assets:		
Property, plant and equipment	2.30	
Trade receivables	1.43	
Cash and cash equivalents	186.27	
Other bank balances	1,112.58	
Investments	261.90	
Other financial assets	204.80	
Other non-financial assets	280.59	
(ii) Liabilities:		
Provisions	1.83	
Trade payable	24.50	
Other financial liabilities	2.37	
Other non-financial liabilities	0.31	
Net Assets Recognised Pursuant to the Scheme (i-ii)		2,020.86
Goodwill (A-B)		2,831.54

44. Goodwill

The carrying amount of goodwill acquired in business combination as follows:

Particulars	As at	As at
	March 31 2024	March 31 2023
Balance at the beginning of the year	6,778.74	652.65
Goodwill arising on account of business combination	-	22,711.21
Impaired during the year	(133.16)	-16,585.12
Balance at the end of Period	6,645.58	6,778.74

Above Goodwill represents the residual consideration attributable to unidentified intangible assets acquired by the acquirer as result of business combination. The Group has performed its impairment tests and it is concluded that the fair value less costs of disposal exceeds the value in use. As a result of this analysis, management has recognised impairment charge of Rs 133.16 lakhs for the year ended March 31, 2024 (PY: Rs. 16,585.12 lakhs) against the goodwill.

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Notes to the Consolidated Financial Statements

45 .Other Statutory Information

During the current year and previous year:

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii)
 - The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency.
- (v) The quarterly statement of current assets submitted to banks / financial institutions which are provided as security against the borrowings are in agreement with the books of accounts.
Funding Transactions:
 - (vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :
 - (I) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (II) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (vii) (a) On May 18, 2022, the Board of Directors of the InCred Financial Services Limited ("IFSL"), the Holding Company, had approved investment in equity for an aggregate amount of upto Rs. 1,819.99 lakhs in the Booth Fintech Pvt Ltd (CIN: U67190MH2015PTC355907) having registered office at Unit No. 1203, 12th Floor, B- Wing, The Capital, Bandra Kurla Complex, Mumbai City, Mumbai, Maharashtra, India, 400051. Subsequently, the Company purchased 45,000 equity shares of mValu Technology Services Private Limited (its Associate Company) (CIN: U66220MH2018PTC313289) having registered office Unit No. 1203, 12th Floor, B- Wing, The Capital, Bandra Kurla Complex, Mumbai City, Mumbai, Maharashtra, India, 400051 having registered office at from external parties on May 18, 2022 at a price of Rs. 4,044 per share aggregating to Rs. 1,819.99 lakhs. The transactions are in compliance with the relevant provisions of the Companies Act, 2013 and are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003). Further the provisions of Foreign Exchange Management Act, 1999 (42 of 1999) are not applicable to the transactions.
 - (vii)(b) Except as disclosed above, the Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (I) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (II) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
 - (ix) There are no scheme of arrangements which have been filed by the Group under the Act and which have been approved by the competent authority u/s 232 to 237 of the Act. For details of Scheme of arrangement filed by the Group with NCLT refer Note no 43.
 - (x) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
 - (xi) The Group has not been declared as willful defaulter by any bank or financial institution or any other lender.
 - (xii) The Group has not revalued any property plant and equipment and intangible assets.

InCred Holdings Limited
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Notes to the Consolidated Financial Statements

46. Additional Information to the consolidated Financial Statements

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for year ended March 31, 2024:

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive		Share in total comprehensive	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss
Parent								
InCred Holdings Limited	5,502.64	1.62%	(276.22)	-0.90%	(2.52)	1.00%	(278.74)	-0.91%
Subsidiaries								
InCred Financial Services Limited	3,34,400.76	98.75%	31,659.56	102.45%	(249.44)	98.86%	31,410.12	102.47%
InCred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited)	(1,920.23)	-0.57%	(218.76)	-0.70%	0.25	-0.10%	(218.51)	-0.71%
Booth Fintech Private Limited	-	0.00%	(1.96)	-0.01%	-	0.00%	(1.96)	-0.01%
InCred.AI Limited	(0.21)	0.00%	(1.23)	0.00%	-	0.00%	(1.23)	0.00%
mValu Technologies Services Private Limited	-	0.00%	45.23	0.15%	-	0.00%	45.23	0.15%
InCred Prime Finance Limited	694.34	0.20%	(302.72)	-0.98%	(0.58)	0.24%	(303.30)	-0.99%
Total	3,38,677.30	100.00%	30,903.91	100.00%	(252.29)	100.00%	30,651.62	100.00%

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for year ended March 31, 2023:

(Rs. in lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive		Share in total comprehensive	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss
Parent								
InCred Financial Services Limited	5,024.13	1.97%	(1,107.20)	-10.16%	(0.74)	19.01%	(1,107.94)	-10.16%
Subsidiaries								
InCred Financial Services Limited	2,49,233.39	97.83%	12,709.08	116.53%	(6.09)	156.44%	12,702.99	116.51%
InCred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited)	(1,701.72)	-0.67%	(375.67)	-3.44%	0.91	-23.38%	(374.76)	-3.44%
Booth Fintech Private Limited	(609.44)	-0.24%	(12.14)	-0.11%	-	0.00%	(12.14)	-0.11%
InCred.AI Limited	0.80	0.00%	(1.08)	-0.01%	-	0.00%	(1.08)	-0.01%
mValu Technologies Services Private Limited	1,738.03	0.68%	(308.08)	-2.82%	2.03	-52.07%	(306.05)	-2.81%
InCred Prime Finance Limited	1,094.70	0.43%	1.51	0.01%	-	0.00%	1.51	0.01%
Total	2,54,779.89	100.00%	10,906.42	100.00%	(3.89)	100.00%	10,902.53	100.00%

InCred Holdings Limited
(formerly known as KKR Capital Markets India Limited)

Notes to the Consolidated Financial Statements

47. Ratio Analysis and its elements

Ratio*	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change*	Remarks*
Current ratio	Current Assets	Current Liabilities	1.35	1.60	-15.79%	Decrease is due to increase in liabilities as compared to the assets.
Debt- Equity Ratio	Borrowings	Shareholder's Equity	1.48	1.52	-2.54%	Decrease is due to more increase in equity as compared to the debt as against the previous year.
Debt Service Coverage ratio	NA	NA	NA	NA	NA	
Return on Equity ratio	Net Profits after taxes	Shareholder's Equity	9.12%	4.28%	113.20%	Increase is due to more increase in Net profit as compared to the equity as against the previous year.
Inventory Turnover ratio	NA	NA	NA	NA	NA	
Trade Receivable Turnover Ratio	NA	NA	NA	NA	NA	
Trade Payable Turnover Ratio	NA	NA	NA	NA	NA	
Net Capital Turnover Ratio	NA	NA	NA	NA	NA	
Net Profit ratio	Net Profit	Total sales Capital Employed	23.84%	12.38%	92.59%	Increase is due to more increase in Net profit as compared to the total sales as against the previous year.
Return on Capital Employed	Earnings before interest and taxes (EBIT)	= Tangible Net Worth + Total Debt	10.39%	9.47%	9.68%	Increase is due to more increase in Net profit as compared to the capital employed as against the previous year.
Return on Investment	Interest from investments	Investment	4.65%	11.94%	-61.02%	Decrease is due to more increase in investments as compared to the income earned on investment as against the previous year.

*Previous year numbers are not comparable for Scheme of Amalgamation. Refer note no 43 Business Combination.

Notes to the Consolidated Financial Statements

48. Ageing Schedule

(Rs. in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2024							
(A) Trade receivables							
Unsecured, considered good	-	-	-	-	-	-	-
Unsecured, considered doubtful	-	-	-	-	-	-	-
(B) Other receivables							
Unsecured, considered good	-	-	-	-	-	-	-
Unsecured, considered doubtful	-	-	-	-	-	-	-
As at March 31, 2023							
(A) Trade receivables							
Unsecured, considered good	-	2.46	-	-	-	-	2.46
Unsecured, considered doubtful	-	-	-	-	-	-	-
(B) Trade receivables							
Unsecured, considered good	-	-	-	-	-	-	-
Unsecured, considered doubtful	-	-	-	-	-	-	-

49. Pursuant to a complaint raised by two shareholders during FY24, a settlement agreement was signed by the company dated August 26, 2024. Based on the terms of the settlement agreement, the Company has made a provision of Rs 1,800.00 lakhs as at year ended 31st March 2024.

50 . Fees/ Remuneration received from bancassurance.

The Group has earned Rs. 165.12 lakhs from bancassurance business (Income from selling life insurance policies) during year ended March 31, 2024 (previous year: Rs. Nil).

51 . Backup of Books of accounts and Audit trail.

a. As per the MCA notification dated August 05, 2022 Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules back-up of the books of account/other books & papers maintained in electronic mode, including at a place outside India, shall be kept in servers physically located in India on a daily basis. The Company's servers are physically located in India and back up is done on a daily basis. Thus the Parent is compliant with the requirements of the above notification.

b. The Parent has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with.

c. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 states that for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Subsidiary Company, InCred Financial Services Ltd ("IFSL"), has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. IFSL has enabled audit trails for direct changes to data for most of the year, enabled since April 26, 2023.

There is no instance of audit trail feature being tampered with in respect of other accounting software as per the statutory requirements for record retention purposes.

52. Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

As per our report of even date

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh Vishwesh Warty
Digitally signed by Sarvesh Vishwesh Warty
DN: cn=Sarvesh Vishwesh Warty, c=IN, o=Personal, email=sarvesh.warty@srb.in
Date: 2024.09.02 22:07:38 +05'30'

per Sarvesh Warty
Partner
Membership No: 121411

Place: Mumbai
Date: September 2, 2024

For and on behalf of the Board of Directors of
InCred Holdings Limited
CIN: U67190MH2011PLC211738

BHUPINDER SINGH
Digitally signed by BHUPINDER SINGH
Date: 2024.09.02 21:42:23 +05'30'

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

NIKITA DEEPAK SHETTY
Digitally signed by NIKITA DEEPAK SHETTY
Date: 2024.09.02 21:47:48 +05'30'

Nikita Shetty
Company Secretary
Membership No: A29555

Place: Mumbai
Date: September 2, 2024

VIVEK BANSAL
Digitally signed by VIVEK BANSAL
Date: 2024.09.02 21:45:30 +05'30'

Vivek Bansal
Whole Time Director and CFO
DIN: 07835456