

Sustained Momentum



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Disclaimer: This document may contain statements about expected future events and financials of InCred Financial Services Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements.

CORPORATE OVERVIEW

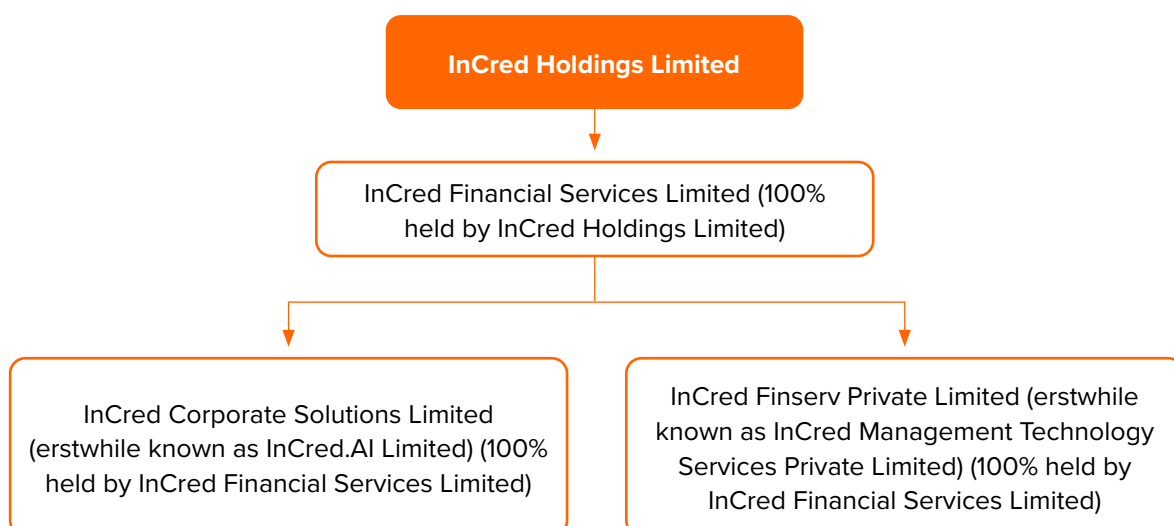
About InCred Finance



InCred Finance is one of India's fastest-growing diversified financial services companies. We leverage modern risk analytics, data science, and technology to make lending quick and hassle-free for underserved customers.

Driven by desire and defined by action, the heart of modern India beats with an unwavering ambition to realise its vast potential. InCred Finance fuels this powerful movement, providing the vital lifeblood of accessible and forward-thinking credit to individuals and businesses. Together, we are turning this collective ambition into a tangible transformation, shaping a nation of achievers. Since inception, the company has leveraged technology to launch new product lines for retail and MSME customers, showcasing that effective action-oriented delivery is at the heart of its success.

InCred Finance Structure



InCredible Achievements



**INR 25,000
crore+**

LOANS DISBURSED (SINCE INCEPTION)



2,600+
EMPLOYEES



400,000+

CUSTOMERS



AA-/Stable

CRISIL AND ICRA



140+

BRANCHES

Products Offered



Personal Loans



Student Loans



**Specialised
MSME Loans**



**Secured
Business Loans**



**Lending to
Financial
Institutions**

Vision Steers Purpose



OUR VISION

To create a trustworthy, transparent, and high-integrity financial institution that positively advances the socio-economic well-being of lower-middle-class to middle-class Indian households while protecting the interests of all stakeholders.



OUR MISSION

To be relentless in inculcating and nurturing a culture of continuous innovation and execution excellence by combining cutting-edge technology, data science, and deep financial domain expertise and delivering the best-suited profitable product with the most dignified experience for every customer.



OUR VALUES

High performance

Carry out one's duties with utmost hard work, dedication and passion.

Ownership

Think like an "Owner". Own the outcome.

Continuous Improvement

Constantly thinking about ways to bring about positive changes that will benefit our customers and provide the best customer experience.

Integrity

Doing the right thing even when no one is watching.

FY25 - An Excellent Year For InCred Finance

Assets Under Management

INR 12,585 crore

Up 39% YoY



Profit After Tax

INR 372 crore

Up 18% YoY



Total Income*

INR 1,255 crore

Up 50% YoY



Net Interest Income

INR 1,064 crore



Profit Before Tax

INR 501 crore



Net Worth

INR 3,716 crore



ROA

3.6%



Liquidity Coverage Ratio

799%



Capital to Risk Asset Ratio

26%



* Total Income is net of Finance Cost

From The
CEO's Desk

“ Our FY25 performance reflects our endless pursuit of excellence. Robust risk management, the smart use of technology, and a mindset of continuous improvement have paid off. We delivered strong AUM growth while keeping NPAs low—all through disciplined, end-to-end execution.”

Bhupinder Singh



Forging Ahead: Risk-First Approach Powers Results

Dear Stakeholders,

I'm pleased to report that this year, we not only delivered on our promises, but went beyond expectations in every dimension that matters, continuing to fulfill our purpose of enabling Indian families to realise their financial dreams.

I founded InCred Finance in 2016 to simplify lending using technological innovation and reliable risk analysis. As we enter our 10th year of operation, we are encouraged by the rock-solid confidence and support extended by our investors. Stability and clarity remain our shared goalposts.

We came into this financial year on a high, after turning unicorn in FY 2023-24. We've kept the momentum going: we crossed INR 12,585 crore in assets under management (AUM) and INR 1,255 crore in total income. CRISIL and ICRA reaffirmed InCred Finance's long-term rating of "AA-/Stable," underscoring the success of our efforts to build sustainable growth.

Our work has been underpinned by our laser-focused execution strategy, backed by prudent risk management and compliance. Driven by our desire to play a meaningful role in India's financial services ecosystem and to contribute to the nation's economic advancement, we are proud of the results we've delivered to all our stakeholders: partners, clients, shareholders, and our team.

Consistency and Sustainability

This year, our company maintained its proven track record of growth, despite external uncertainties and macro challenges.

Our AUM grew by an impressive 39% to reach INR 12,585 crore in FY25, even as we maintained our robust risk appraisal processes. An emphasis on growing the top and bottom lines, complemented by a diversified loan portfolio, kept us in good standing. We recorded a profit after tax of INR 372 crore, with Return on Assets (RoA) of 3.6%.

Our prioritisation of a well-rounded portfolio, which includes retail and small business lines, ensured that we stayed competitive in the lending landscape. The trifecta of consumer loans, student loans, and MSME loans powered our growth engine, creating a sizable book that is accessible, economical, and scalable.

Each existing product within these categories has contributed to our growth at a reasonable level of risk. At the close of FY25, personal loans constituted 49% of our portfolio, student loans made up 23%, specialised MSME loans comprised 12%, secured business loans constituted 7%, lending to financial institutions comprised 7%, and others accounted for 2%. Of our diverse business segments, personal loans witnessed the fastest growth. An incisive and detailed strategy, bolstered by artificial intelligence and machine learning tools, has kept us resilient through varying conditions.

While strengthening InCred Finance's AUM, we strove to make a meaningful impact on people's lives. Our student loan vertical, which enabled infrastructure upgrades at the school level and funding support for higher education globally, translated into academic access for around ~12,000 students. At the same time, more than 18.5 lakh MSMEs benefited through lending to financial institutions.

Prudence and Care

We are especially pleased to have kept a tight rein on bad loans. Defaults were under control as our strong underwriting and proactive client communication helped us manage overall asset quality. This was underpinned by selective customer identification across products, including focus on salaried customers for Personal Loans, higher education loans under Student Loans and scaling up the collateral-backed Secured Business Loans.

The company's collection efficiency improved due to strong data analytics and early warning signs for potential delinquencies.

As in previous years, our capitalisation stayed healthy, with a debt-equity ratio of 2.25X and a capital to risk-weighted assets ratio (CRAR) of 26%.

Powering Up Our Team

FY 24-25's successes would not have been possible without the invaluable contributions of our workforce: a community of smart, high-performance individuals who approach each day with energy, joy and the sense of kinship fostered by our core values. In recognition of this, we have several ongoing initiatives to reward high performers, including bonuses, rewards and recognition programmes, and employee stock options.

We are dedicated to creating a collaborative workplace where employees wake up excited to build together and make InCred Finance a dependable partner for Indians seeking credit.

The market has recognised our accomplishments. In 2024, for the sixth year in a row, InCred Finance was recognised as among the Best Brands by The Economic Times.

Building a Trusted Brand

We welcomed Shreyas Iyer as our new brand ambassador this year, following in the footsteps of the legendary Rahul Dravid. Shreyas embodies a spirit of confidence, consistency, and connection that reflects our ethos. His fearless mindset and unwavering determination complement InCred's brand promise of helping individuals achieve their financial goals.

As we head into a fresh year of operations, I am excited by our efforts to establish InCred as a trusted financial services brand with the launch of "Ask InCred", a financial literacy and education initiative powered by the people at InCred group. Ask InCred has already drawn over 30,000 subscribers on its YouTube channel.

Looking Ahead

Throughout FY 2024-25, the company had many proud moments. Going forward, our tech-led, data-backed risk analysis will be foundational for our future success. Our digital backbone will allow us to offer multiple, scalable products effectively. Despite temporary blips in the personal loan ecosystem in India, we continue to be bullish about retail lending to individuals. By fortifying existing strengths and adding new ones, InCred Finance aspires to be the go-to lender for salaried, middle-class customers with big dreams and small businesses with high potential. We will continue to finesse our technology stack as the core foundation to deepen and expand our footprint.

InCred Finance has set the standard for judicious lending in a relatively short time.

But there are, as always, new worlds to conquer. We are poised to meet the evolving needs of an aspirational India shedding the constraints of limited financial access and actively seeking reliable credit. United with the steadfast support of our valued stakeholders, we will relentlessly pursue our ambition to be the trusted financial ally of every Indian.

Here's looking forward to the next chapter of transformative growth and greater credit inclusion for India.

Warm regards,

Bhupinder Singh
Founder and Group CEO
InCred

India's Credit Story In Action



The Indian credit landscape in FY2025 experienced a moderation in growth across both retail and corporate segments. TransUnion CIBIL's Credit Market Indicator (CMI) for December 2024 stood at 97, the lowest since December 2021, and a decline from 103 in December 2023. This downturn was attributed to several factors, including regulatory tightening, slowdown in credit demand, particularly among New-to-Credit (NTC) consumers, and a tightening of credit supply by financial institutions.

Amidst a tough year, India's Non-Banking Financial Companies (NBFCs) continued to play a pivotal role in bridging the credit gap, particularly in underbanked and underserved segments.

Key Growth Drivers for Credit

Consumer/Retail Loans

- Rising Urbanisation & Aspirational consumption: A growing urban middle class is fueling demand for lifestyle-related spending—including home renovations, weddings.
- Digital penetration & fintech innovation: Paperless & simplified digital lending processes have removed friction and democratised credit access.
- Rising disposable income & urbanisation: An aspirational young demographic contributed to increased demand for personal and student loans.

MSME Loans

- Government initiatives like PMEGP, CGTMSE, and the ECLGS have bolstered credit availability to MSMEs, encouraging NBFC participation in this critical sector of the economy.
- Formalisation and Digitalisation of MSMEs: The implementation of GST, mandatory Udyam registration, and e-invoicing have brought more MSMEs into the formal economy.
- Working Capital Needs: With rising input costs and inflationary pressures, working capital requirements have increased significantly.

Driven by India's evolving consumer landscape and a preference for greater financial autonomy, the appetite for credit continues its strong upward trajectory. This momentum is amplified by technological advancements, enabling swift

and efficient loan distribution. A report by ICRA showed that the total credit of NBFCs stood at INR 52 lakh crore as of December 2024 and estimates the figure to cross INR 60 lakh crore by FY26.

InCred Finance is a meaningful player in this growth story. We are committed to serving the needs of emerging India, a demographic demonstrating creditworthiness yet often overlooked by traditional institutions. Our AUM now exceeds INR 12,500 crore. Through our sophisticated technology-driven processes and rigorous assessment, we provide frictionless access to credit for our dependable customer base. Our comprehensive suite of products includes personal loan, student loan, secured business loan, specialised MSME, and lending to financial institutions.



¹ ICRA, April 2025

<https://www.icra.in/CommonService/OpenMediaS3?Key=4a11aca3-1a1d-4e46-916e-2697687f90ed>

Our Diversified Loan Offerings

Personal Loans

At InCred Finance, our personal loans strategy is anchored in a strong bottom line and an agile, impactful approach. From the outset, we have embraced a fearless and fast-paced approach, inspired by the dynamic style of play popularised by former New Zealand cricketer Brendon McCullum in test cricket. In our context, this means prioritising quick decision-making and bold, innovative strategies to drive growth and stay ahead in a dynamic market.

In the financial year 2024-25, we surged ahead in our vision of expanding our reach to underserved segments and simplifying access to credit. The Company achieved an AUM of INR 6,173 crore in personal loans, registering a year-on-year growth of 58%.

We specialise in providing loans primarily to salaried middle income employees for general household consumption purposes such as home renovation, medical emergencies, among others.

To meet the diverse credit needs efficiently, we have built a robust technology backbone that ensures lasting scalability and responsiveness. A key part of this digital transformation is our adoption of the Account Aggregator (AA) system, enabled by Sahamati. The AA framework is a secure, consent-based platform that allows individuals to share their financial data seamlessly and safely with lenders, making it easier for those with limited credit history to access responsible lending.

Robust risk management and advanced underwriting remain central to our success, especially as consumption credit rises in India. The India Stack, with features such as Aadhaar, e-KYC, and Digital Public Infrastructure, has played a pivotal role in streamlining onboarding and verification. Our digital-first infrastructure, combined with predictive analytics, ensures we continually evolve to better serve our customers, driving financial inclusion and economic progress.



AUM (INR crore)

FY23 2,486

FY24 3,916

FY25 6,173

Quick Facts



LOAN TICKET SIZE

~INR 1 lakh to
INR 6 lakh



TENURE

2 years to
5 years



PERSONAL LOAN AUM

INR 6,173 crore



CUSTOMER PROFILE

Creditworthy
but underserved



Student Loans

A record number of Indian students, estimated² at 1.33 million in 2024, are pursuing higher education abroad. The United States, Canada, the United Kingdom, Australia, Germany, and Ireland remain the most popular study-abroad destinations, thanks to their strong post-study work visa options that open doors to international careers. These opportunities make global education especially appealing to Indian students from diverse backgrounds.

InCred Finance has been a key enabler in this journey, having supported students heading to 27 countries and over 900 universities worldwide. Many of our borrowers come from middle-to-low-income families, and we take pride in helping them realise their dreams. Our student-first approach offers a seamless, fully digital experience, making it easy to apply for and secure student loan.

We provide loans in INR with flexible repayment options that make it easier and more affordable for students to repay as they start earning. InCred Finance also offers pre-admission loan approvals, giving students peace of mind as they prepare for their higher education. Our dedicated counsellors and agents offer personalised support, guiding students through budgeting and financial planning. Every application is assessed on individual merit, focussing on the student's potential. InCred Finance's holistic approach ensures that students have practical financial solutions and guidance at every stage of their study-abroad journey.

AUM (INR crore)

FY23 1,038

FY24 1,932

FY25 2,942

Quick Facts



LOAN TICKET SIZE

Around INR 35 lakh



TENURE

Around 12 years



STUDENT LOAN AUM

INR 2,942 crore



CUSTOMER PROFILE

**Indian students
pursuing overseas
education**

² The Ministry of External Affairs, 2024

<https://www.mea.gov.in/lok-sabha.htm?dtl%2F38014%2FQUESTION+No894+INDIAN+STUDENTS+STUDYING+ABROAD=>

Specialised MSME Loans

India's 59.3 million MSMEs are a powerhouse of economic growth, contributing³ over 30% to the country's Gross Value Added and driving exports to INR 12.39 lakh crore in FY25. Over the past decade, these enterprises have made remarkable strides, supported by affordable manufacturing, government incentives, and the ability to tap into new markets and e-commerce. However, despite their progress, access to credit remains a major challenge. A recent NITI Aayog report found that only 19% of MSME credit demand was met through formal sources⁴ in FY21, leaving an unmet need of INR 80 lakh crore.

Recent policy measures, such as increasing the CGTMSE loan limit to INR 10 lakh and targeted support for women entrepreneurs, along with the reclassification of MSME definitions, are helping address the sector's capital requirements and reduce borrowing costs. These reforms have made it easier for MSMEs to access growth capital and focus on scaling their businesses.

At InCred Finance, we recognise the entrepreneurial zeal of Indian MSMEs and are committed to ensuring that no business dream goes unrealised because of a lack of credit. By offering tailored, accessible, and timely financial solutions, we aim to empower MSMEs to achieve their full potential in India and on the global stage.

Our digital-first processes enable us to disburse loans within a day, and nearly 80% of our MSME customers return for additional capital, demonstrating our role as a trusted partner. We support traditional, young and new-age entrepreneurs, including those running high-growth or high-churn businesses, by providing the right financial boost at the right time. InCred Finance lets entrepreneurs unleash their full potential for growth and innovation, by eliminating the distraction of constant fundraising cycles.

AUM (INR crore)



Quick Facts



LOAN TICKET SIZE

Around INR 11 lakh



TENURE

12 to 48 months



SPECIALISED MSME LOAN AUM

INR 1,485 crore



CUSTOMER PROFILE

MSMEs across industries

³ Ministry of Micro, Small, and Medium Enterprises, February 2025

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2099687>

⁴ Enhancing MSMEs Competitiveness in India, NITI Aayog, March 2025

https://www.niti.gov.in/sites/default/files/2025-05/Enhancing_Competitiveness_of_MSMEs_in_India.pdf





Secured Business Loans

InCred Finance offers secured business loans backed by self-occupied residential or commercial property, providing funding against high-quality collateral. These loans are designed to address both business and personal financial needs, ensuring lower risk for both borrower and lender. The secured nature of these loans allows us to offer competitive interest rates and flexible repayment terms, making them an ideal choice for businesses looking to expand operations, manage working capital, or invest in new opportunities. Our secured business loans cater to a wide range of requirements including working capital and capex management for small businesses, and brownfield expansion for schools.

InCred Finance's rigorous risk assessment and proactive monitoring processes have resulted in a sustainable AUM, characterised by low delinquencies and a high positive impact across the business ecosystem.

AUM (INR crore)



Quick Facts



LOAN TICKET SIZE

Around INR 24 lakh



TENURE

6 to 12 years



SECURED BUSINESS LOAN AUM

INR 893 crore



BUSINESS PROFILE

Working capital and business expansion for small businesses, and brownfield expansion for schools.

Lending to Financial Institutions

InCred Finance extends term loans to RBI-regulated Non-Banking Financial Companies (NBFCs), supporting their onward lending activities and enabling them to reach a wider client base, particularly in underserved segments. The majority of the lending is directed towards well-capitalised retail NBFCs focused on consumer vehicle, gold and LAP financing among others.

Our approach is underpinned by robust asset-liability management practices, careful selection of institutions with high-calibre promoters and experienced senior management, and a strong emphasis on a proven lending track record. We maintain proactive portfolio monitoring and prudent diversification across sectors and credit ratings. Due to the rigorous underwriting processes, InCred Finance has established a track record of maintaining exceptionally low non-performing assets (NPAs) in this segment. This reflects our commitment to portfolio quality and sustainable growth, while amplifying our positive impact across the broader financial ecosystem.

AUM (INR crore)

FY23 608

FY24 816

FY25 819

Quick Facts



LOAN TICKET SIZE

**NR 1 crore to
INR 25 crore**



TENURE

6 to 36 months



LENDING TO FINANCIAL
INSTITUTIONS AUM

INR 819 crore



FINANCIAL INSTITUTION PROFILE

**RBI regulated NBFCs
across different
product verticals**



A Risk-Calibrated Business Strategy

Financial companies benefit from a prudent approach to risk assessment and funding diversification to ensure sustainable growth. We at InCred Finance have embedded these principles into our core operations, allowing us to maintain low delinquencies, uphold compliance, and expand our business effectively.

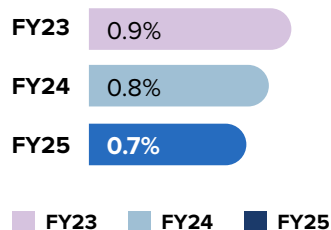
InCred Finance has proven its resilience in a dynamic economic environment. Our low bad loan ratios, high compliance standards, and robust business growth make a potent combination. A cornerstone of this success is our advanced, technology-sculpted loan origination, where a comprehensive appraisal at the underwriting stage acts as the first line of defence, meticulously identifying ideal customer profiles. This rigorous initial assessment, diversified borrowings, and extensive risk evaluation have been pivotal in our sustained expansion and our ability to deliver consistently. Furthermore, this proactive strategy has significantly fortified our resilience against market headwinds, all while ensuring steadfast adherence to regulatory frameworks.

Movement Of NPAs

Gross NPA (%)



Net NPA (%)



Strong Co-Lending and DA Partnerships

InCred Finance has established itself as a leading NBFC that has forged dependable co-lending alliances with public sector banks. In FY2025 we raised INR 971 crore, through our co-lending and direct assignment arrangements. The outstanding as on March 31, 2025 was INR 1,807 crore.

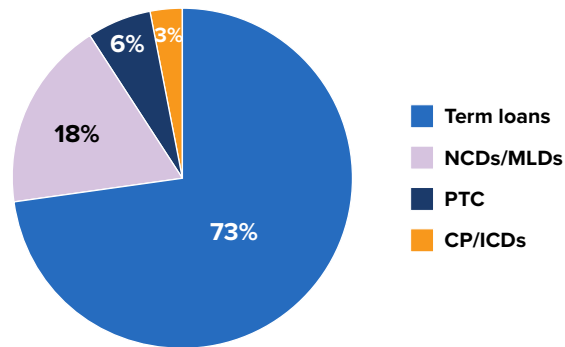
Borrowings

InCred Finance consistently emphasises enhancing its liability management. Through a carefully executed borrowing strategy, the Company continues to navigate market volatility effectively.

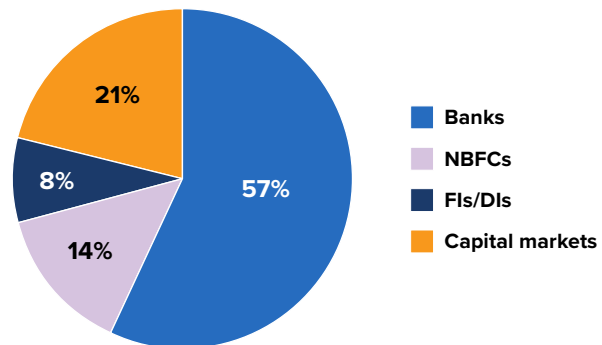
Risk Assessment

The company has a multi-layered approach encompassing stringent Know Your Customer (KYC) procedures, system-embedded data-led rules, and advanced analytical tools for fraud prevention.

Breakdown By Facility (based on outstanding amount)



Breakdown By Source (based on outstanding amount)



The Technology Edge To Lending

India's lending sector has seen a remarkable shift in consumer behaviour, driven in large part by technology and the rapid adoption of digital platforms. With the adoption of UPI over the past few years, and transaction success rates in the vicinity of 99%, India's traditionally low-trust banking customers have eased into digital financial transactions, including lending.

Frictionless Lending, Personalised Journeys

India's digital lending market has witnessed exponential growth. S&P Global Ratings expects⁵ the total Indian household debt, aided by technology, to triple to about USD 2.5 trillion by 2030, constituting about 34% of the country's GDP. This surge is driven by increasing smartphone penetration, robust digital infrastructure, and a regulatory environment encouraging responsible innovation.

At InCred Finance, we recognise that the key to digital lending adoption is reducing friction and delivering a consistent, reliable experience. Customers are increasingly comfortable applying for loans online, expecting instant decisions and quick disbursements, often with just a few taps on their phones. Our approach leverages advanced risk analytics and personalised customer journeys, ensuring that each applicant experiences a process tailored to their profile.

Our algorithms are continuously refined using both traditional data (such as credit scores) and non-traditional signals (such as app and web interactions). Lending is inherently iterative, and every month, we analyse repayment patterns, learn from outcomes, and adjust our models to identify and serve reliable borrowers.

Simultaneously, our digital-native paradigm permeates the entire credit cycle, from omnichannel acquisition and predictive risk analytics to automated fund deployment, proactive recovery protocols, and AI-powered customer engagement.

Newer technologies such as artificial intelligence have started to have an impact on our workflows, making code reviews and product artefact generation faster. However, our approach prioritises solving business and customer problems responsibly, through careful experimentation and iteration.

Cybersecurity, Privacy, and Compliance

With financial services becoming increasingly digital, data privacy and cybersecurity remain paramount. InCred Finance's technology infrastructure is designed with robust security protocols, daily backups, and strict audit trails. Our systems comply with RBI and MCA guidelines, including data localisation and audit trail requirements.

Additionally, all personally identifiable data undergoes anonymisation and stringent cryptographic measures to uphold the highest data protection and privacy standards. Access is exclusively granted to individuals holding the necessary security authorisations. At InCred Finance, we meticulously monitor six performance indicators monthly, which we call the "Six Golden Signals". These are a set of mechanisms that ensure we stay ahead of evolving threats, with regular scrutiny from the Risk Management Committee. These include:

- **Security Incidents:** To observe the frequency of security breaches and appraise their respective outcomes.
- **Security Compliance Adherence:** To evaluate conformity with all relevant statutory requirements.
- **Technology Risk Management:** To identify and document all information security hazards, alongside their intrinsic and remaining risk evaluations.

- **Security Protocol Status:** To conduct routine checks on the operational efficacy of information security and data security protocols.
- **Employee Security Awareness:** To assess employee understanding of security threats and best practices regularly.
- **Incident Resolution:** To maintain a comprehensive record of incident resolution timelines, where applicable.

As technology redefines digital lending, InCred Finance is committed to harnessing the transformative power of advanced analytics to deliver faster, safer, and more inclusive financial solutions. By staying at the cutting edge of innovation, we are setting new benchmarks for trust, transparency, and customer delight in the Indian lending ecosystem.

⁵ S&P Global Ratings, July 2024

<https://www.spglobal.com/ratings/en/research/articles/240731-digital-initiatives-could-triple-india-s-retail-lending-by-2030-13187018>



Human Capital Powers Growth Engines

Beyond balance sheets and algorithms, our founder's vision for InCred Finance has been fundamentally about people: those we serve and those who build us. Over 2,600 "InCredibles" drive our consistent performance and growth.

Our agile culture inspires action-oriented individuals to collectively turn ambition into achievement. The InCred Finance leadership continues to champion this culture, which is built on five core pillars:

- Performance Orientation
- Client Centricity
- Continuous Improvement
- Ownership of the Outcome
- Innovate, Create, and Unwind

An employee-centric HR strategy, where open dialogue and honest feedback actively shape our policies, has further strengthened our brand. Reflecting our continued growth, our employee numbers have seen a significant increase: In FY 2024-25, InCred Finance welcomed 1,681 new team members, bringing our total employee count to over 2,649.

Quick Facts*



NUMBER OF EMPLOYEES
2,649



GENDER MIX
445:2204
(Female / Male)



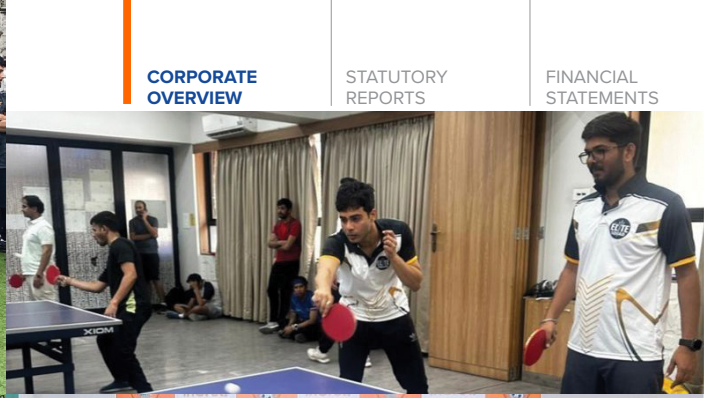
ESOP HOLDERS
494

*AS OF MARCH 31, 2025

Core Values: The InCred DNA

InCred Finance's organisational culture is deeply rooted in a set of core values that guide every action and decision:





- **Integrity Above All:** Unwavering integrity ensures our actions align with ethical standards.
- **Continuous Learning:** We foster humility, curiosity, and adaptability.
- **Meritocracy in Action:** Contributions define our roles, valuing talent and effort.
- **Striving for Excellence:** We demand excellence from ourselves and our teammates, never settling for mediocrity.
- **Work-Life Harmony:** We support our teams in maintaining balance, knowing that loving your work leads to natural harmony.
- **Continuous Support:** We step in to help when challenges arise, addressing issues constructively and collaboratively.

Inspire, Involve, Recognise

At InCred Finance, leaders and team members share accountability for hiring, productivity, and outcomes while fostering inclusive, cohesive environments. We champion proactive problem-solving, open sharing of both good and bad news, calculated risk-taking and continuous learning. Transparent communication, informed arguments and respectful disagreements are encouraged.

Recognition is woven into our culture through dynamic rewards such as the InCred Premier League (IPL), ESOPs, and performance-based bonuses, ensuring achievements are celebrated at every level. We actively listen to employee feedback, value suggestions, and foster an environment where everyone feels empowered to contribute, challenge, and grow.

Camaraderie Beyond the Desk

At InCred Finance, the spirit of collaboration extends well beyond the workplace, with a strong focus on building camaraderie through informal activities outside working hours. The InCred Corporate Cricket League marked its sixth successful season, with enthusiastic participation from teams across the organisation. We also hosted a popular table tennis championship that received a warm response from employees.

The recent “InCred’s Got Talent” event brought finalists from across India to Mumbai, where they showcased their passion for music, dance, and the performing arts. Additionally, our company offsite in Malaysia provided employees with valuable time to relax, rejuvenate, and engage in strategic discussions about future opportunities, further strengthening team bonds and shared vision.

Tracking Our People Value

Employee motivation and engagement guide our HR strategy. Through insights from regular 360-degree feedback and employee surveys, we update our practices, which has resulted in a consistent rise in engagement scores.

Our people-centric approach has earned InCred Finance multiple industry awards in FY25 and continues to strengthen our dynamic, innovative team. Ultimately, it is the “InCredibles” who drive our ongoing success and readiness to embrace new challenges.

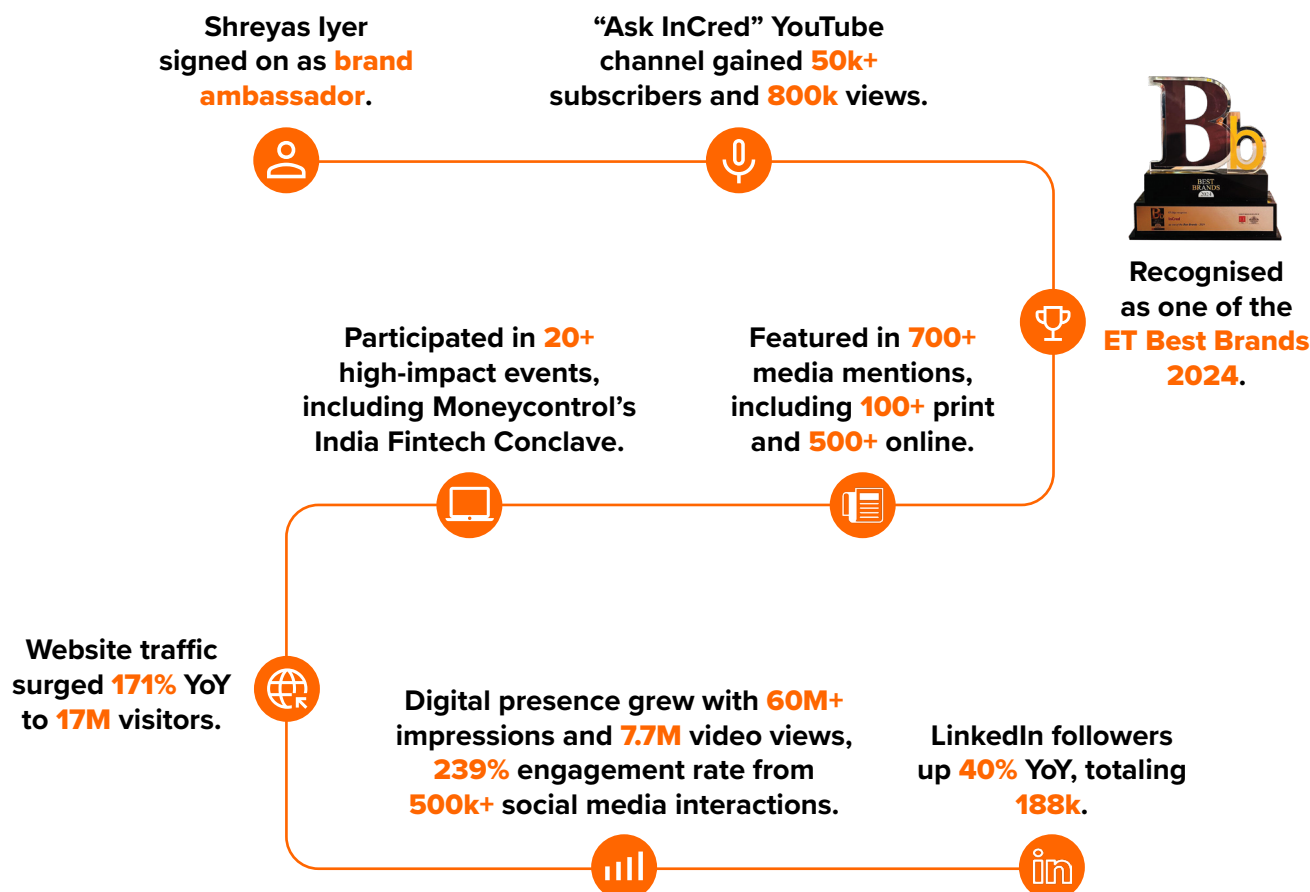


Brand Impact



The 2024-25 financial year was a game-changer for InCred Finance. We made a powerful move by bringing on cricketer Shreyas Iyer as our new brand ambassador. His fearless and determined spirit perfectly mirrors our mission to empower financial confidence, making him an ideal successor to the legendary Rahul Dravid. Further solidifying our vision to be among India's most trusted financial services brands, we launched our first long-term brand positioning campaign, "Ask InCred". This initiative is all about demystifying finance and giving people the knowledge they need to make smart financial decisions. The campaign got off to a fantastic start with a film featuring Shreyas that drove over 50,000 subscribers to our YouTube channel.

Key Highlights - Marketing





Compassion Steers Ground Impact

Education and health are the pillars of the social sector, two of the most powerful weapons for bringing about change in the world.

This profound truth resonates deeply with InCred Finance's commitment to Corporate Social Responsibility. We firmly believe that our connection to society, particularly the communities it serves, is a moral imperative and a fundamental driver of our long-term success. Contributing to India's holistic development is a responsibility we embrace wholeheartedly.

Our CSR endeavours are thoughtfully structured around two core themes:

- **Education**
- **Healthcare**

At InCred Finance, our CSR initiatives strategically aim to empower young minds through education. We are steadfast in our dedication to ensuring that every child has the opportunity to attend school and receive quality

learning, believing this to be the bedrock of a progressive nation.

We also believe quality healthcare is the foundation of thriving communities. Our public health initiatives support the strengthening of healthcare delivery through strategic interventions: equipping primary health centers with essential medical technology, developing clinical capabilities through comprehensive staff training programs, and reaching cancer care to vulnerable populations who would otherwise lack access to life-saving treatment.

In FY 2024-25, our commitment translated into supporting 1,517 students, providing them with the tools and opportunities for a brighter future.

We also extended financial assistance to provide essentials for health, nutrition, hygiene and sanitation, as well as safe living spaces for 616 children in 18 child care institutions (CCIs) across seven out-of-the-way districts.

We are strong advocates for the transformative capacity of sports, especially for young women. Through dedicated outreach events, students—including young girl students of the Nanhi Kali and Udayan Shalini Fellowship Program—gained knowledge in sports and 21st century skills for a dynamic and well-rounded future.

Education

We celebrate the inherent potential within each Nanhi Kali, reinforcing our unwavering dedication to their dreams and aspirations. We actively minimise dropout rates and provide essential academic resources to ensure these young minds receive the necessary support they deserve.

This vital work is carried out in partnership with Nanhi Kali, a non-governmental organisation that educates underprivileged girls. In FY 2024-25, we sponsored training for 1,269 deserving girls in areas such as athletics, self-defense, and art. To truly empower underprivileged girls to pursue their dreams and create a secure future, our experts also conducted sessions on financial literacy.

Health

Recognising the link between healthy bodies and healthy minds, InCred Finance's CSR mission goes well beyond education. We've significantly improved well-being by distributing kits for hygiene and sanitization at CCIs across Madhya Pradesh and Solapur, and enhancing nutrition at 10 CCIs.

Furthermore, our support for Cachar Hospital has aided cancer care, providing a radio dosimeter benefiting 1,550 patients, as well as infusion pumps, syringe pumps and crash carts for chemotherapy, pediatric, and post-operative wards.

Through these focused initiatives in education and healthcare, InCred Finance reaffirms its deep-rooted commitment to driving meaningful change in society. By empowering young minds, supporting vulnerable communities, and promoting holistic well-being, we strive to create lasting impact and enable brighter, healthier futures. Our ongoing efforts reflect the belief that true progress is measured not just by financial success, but by the positive difference we make in the lives of those we serve.



An Execution-First Leadership

Board of Directors



Bhupinder Singh

Whole-Time Director & CEO

Previously Co-Head of Investment Banking & Securities for Asia Pacific Region at Deutsche Bank



Gaurav Maheshwari

Whole-Time Director & CFO

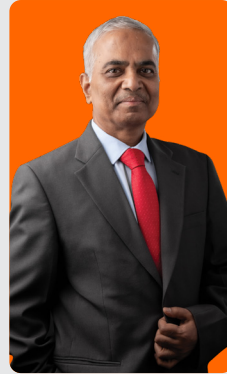
Previously CFO for Standard Chartered Bank, India; Chartered Accountant by education



Ambika Bisla

Independent Director

Previously served as technical advisor to the Ministry of Finance, Department of Financial Services, among others



Karnam Sekar

Independent Director

Former DMD-SBI, and MD-Dena Bank and IOB



Rupa Vora

Independent Director

Former Group Director and CFO of IDFC Alternatives Limited



Sankaran Nair Rajagopal

Independent Director

Previously Regional Director at RBI, Nominee Director on the Board of Bank of Maharashtra



Sunita Gupta

Independent Director

Former Executive Director and CFO at PNB Gilts Limited and senior finance positions at Punjab National Bank



Anil Nagu

Non-Executive Director

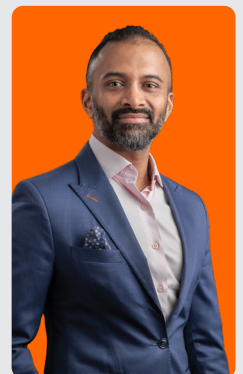
CFO of KKR India Previously worked with Omni United in Singapore and has over 20 years work experience at Citibank



Rohan Suri

Non-Executive Director

Managing Director, Private Equity, KKR India, Serves on the boards of Shriram General Insurance Company Limited, Re Sustainability Limited, Vini Cosmetics Private Limited



Vivek Anand P S

Non-Executive Director

Founder and MD, OAKS Asset Management Over 20 years of experience in banking and finance

Management Team



**Prithviraj
Chandrasekhar**

**Head-Consumer
Finance**

Previously in leadership roles at Capital One and Experian, and management consulting at Accenture and McKinsey



**Saurabh
Jhalaria**

**Head-Education &
MSME Lending**

Previously responsible for Corporate & SME credit risk management for India & SEA at Deutsche Bank



**Kamlesh
Dangi**

**Group Head-
Human Resources**

Previously Group President at UTI AMC, Group Chief People Officer at Religare Enterprises, Joint GM-ICICI



Ashwin Sekar
**Chief Technology &
Product Officer**

Previously worked with GAIN Credit and Global Analytics at senior technology positions



Mallika Mittal
Chief Risk Officer

Previously worked with Mahindra Finance and HDFC Bank at senior positions



**Gajendra
Thakur**
**Company Secretary
& Chief Compliance
Officer**

Previously Company Secretary and Head-Secretarial and Compliance at IIFL Finance



A close-up photograph of a hand pointing at a financial candlestick chart. The chart is overlaid with a blue, semi-transparent layer. The background is a blurred image of a person in a business suit. The overall color scheme is blue and white, with orange text for the title and header.

STATUTORY REPORTS

Directors' Report

Dear Members,

The Board of Directors of InCred Financial Services Limited are pleased to present the Thirtieth Annual Report for the Financial Year ended March 31, 2025.

COMPOSITE SCHEME OF ARRANGEMENT

The Company has undergone a Composite Scheme of Amalgamation and Arrangement among InCred Holdings Limited (erstwhile known as 'KKR Capital Markets India Limited') ("IHL"), Bee Finance Limited, InCred Financial Services Limited ("the Company/IFSL"), InCred Prime Finance Limited 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, and was made effective on July 26, 2022 by the approval of Board of Directors.

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 InCred Prime Finance Limited have vested in the company.

FINANCIAL RESULTS

A summary of the Consolidated and Standalone financial performance of the Company, for the Financial Year ended March 31, 2025, as compared to previous Financial Year ended March 31, 2024, has been summarised below:

(INR in lakh)

Particulars	Consolidated		Standalone	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Total Revenue from Operations	1,87,197.67	1,26,996.63	1,87,196.62	1,26,918.59
Other Income	1,064.26	2,313.50	1,061.20	2,313.37
Total Income	1,88,261.93	1,29,310.13	1,88,257.82	1,29,231.96
Total Expenses	1,38,114.18	87,135.47	1,38,125.14	86,929.91
Profit / (Loss) before tax and exceptional items	50,147.75	42,174.66	50,132.69	42,302.05
Exceptional Items	0.00	210.53	0.00	0.00
Profit / (Loss) before Tax	50,147.75	41,964.13	50,132.69	42,302.05
Total Tax Expense	12,749.00	10,328.61	12,915.72	10,812.50
Profit / (Loss) after Tax	37,398.75	31,635.52	37,216.97	31,489.55
Other Comprehensive Income	(681.12)	(249.19)	(681.17)	(249.44)
Total comprehensive income	36,717.63	31,386.33	36,535.80	31,240.11
Earnings per equity share (EPS)				
Basic (INR)	7.66	6.76	7.62	6.73
Diluted (INR)	7.66	6.76	7.62	6.73
Appropriations:				
Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,443.39	6,297.91	7,443.39	6,297.91

Directors' Report (Contd.)

REVIEW OF FINANCIAL PERFORMANCE AND OPERATIONS OF THE COMPANY

The Company's performance during the year ended March 31, 2025 in comparison with the year ended March 31, 2024, is summarised as follows:

- The Company has earned revenue from operations of INR 1,87,196.62 lakh
- Profit After Tax stood at INR 37,216.97 lakh as against INR 31,489.55 lakh in the previous year;
- The Asset Under Management (AUM) grew to INR 12,58,507.39 lakh as against INR 9,03,874.29 lakh in previous year.

The Gross Non-Performing Assets ("GNPAs") and Net Non-Performing Assets ("NNPAs") as recognized stood at 1.94% and 0.73% of loans respectively.

Business and Operations:

- Personal Loan
- Student Loan
- Specialised MSME Loan
- Secured Business Loan
- Lending to Financial Institutions

TRANSFER TO RESERVES

During the year, the Company has transferred INR 7,443.39 lakh, representing 20% of the profits made in the year to a Special Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 and as amended from time to time.

DIVIDEND

For the year ended on March 31, 2025, 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' and continues to keep and maintain its books of accounts of the Company at Unit No. 203, 2nd Floor, B wing, Kaledonia Building, Sahar Road, Andheri (East), Mumbai – 400069.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. 'MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)' is the Registrar and Share Transfer Agent of the Company.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY/MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report, for the year under review is presented as **Annexure A**, which forms part of this report.

RBI COMPLIANCE

The Company is in continuous compliance with the Reserve Bank of India Act, 1934, the RBI Scale Based Regulations and other applicable Directions, Rules, Regulations, Guidelines, issued by Reserve Bank of India from time to time. The Company being a non-deposit taking systemically important Non-Banking Financial Company and classified as middle layer pursuant to RBI scale based regulations has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI.

Further, the Company being an NBFC, disclosure requirements under Chapter V of the Act read with Rule 8(5)(v) and 8(5)(vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

CAPITAL ADEQUACY RATIO (CRAR)

The Company maintains a healthy CRAR of 26.11% which is much higher than the prescribed minimum CRAR of 15% as per prudential norms

Following are the details of Tier I & II Capital of the Company as on March 31, 2025:

CRAR- Tier I Capital	:	25.66%
CRAR- Tier II Capital	:	0.45%

Directors' Report (Contd.)

SHARE CAPITAL

Authorised Share Capital:

As on March 31, 2025, the Authorised Share Capital of the Company stood at INR 5,00,00,00,000/- comprising of 50,00,00,000 Equity Shares of INR 10/- each.

Issued, Subscribed and Paid-up Share Capital:

As on March 31, 2025, the issued, subscribed and paid-up share capital of the Company stood at INR 488,31,01,140/- comprising of 48,83,10,114 fully paid-up equity shares of face value of INR 10/- each. M/s. InCred Holdings Limited, the holding company and its nominees hold the equity share capital of the Company.

FUND RAISING

The Company has raised funds through Term Loans, External Commercial Borrowings, Working Capital and Pass-Through Certificates (PTCs) of INR 4,752 crore from Banks and Financial Institutions. The Company also raised INR 943 crore through issuance of Non-convertible Debentures and Market Linked Debentures. Further, borrowings by way of Commercial Papers and Inter Corporate Deposits (ICDs) amounted to INR 755 crore.

In addition to the above, the Company has also raised funds of INR 971 crore by way of co-lending & direct assignment; leading to aggregate fresh borrowings of INR 7,421 crore in the FY 2024-25.

DEBENTURE TRUSTEE

The details of Debenture Trustees are as under:

Name of Debenture Trustee - Catalyst Trusteeship Limited

Address - 901, 9th floor, Tower B, Peninsula Business Park Tower, Senapati Bapat Marg, Lower Parel, W, Mumbai, Maharashtra 400013

Tel. Nos - 022-49220505

Email addresses - dt@ctltrustee.com

Website - <https://www.catalysttrustee.com>

CREDIT RATING

During the period under review, CRISIL Ratings Limited and ICRA Limited had given the ratings as follows:

Rating Agency	Facilities	As of March 31, 2025
CRISIL Ratings Limited	Long Term Bank Loan Facilities	CRISIL AA-/Stable
	Non-convertible debentures	CRISIL AA-/Stable
	Principal Protected Market Linked Debenture	CRISIL PPMLD AA-/ Stable
	Commercial paper	CRISIL A1+
	Pass Through Certificate	CRISIL AA (SO)
ICRA Limited	Non-convertible debentures	ICRA AA- /Stable
	Commercial paper	ICRA A1+
	Principal Protected Market Linked Debenture	PP – MLD (ICRA) AA- Stable
	Pass Through Certificate	ICRA AA+ (SO)

Further, pursuant to redemption of debentures issued under ISIN: INE321N07319 CARE ratings Limited had withdrawn its rating assigned to the aforesaid debentures on December 26, 2024.

CHANGES IN THE NATURE OF BUSINESS

The Company continues to carry on its business as non-deposit taking Non-Banking Financial Company within the framework given by RBI for NBFCs.

Further, It is also a registered intermediary within the meaning of Insurance Regulatory and Development Authority of India ('IRDAI') as a corporate agent. to undertake Factoring Business.

Directors' Report (Contd.)

DEPOSITS

The Company has not accepted or renewed any deposit from public during the financial year under review.

DISCLOSURE RELATING TO HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has two subsidiaries viz. M/s. InCred Finserv Private Limited (erstwhile known as InCred Management & Technology Services Private Limited) ("IFPL") and M/s. InCred.Ai Limited ("IAL") as on March 31, 2025.

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

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 B**.

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 placed before the ensuing Annual General Meeting of the Company. The audited Consolidated financial statements together with Auditors' Report form part of the Annual Report.

DIRECTORS

The Board comprises of the following Directors as on March 31, 2025:

Sr. No.	Name of Director	DIN	Designation
1.	Mr. Bhupinder Singh	07342318	Whole Time Director and CEO
2.	Mr. Gaurav Maheshwari	07639132	Whole Time Director and CFO
3.	Mr. Anil Nagu	00110529	Non-Executive Director
4.	Mr. Rohan Suri	07074450	Non-Executive Director
5.	Mr. Vivek Anand PS	02363239	Non-Executive Director
6.	Ms. Rupa Vora	01831916	Independent Director
7.	Mr. Karnam Sekar	07400094	Independent Director
8.	Ms. Sunita Gupta	06902258	Independent Director
9.	Ms. Ambika Bisla	09789579	Independent Director
10.	Mr. Sankaran Nair Rajagopal	10087762	Independent Director

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 62D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with an appropriate combination of Executive Directors, Non-Executive Directors and Independent Directors.

As on the date of this report, the Board of Directors of the Company comprises of 10 directors comprising of 5 Independent Directors, 3 Non-executive Non-Independent Directors and 2 Executive Directors.

Following changes with respect to the Board took place during the year under review:

Appointment/Cessation of Directors:

During the year under review, Mr. Vivek Bansal, Whole time Director and CFO of the Company resigned with effect from October 03, 2024, to start his own entrepreneurial venture.

Further to fill the vacancy caused due to resignation of Mr. Vivek Bansal, Mr. Gaurav Maheshwari was appointed as the Whole time Director of the Company with effect from January 27, 2025 and thereafter, the shareholders at their Extra-Ordinary General Meeting held on March 25, 2025, approved his appointment as Whole Time Director liable to retire by rotation.

The Board places on record its appreciation for the valuable contribution and guidance provided by Mr. Vivek Bansal during his tenure.

Further the terms and conditions of appointment of Independent Directors are available on the website of the Company viz.

Directors' Report (Contd.)

www.incred.com. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

Based on the declarations and confirmations received in terms of the provisions of the Act, the Listing Regulations and the RBI Directions, none of the Directors on the Board of the Company are disqualified from being appointed or to continue as Directors.

There were no pecuniary relationship or transactions with the non-executive directors, vis- à-vis the Company during the financial year 2024-2025 and accordingly there are no disclosures required to be provided herein.

Director liable to retire by Rotation

Pursuant to the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Anil Nagu, Non-Executive Director and Mr. Vivek Anand PS, Non-Executive Director 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 is given in the notice of ensuing Annual General Meeting.

FIT AND PROPER CRITERIA & CODE OF CONDUCT

Each of the Directors of the Company have confirmed that they fulfil the requirement of the “fit and proper” criteria as prescribed under Chapter XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19th October, 2023 (as amended from time to time) and that they are not disqualified from being appointed/ continuing as Directors in terms of section 164(2) of the Act. Further, all the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors have submitted a declaration of their independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following officials are the Key Managerial Personnel of the Company as on March 31, 2025, as well as on date of this report:

Name	Designation
Mr. Bhupinder Singh	Whole-time Director and Chief Executive Officer
Mr. Gaurav Maheshwari	Whole-time Director and Chief Financial Officer
Mr. Gajendra Thakur	Company Secretary & Chief Compliance Officer

BOARD DIVERSITY

The Company recognises and embraces the importance of a diverse Board. The Company believes that a truly diverse Board will leverage difference in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, gender that will help the Company retain its competitive advantage.

The policy regarding diversity of the Board forms part of Policy on appointment of Directors and Key Managerial Personnel, Remuneration of Directors, Key Managerial Personnel and Employees, approved by the Nomination and Remuneration Committee and Board of Directors is displayed on the website of the Company at <https://www.incred.com/Policies/>.

REPORT ON CORPORATE GOVERNANCE

The Company recognises its role as a corporate citizen and endeavors to adopt practices and standards of corporate governance through transparency in business ethics, accountability to its customers, government and various stakeholders

Directors' Report (Contd.)

for building the strong foundation the Company.

Thus, in accordance with terms of the Companies Act, 2013, Listing Regulations (to the extent applicable), Report on Corporate Governance of the Company forms an integral part of this report and annexed as **Annexure C**.

MEETINGS OF THE BOARD

The details of the Board Meetings held during FY 2024-25 have been disclosed in the Corporate Governance Report appended to this Report as **Annexure C**.

COMMITTEES OF THE BOARD

The Board has constituted the following committees to support the Directors in discharging their responsibilities and ensure expedient resolution of diverse matters in accordance with the applicable provisions of the Act and RBI regulations:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholder Relationship Committee
5. Risk Management Committee
6. IT Strategy Committee
7. Asset Liability Management Committee
8. Finance Committee
9. Customer Grievance Committee
10. Identification Committee
11. Review 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.

The details of formation, constitution, terms of reference, meetings held and attendance of the Members are disclosed in the Corporate Governance Report appended to this report.

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

Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, requires the Nomination and Remuneration Committee ("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 Act 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.

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 as well as the Compensation policy of the Company framed in accordance with RBI Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022, which is available on the website of the Company at https://www.incred.com/Investor_Relations.html

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 Board Evaluation 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

Directors' Report (Contd.)

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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board of Directors has established familiarisation programme for all the Independent Directors as per the requirement of Listing Regulations. The main objective of the programme is to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model etc through various programmes.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the operational management, confirm in pursuance to provisions of Section 134(5) of the Act, that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including Secretarial Standards and that such systems were adequate and operating effectively.

AUDITORS AND THEIR AUDIT REPORT

Statutory Auditors:

M/s. Deloitte Haskins & Sells (Firm Registration No. 117365W), Chartered Accountants, were appointed as Statutory Auditors of the Company till the conclusion of the 32nd (Thirty Second) Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013. Accordingly, their tenure as Statutory Auditor of the Company shall end upon conclusion of the ensuing 32nd (Thirty Second) Annual General Meeting.

AUDITORS' REPORT

The Auditors' Report to the Members during the year under review is unmodified/clean. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act 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 2024-25.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, issued by SEBI, M/s. Ashish Karodia & Co. has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable Listing Regulations and circulars / guidelines issued thereunder.

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

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 Audit Committee/Board of Directors under Section 143(12) of the Act details of which needs to

Directors' Report (Contd.)

be mentioned in this Report.

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.

INTERNAL AUDIT AND ITS ADEQUACY

The Company has in place a well-defined and robust internal audit plan, as agreed by the Audit Committee. Internal Audit 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, Mr. Bhushan Patkar periodically carries out audit on a test basis and reports his observations and recommendations to the Audit Committee for corrective and preventive actions.

Further, during the year Audit Committee has reviewed and also monitored the auditor's independence, performance, and effectiveness of audit process.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls. M/s. Deloitte Haskins & Sells, Chartered Accountants, have issued unqualified report on Internal Financial Controls.

To the best of our knowledge and belief, and according to the information and explanations obtained by us and based on the report(s) of Statutory Auditors of the Company for the financial year under review, the Directors are of the view that the internal financial controls with reference to the financial statements of the Company were adequate and operating efficiently.

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended as **Annexure E** to this report.

In terms of second proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said Annexure is available for inspection by the Members.

The Board of Directors affirms that the remuneration paid to the employees of the Company is as per the Policy on Directors' appointment and remuneration for Directors, KMPs and other employees and as well as the compensation policy framed in accordance with RBI Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022 and in accordance with the requirements of the Act and Listing Regulations and none of the employees listed in the said Annexure are related to any Directors of the Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace.

Further, the Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder that looks into the complaints of aggrieved women employees, if any, and is instrumental in:

- Promoting gender equality and justice and the universally recognized human right to work with dignity
- Prevention of sexual harassment of women at the workplace.

During the year under review, the Company has not received complaints in this regard during the financial year.

Directors' Report (Contd.)

VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established vigil mechanism for directors, employees, and other external stakeholders to report genuine concerns. Vigil Mechanism forms part of Whistle Blower Policy, which has been approved by the Board of Directors

The Vigil Mechanism Framework empowers all levels of employees including top management to raise voice against actual/ suspected violations. The framework ensures protection to the whistle-blower to avoid any sort of unfair or prejudicial employment practices. The Chairperson of the Audit Committee has direct access to all complaints raised through the framework. At the Audit Committee, brief update is presented to the Members for their review. The Committee takes necessary actions to maintain confidentiality within the organisation on matters brought to its attention.

The mechanism framed by the Company is in compliance with the requirements of the Act and Listing Regulations.

During the FY 2024-25, two case were reported under this mechanism. The same were reported to the Audit Committee.

The Whistle-Blower policy & Vigil Mechanism has been hosted on the Company's website at the web link:

<https://www.incred.com>

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules"), the Company was required to make CSR expenditure of INR 293.77 lakh for the financial year 2024-25. Accordingly, the Board of Directors has approved the CSR budget as recommended by the CSR Committee.

The Annual Report on CSR activities is annexed herewith as "**Annexure F**".

ANNUAL RETURN AS PRESCRIBED UNDER THE ACT AND RULES MADE THEREUNDER

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be hosted on the website of the Company viz www.incred.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans given, investments made, guarantees given and securities provided, if any, are covered under the provisions of Section 186 of the Act and are given in the Notes to the Financial Statements as applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Act, RBI Regulations and the Listing Regulations, the Company has formulated the RPT Policy which is also available on the website of the Company at <https://www.incred.com> The Policy on Related party Transactions intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") are referred to the Audit Committee of the Company for approval, irrespective of its materiality and any subsequent material modification to any existing RPTs. The Audit Committee also approves any subsequent modification in the RPTs. The process of approval of RPTs by the Audit Committee, Board and Shareholders is as under:

a) Audit Committee

All RPTs and subsequent material modification, irrespective of whether they are in the ordinary course of business or at an arm's length basis will require prior approval of Audit Committee.

Directors' Report (Contd.)

RPTs to which the subsidiary of the Company is a party but the Company is not a party, would require prior approval of Audit Committee of the Company:

- if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity with effect from April 1, 2022.
- if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary with effect from April 1, 2023.

b) Board

Generally, all RPTs would be in the ordinary course of business and at arm's length price.

RPTs which are not at arm's length and which are not in the ordinary course of business and/or which requires shareholders' approval would be approved by the Board.

c) Shareholders

All material RPTs and subsequent material modification would require approval of the shareholders, based on recommendation of the Board, through ordinary resolution passed at the general meeting.

Where any contract or arrangement is entered into by a director or any other employee without obtaining the consent of the Board or approval by an ordinary resolution in the general meeting, it is required to be ratified by the Board or the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

- All RPTs that were entered into during FY 2024-25 were on an arm's length basis and were in the ordinary course of business and disclosed in the Financial Statements. The Company has entered into transactions with its subsidiaries in normal course of business and on an arm's length basis. 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 G** annexed to this Report. The Directors draw attention to notes to the Financial Statements which sets out related party disclosures.

The details required as per Regulation 53 (1)(f) of the Listing Regulations for the financial year 2024-25 is specified in **Annexure H** of this Report.

MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

Considering that the Company is a Non-Banking Financial Company, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to Section 134(3) (m) of the 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 not relevant to its activities.

Directors' Report (Contd.)

B. FOREIGN EXCHANGE EARNING & OUTGO

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

(INR in lakh)

Particulars	FY 2025	FY 2024
Foreign exchange earning	NIL	NIL
Foreign exchange expenditure	3,842	1,601.6

The Company has INR. 3,842 Lakhs in foreign exchange but not earned any foreign exchange during the year of review.

RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee ("RMC") in terms of the requirements of Regulation 21 of the Listing Regulations and RBI. The details of the same are disclosed in the Corporate Governance Report.

The Company has a risk management framework and Board members are informed about risk assessment and minimisation procedures and periodical review to ensure management controls risk by means of a properly designed framework.

The Company has in place a Risk Management Policy covering identification, assessment, measurement, mitigation and monitoring of all the key risks faced by the Company. This policy has been approved by the Board and is reviewed annually. The RMC assists the Board in providing oversight on the implementation of risk management framework laid down in the policy.

The Company, as it advances towards its business objectives and goals, is often subjected to various risks. Credit risk, market risk, liquidity risk and operational risk are some of the risks that the Company is exposed to and details of the same are provided in the Management Discussion and Analysis Report as enclosed herewith.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of provisions of Section 118 of the Act, the Company is in compliance with Secretarial Standards on meetings of the Board of Directors and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

The Directors express their sincere gratitude to the RBI, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, National Company Law Tribunal, Insurance Regulatory and Development Authority, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions, debenture holders and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, for exhibiting outstanding performance during the year.

For **InCred Financial Services Limited**

Bhupinder Singh

Wholetime Director and CEO

DIN: 07342318

Gaurav Maheshwari

Wholetime Director and CFO

DIN: 07639132

Place: Mumbai

Date: May 7, 2025

Annexure A

Management Discussion And Analysis Report

InCred Financial Services Limited ('InCred' or 'Company' or 'We') is a retail-focused, diversified, middle-layer Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India ('RBI').

InCred is engaged in the business of lending. We offer a broad suite of loan products tailored to the diverse needs of our customers, supported by a risk-first approach, a technology-driven platform, a robust multi-channel distribution network, and an experienced management team. These verticals comprise: Personal Loans, Student Loans, Secured Business Loans, Specialised MSME Loans, and Lending to Financial Institutions.

MACROECONOMIC OVERVIEW

FY25 was a turbulent year for the world, and economically even more so. The continued conflict between Russia and Ukraine and socio-political instability in the Middle East led to an environment of uncertainty. In response to the uncertainty caused by the US President's proposed tariff plan and potential retaliatory tariffs by other countries, the IMF has cut its global growth forecast by 0.5 percentage points to 2.8% in 2025⁵. The second order effect is likely to be higher inflation due to increasing protectionism and supply chain disruptions. However, the tensions seem to be subsiding and global consensus seems on the anvil with trade deals of multiple countries with US in progress.

In the Indian context, FY25 started off on a positive note with the successful conduct of the general elections, with the incumbent government starting its third stint, ensuring policy stability for the world's largest democracy. Despite the difficult international situation, the Indian economy remained resilient, as is reflected in the real GDP growth of around 6.5%⁶ for FY25. Even the estimates for FY26, despite the global and regional uncertainty, are looking healthy at 6.3% as per IMF and World Bank. Wherever the tariff situation might conclude, global companies are getting clarity that having significant dependence on China as the sole supplier is an exercise fraught with risk and this will further accelerate the China + 1 movement that emerged post-Covid. The government's focus on stability and its push for manufacturing has already started seeing credible results, for example, Apple's plan to shift manufacturing of its iPhones to India in response to tariffs imposed on China.

This reflects the trust of the global economic infrastructure, not only in the resilience of the Indian economy to geopolitical turbulence, but also in the country's commitment to growth through structural reforms and favorable economic initiatives, to which its large working-age population is an added benefit. The early months of calendar year 2025 have shown signs of India's growth potential. The headline CPI inflation fell from 3.2% in April to 2.8%⁷ in May. GST collections for May jumped 16% yoy and stood at INR 2.01 lakh crore, reflecting strong economic momentum⁸. The RBI also provided the necessary monetary impetus to support credit growth by cutting benchmark repo rate by 50 bps in June 25 and 25 bps each in Feb and Apr months of 2025 and taking a series of policy actions aimed at easing systemic liquidity. However, aspects like resurgence of conflict between India and Pakistan, particularly a full-blown war, remain key monitorable with potential to derail progress across various fronts. Overall, FY25 was a year in which the Indian economy showed its potential, and we expect that the country is well poised to weather any geopolitical uncertainty and come out with flying colors in FY26. Over the mid to long-term, India is poised to lead the global economy in the years to come and will continue to be a bright spot in an otherwise uncertain global economic order.

INDUSTRY OVERVIEW

The Financial Services industry is the backbone of the Indian economy. It consists primarily of commercial banks, insurance companies, NBFCs, cooperatives, pension funds, mutual funds and other smaller financial institutions. Basis latest available data, India has over 9,000 registered NBFCs.

⁵ The Hindu, April 22, 2025

<https://www.thehindu.com/business/Economy/imf-slashes-us-global-growth-forecast-in-the-wake-of-trump-tariffs/article69478758.ece>

⁶ The Times of India, May 30, 2025

<https://timesofindia.indiatimes.com/business/india-business/india-q4-gdp-growth-beats-estimates-at-7-4-full-year-2024-25-estimate-at-6-5-check-top-points-and-highlights/articleshow/121515213.cms>

⁷ The Financial Express, June 12, 2025

<https://www.financialexpress.com/policy/economy-may-cpi-inflation-drops-to-2-82-lowest-since-february-2019-3877460/>

⁸ The Economic Times, June 1, 2025

<https://economictimes.indiatimes.com/news/economy/finance/gst-collections-jump-16-4-to-rs-2-01-lk-cr-in-may/articleshow/121547915.cms>

Annexure A (Contd.)

Structural gaps in the Indian economy have led to NBFCs playing a pivotal role in financial intermediation and promoting inclusive growth. Large swathes of Indian consumers have limited access to the formal banking system. Their access to credit and financial services comes through NBFCs. India, as the fastest-growing economy and the fifth largest globally, offers a favourable environment for credit market expansion. RBI, as regulator of banking system, too has played a crucial role in evolution of the sector. Without losing sight of the importance of due diligence and caution, the regulatory environment has promoted innovation and financial inclusion.

Despite the decade ending with FY24 having witnessed its share of disruptive events: demonetization, the Covid 19 pandemic, liquidity crisis and the subsequent failure of a few large NBFCs, overall NBFC industry witnessed a strong 14% decadal average growth⁹. The financial services industry has weathered these storms, emerging stronger each time. In particular, NBFCs that are well-governed, with a strong focus on risk management and sustainable growth, have separated themselves from their peers to emerge as sector leaders. With projections suggesting that the Indian middle class could contain up to a billion people by the year 2047¹⁰, demographics will drive demand for accessible credit, augmenting growth across the lending landscape.

With all these factors, coupled with their strong linkages to the banking industry, capital markets and other traditional financial sector entities, NBFCs will play a pivotal role in bringing financial services to the underserved Indian market.

THE COMPANY

FY25 turned out to be yet another year of stellar performance across multiple fronts. InCred delivered excellent risk performance, continued momentum in loan growth with a strong focus on profitability while maintaining healthy levels of capitalization. We continued making strong strides towards our goal of making lending quick and hassle-free for the underserved consumers and small businesses in India.

We delivered on all the focus areas that we had charted for ourselves at the beginning of the year:

- **Diversified Franchise:** InCred's philosophy from Day 1 has been to be a retail focused diversified franchise which helps us achieve secular long-term growth across business cycles and keeps risk under control. We continue to maintain a well-diversified asset book with Personal Loans contributing 49%, Student Loans 23%, Secured Business Loans 7%, Specialized MSME 12% and Lending to Financial Institutions 7% of our Assets Under Management ('AUM'). The Secured Business Loans and Specialized MSME segments further comprise of multiple differentiated franchises including Loan Against Property, School Financing, Embedded Financing, Asset Backed Financing and Supply Chain Financing.
- **Risk First Approach:** Precedence to risk as driver of overall business strategy is core to our DNA. We continue our investment in risk creating a robust framework with tech and analytics driven automated underwriting for Personal Loans, proprietary scorecards for Student Loans, localized risk assessment for Secured Business Loans being some of the key differentiators leading to pristine asset quality. Our GNPA and NNPA numbers, at 1.94% and 0.72% respectively for the financial year, are a testament to our strong risk protocols, backed by robust collection efficiency.
- **People First:** InCred firmly believes that building a high-quality people franchise is the key to sustainable growth. We continued the hiring momentum and ended FY25 with over 2,600 employees (a 55% growth in net hires from last year). The company remains committed to hiring and quality talent retention enabled by employee engagement initiatives and maintaining a healthy work life balance. Employee engagement initiatives to strengthen collaboration, promoting meritocracy, continued emphasis on skill development and regular communication with senior management are some of the key strategic priorities in shaping the culture of the organization.
- **Strong Liability Management:** InCred has maintained a judicious and diversified mix in terms of tenure, products and number of lenders. Diversification played out strongly not just across our lender base, which grew by more than 20% with borrowing lines from 45+ banks and financial institutions as on FY25 end, but also in terms of

⁹ CRISIL Ratings, December 2, 2024

<https://www.crisilratings.com/en/home/newsroom/press-releases/2024/12/nbfc-asset-growth-to-moderate-to-15-17percent-over-two-fiscals.html>

¹⁰ Business Standard, July 5, 2023

https://www.business-standard.com/economy/news/indian-middle-class-will-nearly-double-to-61-by-2046-47-price-report-123070500864_1.html?

Annexure A (Contd.)

products which include the likes of PTCs in addition to the traditional modes of debt raising. On the asset liability management ('ALM') front, our asset book has a healthy mix of short-term and medium-term assets which liquidate on an on-going basis, leading to cumulative positive gaps across all tenors in structural liquidity buckets.

- **Tech Focus:** InCred is an NBFC with a strong focus on technology as demonstrated by our 165 member strong team. Our goal remains leveraging tech across the entire lending value chain right from sourcing, delivering better underwriting, driving efficient operations, right till improving collection efficiency. This helps not just improve customer experience but also drive operating leverage. Robust performance at significant scale, security against known (and unknown) vulnerabilities and compliance across regulatory requirements remain themes that we focus on at InCred.
- **Strong On Ground Presence:** We worked extensively towards expanding our physical presence and now have 140+ branches around the country, up from 54 at the end of FY24. This is a substantial increase primarily focused towards growing our LAP business. We now have presence in 130+ cities across 18 states reflecting a strong PAN India presence.

FINANCIAL AND BUSINESS UPDATE

InCred's focus on key growth areas, without compromising on risk management, led to yet another year of strong performance in FY25, with AUM growing by 39% to INR 12,585 Crs backed by strong profitability with INR 372 Cr PAT for FY25. Company remains well capitalized with a capital-to-risk weighted asset ratio ('CRAR') of 26% as on March 31, 2025. We remain focused on maintaining a healthy balance between growth and cost consciousness which is reflected in our cost to income ratio of 45% in FY25, in line with FY24 despite significantly enhanced investments towards hiring and new branch opening.

InCred provides a suite of products offerings across 5 key verticals. First, loans to underserved yet credit-worthy lower and middle-class Indian households, who require access to credit to meet their high involvement, low-frequency requirements ('Personal Loans'). Second, loans for Indian students to pursue higher education, primarily STEM, outside India ('Student Loans'). Third, property backed term loans to small businesses ('LAP') and loans to K-12 Indian schools ('School Financing') for working capital and expansion requirements (collectively referred to as 'Secured Business Loans'). Fourth, targeted suite of secured and unsecured financing to businesses which includes Embedded Financing, Asset Backed Financing and Supply Chain Financing (collectively referred to as 'Specialized MSME Loans'). Last, financing small to mid-sized RBI regulated NBFCs across different product segments for onward lending purposes ('Lending to Financial Institutions'). Our guiding principle is that the company will operate in areas where we have a 'right to play' because of our deep domain expertise. This means we are able to comprehensively understand and underwrite the risks in any segment, which has been vital to our success.

Personal Loans

- InCred primarily operates in deeply underwritten personal loan segment for salaried middle class with average loan ticket size of around INR 2 lakh
- While the growth here is driven by a growing customer franchise, but our confidence in our ability to scale this business profitably is backed by our superior risk management, best-in-class analytics and collections focus, all of which is supported by our state-of-the-art tech capabilities. Our rule-based credit appraisal process backed by proprietary scorecards and predictive models (which continuously learn and improve from experience and data) have helped us outperform our benchmarks across risk, origination and operational efficiencies.
- Superior digital customer experience and quicker TAT remain our key differentiators
- Our AUM stood at INR 6,173 Crs as on FY25

Student Loans

- In this niche lending space, our focus remains on providing loans for students pursuing post graduate STEM education outside India, primarily in North America and Europe
- Our experienced team has created a strong and recognizable brand for InCred in this space. We pride ourselves on being one of the largest non-bank players in this space. Our extensive knowledge coupled with proprietary scorecard-based underwriting provides holistic evaluation of student's potential employability and future income considering multiple metrics such as student's past academic performance and work experience, college and programme accreditations and rankings etc.

Annexure A (Contd.)

- Student Loans closed FY25 with a gross disbursement number of INR 1,012 Crs with AUM standing at INR 2,942 Crs as on March 31, 2025 vs INR 1,932 Crs a year ago
- The portfolio quality remains stable with near 100% collection efficiency across all buckets

Secured Business Loans

Loan Against Property

- We have made significant strides into the affordable LAP segment for MSME borrowers primarily backed by residential properties, through a branch-led distribution and underwriting model
- While this segment is currently small from an overall AUM perspective with INR 587 Crs as of Mar'25, it remains a key focus area with significant investment in infrastructure and recruitment. During the year, we opened 90+ new branches and now have presence across 18 states through 140+ branches as on Mar'25
- On the people front, the primary focus was on strengthening our employee base and accordingly we almost quadrupled our headcount to 800+ as on Mar'25
- We continue to build the book through an omnichannel expansion strategy with a mix of organic growth and portfolio buyout

School Financing

- School financing is focused towards lending to existing K-12 schools in India for brownfield expansion. After disruptions due to the Covid 19 pandemic, the sector has demonstrated strong signs of recovery with strong collection efficiency
- During the year, we had a calibrated approach with controlled disbursements. The School Loans AUM stood at INR 306 Crs as on Mar'25

Specialised MSME Loans

- InCred caters to the end-to-end requirements of significantly underpenetrated MSMEs by providing a host of solutions such as embedded financing for sellers on platforms and marketplaces, Asset Backed Financing against movable assets backed by lease receivables and working capital facilities for supply chain ecosystem of anchors
- Under this vertical, we focus on various segments such as consumer businesses, D2C companies, ecommerce platforms, restaurants, food delivery platforms and IT distribution
- InCred stands out as a multi-faceted lender for working capital & asset requirements with risk containment through tailored measures such as cash flow visibility by routing sales through escrow accounts, coverage under government guarantee schemes and recourse from anchors. Automated integrations & data sharing with anchors along with our tech prowess to process large transaction volumes seamlessly are few of several distinct features leading to our right to win
- AUM stands at INR 1,485 Crs as on Mar'25 in this segment

Lending to Financial Institutions

- This remains a tactical business for us where we provide term loans to RBI regulated high quality NBFCs with robust ALM practices, top management pedigree and superior lending track record for onward lending
- Strong understanding of the sector, ability to filter out specific set of borrowers through strong knowhow and references, low operating cost leading to robust profitability, and providing knowledge for own product and branch roll outs are some of the key reasons this business is a critical component of the InCred product suite
- Credit risk is assessed using both quantitative factors such as financial ratios, portfolio quality, and qualitative factors such as management and promoter background and governance practices; collateral requirements are evaluated as part of the risk mitigation strategy and security is created which includes combination of charge on underlying receivables, cash collateral, and personal or corporate guarantees
- Our AUM for FY25 stands at INR 819 Crs

OPPORTUNITIES AND THREATS

As an Indian NBFC, InCred is operating in a dynamic and evolving landscape, offering financial services and credit to diverse segments of a vibrant and fast-growing economy. In our journey, we have witnessed significant growth and played a vital role in bridging the gaps left by traditional banking institutions.

Under-penetration of traditional banking institutions in the retail and MSME sectors is a major opportunity. With over 659 million smartphone users and growing, a steady increase in the number of students pursuing education abroad, and a

Annexure A (Contd.)

booming MSME space, the lending economy is poised to fill in the gaps in underserved consumer segments. InCred's rapid adoption of technology, supported by the expanding reach of its brick-and-mortar branches, has proved a key differentiator.

As excited as we are about the untapped potential we see in the Indian market, we are very aware of potential risks, particularly in light of the uncertain geopolitical environment. India has, so far, weathered the storms that have affected the global economy, and we believe it will continue to do so. However, we are heedful of the possibility of worsening operating conditions due to the multiple geopolitical and economic escalations that might lead to an unforeseen economic slowdown. We are also cognizant of the fact that other NBFCs might see the same opportunities we do, leading to a more competitive market.

RISKS & CONCERNS

InCred faces an evolving risk landscape. To effectively navigate this environment, the Company has institutionalized a comprehensive enterprise level risk management framework that integrates risk management into its strategic and operational decision-making processes. The framework ensures consistent identification, assessment, mitigation, monitoring, and reporting of risks across the organization. Where necessary, we take corrective actions or implement revised processes and systems. This mechanism is supported by regular review, control, self-assessment, and monitoring of key risk indicators.

The Company manages a broad spectrum of risks relevant to its business:

- **Credit Risk:** This risk is managed through strict underwriting standards, credit score evaluations, risk-based pricing, and periodic portfolio stress testing. Early warning indicators such as delinquency trends, static pool analysis, and exposure limits help us stay ahead of potential issues. Continuous post disbursal monitoring and regular repayment tracking with rigorous collection efforts also play a key role here
- **Operational Risk:** The company manages operational risk through a multi-layered approach including internal controls, process audits, Risk and Control Self-Assessments (RCSA), root cause analysis, process automation, technology-driven controls, and employee training. New products undergo risk assessments, and fraud incidents are reviewed and escalated.
- **Fraud Risk:** The company has adopted a robust Fraud Risk Management framework and continues to increase its investment in fraud prevention and detection. Fraud risks have heightened in the digital environment arising due to new methods, schemes and technology. The Company has an effective fraud risk governance mechanism that encompasses controls to prevent, detect and respond by taking necessary policy, process and system actions
- **Liquidity & Market Risk:** The Asset Liability Committee (ALCO) actively manages financial risks by monitoring interest rates, cash flows, and investments. It uses stress testing and scenario analysis to ensure resilience against market events and adhere to RBI's Large Exposure Framework to reduce concentration risk. This comprehensive approach guarantees liquidity reserves and operational stability
- **Regulatory & Compliance Risk:** The Company maintains a steadfast commitment to full compliance with all pertinent guidelines issued by RBI, ensuring meticulous adherence to mandatory regulatory filings and upholding the highest standards of fair lending practices throughout all its operations. The Company's Compliance and Central Risk Team oversees the implementation of all policy changes with a strict "zero tolerance" approach to any instance of non-compliance
- **Technology & Information Security Risk:** The company employs a comprehensive IT governance framework. Regular BCP drills are conducted, and the RMC and Information Security Governance Committee periodically review security posture and incident reports. Key IT Risk governance areas include strategic alignment, risk, resource, and performance management, along with business continuity and disaster recovery. Processes, systems, and tools are in place for vigilant monitoring, audit logging, IT outsourcing controls, data security, and suspicious activity monitoring. Management regularly reviews technology risks such as sensitive customer data protection, data leakage identification, business continuity, access control, cybersecurity, regulatory compliance, and preventive risk management to proactively address potential breaches

Annexure A (Contd.)

- **Legal Risk:** The Company's Legal risk mitigation includes comprehensive contract lifecycle management and proactive dispute resolution (negotiation, mediation, arbitration). Strategic risks are continuously assessed via competitor analysis, regulatory landscape evaluation, and scenario planning to anticipate market shifts and maintain its competitive edge
- **Reputational risk** is managed through strong customer service, ethical business conduct, and proactive stakeholder engagement. Customer concerns are addressed promptly, and a strict code of ethics is enforced.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has defined internal control practices across all processes, units, and functions. The defined policies & procedures ensure adequate controls on business processes. The company relies on a three-layer defence model. First line of defence includes Management & its controls. Second line of defence includes Risk & Compliance, and third line of defence is Internal Audit function. The assurance functions i.e. Risk, Compliance and Internal Audit perform testing of internal controls on regular basis.

The compliance function is led by Chief Compliance officer (CCO). The function is responsible for providing guidance on compliance related matter. Company has risk management function led by Chief Risk Officer (CRO). The internal audit (IA) function is led by Head Internal Audit who functionally reports to Audit committee. Responsibilities of IA includes executing risk-based IA Plan. Audit committee of the board reviews the performance of audit & compliance function. Audit committee monitors overall effectiveness of internal controls through Internal Audit.

Basis above, the company has robust internal control system in place which is commensurate with its size, nature and operations.

THE WAY AHEAD

In the light of the economic and geopolitical turmoil that the world is grappling with, we believe FY26 could prove to be a challenging year for economies around the world. However, in our view, India's fundamentals will remain strong as it continues to provide ample opportunities for profitable growth across segments.

Especially for the NBFC sector, the future looks bright on account of multiple factors. Over the short to medium term, lower cost of borrowings should turn out to be a key theme with restoration of risk weights for bank lending to NBFCs to 100% and RBI shifting its stance from "neutral" to "accommodative" paving way for more rate cuts. Structurally, with a buoyant middle class driving demand for credit, a push for enhanced financial inclusion and a low credit to GDP ratio, we believe financial services and especially the NBFC sector will be the growth engine of the next decade.

InCred is primed for another strong growth year. We have all the ingredients for strong and sustainable growth, which we will continue to build upon and expand on digital and physical fronts across the country. Our strong focus on risk and technology across our product stack, Return on Assets ('RoA') optimization through operating leverage, hiring and retaining top class talent, strengthening balance sheet through diversification of funding sources, and intense focus on ensuring continued adherence to regulatory requirements will remain our key focus areas.

Our long-term goal remains to create a world-class NBFC which can fulfill the financial dreams and aspirations of all Indians through a diversified product suite.

For **InCred Financial Services Limited**

Bhupinder Singh

Whole time Director and CEO
DIN: 07342318

Gaurav Maheshwari

Whole Time Director and CFO
DIN: 07639132

Place: Mumbai

Date: May 7, 2025

Annexure B

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (INR in lakh)			
1	Sr.No.	1	2
2	Name of the Subsidiary	InCred Finserv Private Limited (formerly known as Management and Technology Services Private Limited)	InCred.AI Limited
3	Registered Office	Mumbai	Mumbai
4	Nature of Business	Support Services	Advisory and Consultancy services Company
5	No. of Branches	1	1
6	Reporting period	April 01, 2024 to March 31, 2025	April 01, 2024 to March 31, 2025
7	Reporting currency	₹	₹
8	Exchange rate on the last day of the financial year	NA	NA
9	Share Capital	2,290.00	1.00
10	Reserves and Surplus	(1,713.63)	(1.66)
11	Total assets (Fixed assets + Investments + Other assets)	722.52	5.46
12	Total liabilities (Deposits + Borrowings + Other liabilities + Provisions)	146.15	6.12
13	Investments	0.00	-
14	Turnover	1,597.99	2.84
15	Profit/ (Loss) Before Tax	17.96	(0.23)
16	Provision for tax	(166.72)	-
17	Profit/ (Loss)After Tax	184.68	(0.23)
18	Proposed dividend	NA	NA
19	% of shareholding	100%	100%

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year – NA

Annexure B (Contd.)

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 **InCred Financial Services Limited**

Bhupinder Singh

Wholetime Director and CEO
DIN: 07342318

Gaurav Maheshwari

Wholetime Director and CFO
DIN: 07639132

Place: Mumbai

Date: May 7, 2025

Annexure 'C' To Board's Report

CORPORATE GOVERNANCE REPORT

[Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of Corporate Governance, business ethics and ethical conduct through transparency and accountability. Corporate Governance is all about the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

The Company ensures good governance through the implementation of effective policies and procedures, and the Company is constantly striving to better them and adopt the best practices. The requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") mandated by the Securities and Exchange Board of India ("SEBI") have been complied with as applicable to the Company. A report on compliance with the SEBI Listing Regulations as prescribed by SEBI is given below.

B. BOARD OF DIRECTORS

The members of the Board of the Company are eminent personalities from various fields and are entrusted with the responsibilities of management, general affairs, direction and performance of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

The Board of Directors of the Company accessed and observed that the Directors of the Company possess the required expertise, skill and experience to effectively manage and direct the Company to attain its organisational goals. They also have leadership qualities, proven competence, integrity, with a strategic bent of mind.

Each member of the Board of Directors of the Company has ensured that his/ her personal interest does not run in conflict with the Company's interests and used their professional judgment to maintain both the substance and appearance of independence and objectivity.

1. Composition of Board

The composition of Board is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. As on the date of this Report, the Board consists of 10 Directors comprising 5 Independent Directors, 3 Non-executive Non-Independent Directors and 2 Executive Directors.

The composition of Board of Directors of the Company as on March 31, 2025 is as follows:

Sr. No.	Name of Director	DIN	Designation
1	Mr. Bhupinder Singh	07342318	Whole Time Director and CEO
2	Mr. Gaurav Maheshwari	07639132	Whole Time Director and CFO
3	Mr. Anil Nagu	00110529	Non-Executive Director
4	Mr. Rohan Suri	07074450	Non-Executive Director
5	Mr. Vivek Anand PS	02363239	Non-Executive Director
6	Ms. Rupa Vora	01831916	Independent Director
7	Mr. Sekar Karnam	07400094	Independent Director
8	Ms. Sunita Gupta	06902258	Independent Director
9	Ms. Ambika Bisla	09789579	Independent Director
10	Mr. Sankaran Nair Rajagopal	10087762	Independent Director

Corporate Governance Report (Contd.)

The details of changes in composition of the Board during the Financial Year 2024-25 is mentioned in the Director's Report.

All the Independent Directors have confirmed to the Board that they meet the criteria for independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board. Further, the Whole-time Directors of the Company are not serving as Independent Directors in any other companies. None of the Directors of the Company are inter-se related to each other.

2. Board Procedure

The Board meets at regular intervals to discuss and decide on policy of the Company / business and strategy apart from other Board business. The Board meetings (including Committee meetings) of the Company as well as of its subsidiaries are scheduled in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, separate special Board/ Committee meetings are held or the approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent meeting.

The Company Secretary approaches various business / department heads in advance with regard to matters requiring the approval of the Board / Committee(s) to enable inclusion of the same in the agenda for the respective meetings. The detailed agenda together with the relevant attachments is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Where it is not practical to circulate any document in advance or if the agenda is of a confidential nature, the same is placed at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items are taken up with the approval of the Chair and majority of Directors. Senior management personnel are invited to the Board / Committee meeting(s) to provide additional inputs for the items being discussed by the Board / Committee(s).

Further, presentations are made on business operations to the Board of various businesses of the Company. Additionally, presentations are made on various matters including the financial statements, fundraising program etc. The Company Secretary is responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

With a view to leveraging technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee agenda. The Directors of the Company receive the agenda in electronic form through this application, which can be accessed only through i-Pad or e-mail. The application meets the high standards of security and integrity that is required for storage and transmission of Board / Committee agenda in electronic form.

During the year, meetings were held in person as well as through video conferencing/Other Audio Visual Means. Necessary infrastructural support was provided to the Directors, to ensure seamless attendance in all meetings. The proceedings of the meetings are recorded and stored in accordance with the requirements of the Act.

The draft minutes of the proceedings of the meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within fifteen days from the date of the conclusion of the meeting. Comments, if any, received from the Directors are incorporated in the minutes. The minutes are approved by the members of the Board / Committee(s) and confirmed.

3. Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations require the Independent Directors of the Company to hold at least one meeting as per

Corporate Governance Report (Contd.)

regulatory requirements without the attendance of non-independent directors and members of the management. In view of the aforesaid requirements, the meeting of the Independent Directors of the Company was held on March 17, 2025.

4. Meetings & Attendance

During the financial year ended March 31, 2025, 7 (Seven) Board meetings were held on May 07, 2024, August 09, 2024, October 25, 2024, December 16, 2024, January 27, 2025, February 25, 2025 and March 28, 2025.

The Annual General Meeting of the Financial Year ended on March 31, 2024 was held on July 08, 2024.

The details of attendance of the members of the Board at the meetings held during the year and also the number of other Directorships and Memberships / Chairmanships of Committees held by them as on March 31, 2025, are as follows:

Corporate Governance Report (Contd.)

Name of the Director	Nature of Directorship	Board Meetings held / conducted during their tenure	No. of Board Meetings attended	No. of Directorships in other companies (1)	No. of Committee Memberships / Chairmanships (including the Company) (2)		No. of Independent Directorships (Including the Company) (3)	Whether AGM Attended (Yes/No)
					Member	Chairman		
Mr. Bhupinder Singh	Chairperson (Whole Time Director & CEO)	7	6	11	1	0	0	Yes
Mr. Rohan Suri	Non-Executive Director	7	3	5	1	-	0	No
Mr. Vivek Anand PS	Non-Executive Director	7	6	3	2	-	0	Yes
Mr. Anil Nagu	Non-Executive Director	7	4	5	0	0	0	No
Ms. Rupa Vora	Independent Director	7	6	7	7	4	2	Yes
Mr. Karnam Sekar	Independent Director	7	6	4	6	1	3	Yes
Ms. Sunita Gupta	Independent Director	7	7	-	2	1	1	Yes
Ms. Ambika Bisla	Independent Director	7	7	2	3	0	1	No
Mr. Sankaran Nair Rajagopal	Independent Director	7	7	1	1	0	2	Yes
Mr. Gaurav Maheshwari	Wholetime Director & CFO	2	2	2	3	-	0	NA

Notes:

- (1) Excludes Directorship in foreign company.
- (2) Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in public company and in high value debt listed entities.
- (3) Equity listed companies and HVDL are considered.
- (4) Mr. Gaurav Maheshwari was appointed w.e.f. December 12, 2024 and hence was not required to attend the AGM.

Except, Mr. Karnam Sekar holding Independent Directorship in UGRO Capital Limited and Lauras Labs Limited and Mr. Sankaran Nair Rajagopal holding Independent Directorship in Manappuram Finance Limited, none of the Directors of the Company hold directorships in any equity listed companies as on March 31, 2025.

Corporate Governance Report (Contd.)

5. Information to the Board:

The Board of Directors has access to the information within the Company, which inter alia includes –

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries.
- Quarterly results placed before the Board.
- Minutes of the meetings of the Board of Directors and Committees.
- Minutes of the Board meetings of subsidiaries.
- Material default, if any, in the financial obligations to and by the Company or substantial nonpayment.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, if any, which may have strictures on the conduct of the Company.
- Developments in respect of human resources.
- Any other details as may be required.

6. Post-meeting internal communication system:

The important decisions taken at the Board / Committee meetings are communicated to the departments / subsidiary companies concerned promptly to enable timely action, if required.

7. Board-skills / expertise / competencies:

Sr. No.	Skills / Expertise / Competence	Mr. Bhupinder Singh	Mr. Gaurav Maheshwari	Mr. Anil Nagu	Mr. Rohan Suri	Mr. Vivek Anand PS	Ms. Rupa Vora	Mr. Sekar Karnam	Ms. Sunita Gupta	Ms. Ambika Bisla	Mr. Sankaran Nair Rajagopal
1	Knowledge of Sector	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Accounting and Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Corporate Governance and Compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Strategy Development and Implementation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Information Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Stakeholders Relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Risk Management System	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	CEO/Senior Management Experience / Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Corporate Governance Report (Contd.)

8. Performance Evaluation:

The Nomination and Remuneration Committee has approved a policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of the Company. The process for the aforesaid evaluation as required under the Act is given in the Board's Report.

9. Succession Planning:

The Company has a mechanism and policy in place for ensuring orderly succession for appointments to the Board and to Senior Management.

10. Confirmation of Independent Directors:

In the opinion of the Board, Independent Directors fulfill the conditions required for independent directors as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations and all other applicable laws and are independent of the management.

C. BOARD COMMITTEES

The structure of a Board and the planning of the Board's work are key elements to effective governance. Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities of the Company. The Board is regularly briefed about the deliberations, including summary of discussions and decisions, taken by the Committees through the minutes of the meetings. The business transacted by the Committees of the Board is placed before the Board for noting/ recommendation/approval as applicable.

The Board has currently constituted the following Committees pursuant to the provisions of the Companies Act 2013, SEBI Listing Regulations, Reserve Bank of India regulations and other applicable laws:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility ("CSR") Committee
4. Stakeholder Relationship Committee
5. Risk Management Committee
6. IT Strategy Committee
7. Asset Liability Management Committee
8. Finance Committee
9. Customer Grievance Committee
10. Identification Committee
11. Review Committee

1. Audit Committee ("AC")

Terms of reference:

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;

Corporate Governance Report (Contd.)

- iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with [listing] 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 utilised 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, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI(LODR)") or any other applicable law(s) for the time being in force.

The Committee shall mandatorily review the information pertaining to the following:

- Management discussions and analysis of financial conditions and results of operations;
- Statement of significant related party transactions (as defined by the Committee), submitted by management;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; the appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations:
 - (A) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI(LODR); and
 - (B) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI(LODR).

Corporate Governance Report (Contd.)

Composition:

The Audit Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1.	Ms. Rupa Vora	July 26, 2022
2.	Mr. Vivek Anand PS	July 26, 2022
3.	Mr. Karnam Sekar	July 26, 2022
4.	Ms. Sunita Gupta	March 30, 2023
5.	Mr. Sankaran Nair Rajagopal	March 30, 2023

Meetings and Attendance:

The AC met five times during the year on April 29, 2024, May 07, 2024, August 09, 2024, October 25, 2024, December 16, 2024, January 27, 2025. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Ms. Rupa Vora	Chairperson	6	5
2	Mr. Vivek Anand PS	Member	6	5
3	Mr. Karnam Sekar	Member	6	6
4	Ms. Sunita Gupta	Member	6	6
5	Mr. Sankaran Nair Rajagopal	Member	6	6

All the recommendations by the AC to the Board during the year have been accepted.

All the members of the AC are financially literate and have accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

2. Nomination and Remuneration Committee("NRC")

Terms of reference:

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(5) 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:

Corporate Governance Report (Contd.)

- 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 required to be performed by the aforesaid Committee as per RBI regulations/master direction/circular/notification and any other assignment as may be 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, [the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, , guidelines/ circulars/ directions/ rules issued by the Reserve Bank of India (including the RBI Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs, dated April 29, 2022)], or other applicable law(s), for the time being in force.

Composition:

The Nomination and Remuneration Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Bhupinder Singh	July 26, 2022
2	Ms. Rupa Vora	July 26, 2022
3	Mr. Karnam Sekar	March 30, 2023
4	Mr. Sankaran Nair Rajagopal	March 30, 2023
5	Ms. Ambika Bisla	March 30, 2023
6	Mr. Rohan Suri	September 24, 2023

Corporate Governance Report (Contd.)

Meetings and Attendance:

The NRC met five times during the year on May 07, 2024, October 25, 2024, December 16, 2024, January 27, 2025 and March 28, 2024.

The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Mr. Karnam Sekar	Chairperson	5	5
2	Mr. Bhupinder Singh	Member	5	4
3	Ms. Rupa Vora	Member	5	5
4	Mr. Sankaran Nair Rajagopal	Member	5	5
5	Ms. Ambika Bisla	Member	5	5
7	Mr. Rohan Suri	Member	5	3

Remuneration Policy:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. The compensation reflects each Board member's responsibility and performance.

Remuneration to Executive Directors, KMPs and other employees:

- Remuneration to the Executive Directors is proposed by the Committee and recommended to the Board for its approval subject to the approval of the shareholders' as per the Act, wherever applicable;
- Employee remuneration is determined based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs and in terms with the Company's HR policies;
- Increments to the existing remuneration of the Directors is be placed before the Committee for its approval / ratification, as the case may be. The remuneration proposed is consistent with the regulatory requirements, strategy of the company and in line with the comparable market and internal remuneration benchmarks; and
- Increments to the existing remuneration of employees including the Chief Financial Officer and the Company Secretary of the Company is in terms of the internal HR policy on remuneration of employees. The remuneration proposed will be consistent with the strategy of the company and in line with the comparable market and internal remuneration benchmarks.

Remuneration to NEDs and Independent Directors:

- Independent Directors are paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The Board may at its discretion revise the sitting fees payable to the NEDs and/or Independent Directors from time to time provided in accordance with the Act.
- Directors are reimbursed for any expenses incurred by them for attending meetings of the Board and its Committees.
- Independent Directors are not entitled to any stock option of the Company.

The Company paid sitting fees of INR. 1,00,000 per Board and Committee meeting for the FY 2024-25.

None of the Non-Executive Directors have any pecuniary relationship with the Company.

As required under Schedule V of the SEBI Listing Regulations, the criteria for payment to NEDs is available on the website of the Company. Further, the performance evaluation criteria for Independent Directors as required under Schedule V of the SEBI Listing Regulations is included in the Board's Report.

Corporate Governance Report (Contd.)

Details of remuneration paid to Directors for the financial year ended March 31, 2025:**a) Remuneration to Executive Director(s)**

The details of remuneration paid during the year to Mr. Vivek Bansal, Whole-time Director and Chief Financial Officer of the Company upto October 3, 2024, Mr. Bhupinder Singh, Whole-time Director and Chief Executive Officer and to Mr. Gaurav Maheshwari, Whole-time Director and Chief Financial Officer are as follows:

Amount (INR)			
Name of the Director	Salary and Perquisites	Total	Stock Options#
Mr. Bhupinder Singh	9,12,02,000	9,12,02,000	Nil
Mr. Vivek Bansal *(resigned with effect from October 03, 2024)	6,70,38,909	6,70,38,909	Nil
Mr. Gaurav Maheshwari	1,35,68,709	1,35,68,709	Nil

#ESOP's granted by holding company i.e Incred Holdings Limited

*Excluding ESOP perk of INR. 50,82,67,729.

b) The details of remuneration to the Independent Directors are as follows:

Amount (INR)

Name of the Director	Sitting Fees for Board Meeting	Sitting Fees for Committee Meetings*	Total
Ms. Rupa Vora	6,00,000	28,00,000	34,00,000
Mr. Karnam Sekar	6,00,000	29,00,000	35,00,000
Ms. Sunita Gupta	7,00,000	17,00,000	24,00,000
Ms. Ambika Bisla	7,00,000	16,00,000	23,00,000
Mr. Sankaran Nair Rajagopal	7,00,000	21,00,000	28,00,000

*No sitting fees is payable for the meeting of Independent Directors.

3. Corporate Social Responsibility ("CSR") Committee**Terms of reference:**

The role of the CSR includes the following:

- To finalise and appraise to the Board a corporate social responsibility (CSR) policy for the Company.
- To recommend CSR activities and expenditure on the same.
- To monitor implementation of the CSR policy of the Company from time to time.
- 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).
- 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 SEBI (LODR) or any other applicable law(s) for the time being in force.

Corporate Governance Report (Contd.)

Composition:

The CSR Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Karnam Sekar	July 26, 2022
2	Ms. Rupa Vora	July 26, 2022
3	Ms. Ambika Bisla	March 30, 2023
4	Ms. Sunita Gupta	March 30, 2023
5	Mr. Gaurav Maheshwari	January 27, 2025

Meetings and Attendance:

The Committee met three times in the year on April 26, 2024, July 17, 2024 and October 25, 2024 during the financial year 2024-25. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Mr. Karnam Sekar	Chairperson	3	3
2	Mr. Vivek Bansal*	Member	2	0
3	Ms. Rupa Vora	Member	3	3
4	Ms. Ambika Bisla	Member	3	3
5	Ms. Sunita Gupta	Member	3	3
6	Mr. Gaurav Maheshwari**	Member	0	0

*ceased to be a member of the Committee w.e.f. October 03, 2024

**Appointed as a member of the Committee w.e.f. January 27, 2025

4. Stakeholders Relationship Committee ("SRC")
Terms of reference:

The role of the SRC includes the following:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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.
- Any such other role/functions as may be specifically required to be performed by the aforesaid Committee as per SEBI (LODR) /circular/notification issued by SEBI and any other assignment as may be referred to the Committee by the Board of Directors.

Corporate Governance Report (Contd.)

Composition:

The Stakeholders Relationship Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Ms. Sunita Gupta	March 30, 2023
2	Mr. Bhupinder Singh	July 26, 2022
3	Ms. Ambika Bisla	March 30, 2023
4	Ms. Rupa Vora	May 07, 2024
5	Mr. Karnam Sekar	May 07, 2024
6	Mr. Gaurav Maheshwari	January 27, 2025

Meetings and Attendance:

The SRC met four times during the year on April 26, 2024, August 08, 2024, October 25, 2024 and January 27, 2025. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Ms. Sunita Gupta	Chairperson	4	4
2	Mr. Bhupinder Singh	Member	4	2
3	Mr. Vivek Bansal*	Member	2	1
4	Ms. Ambika Bisla	Member	4	4
5	Mr. Karnam Sekar	Member	3	3
6	Ms. Rupa Vora	Member	3	3
7	Mr. Gaurav Maheshwari**	Member	0	0

*ceased to be a member of the Committee w.e.f. October 03, 2024

**Appointed as a member of the Committee w.e.f. January 27, 2025

Details of Shareholders' requests / complaints:

The investor complaints are processed in a centralised web-based complaints redress system. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

5. Risk Management Committee ("RMC")

Terms of reference:

The role of the RMC includes the following:

- 1) Review and manage the Risk Management framework and processes of the Company in compliance with the regulatory provisions and the best practices;
- 2) To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- 3) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 4) To monitor and oversee implementation of the risk management policy, including evaluating the

Corporate Governance Report (Contd.)

- adequacy of risk management systems;
- 5) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - 6) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - 7) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
 - 8) To review framework for monitoring and managing various types of risks including credit risk, market risk, fraud risk, liquidity risk, Outsourcing risk and status of compliance with the KYC and Anti-Money Laundering (AML) Standards
 - 9) To review the various risk related aspects of the loan and asset portfolio,
 - 10) To review and approve the various policies pertaining to the following:
 - a) Lending activities of the Company;
 - b) Retail loans granted by the Company;
 - c) Know Your Customer (KYC) and AML;
 - d) Recovery and Collections;
 - e) Outsourcing policies
 - 11) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
 - 12) Any such other role/functions as may be specifically required to be performed by the aforesaid Committee as per RBI regulations/master direction/circular/notification and any other assignment as may be 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, SEBI (LODR) or any other law for the time being in force.

Composition:

The Risk Management Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Bhupinder Singh	July 26, 2022
2	Ms. Rupa Vora	July 26, 2022
3	Mr. Krishna Bahety*	January 17, 2023
4	Mr. Anil Nagu	August 09, 2024
5	Mr. Sankaran Nair Rajagopal	March 30, 2023
6	Mr. Karnam Sekar	May 07, 2024

**Ms. Mallika Mittal has been appointed as a member of the Committee in place of Mr. Krishna Bahety w.e.f April 1, 2025*

Corporate Governance Report (Contd.)

Meetings and Attendance:

The Committee met six times during the year on April 25, 2024, August 08, 2024, October 22, 2024, December 16, 2024, January 22, 2024 and March 28, 2025. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Mr. Bhupinder Singh	Member	6	5
2	Mr. Vivek Bansal*	Member	2	2
3	Ms. Rupa Vora	Member	6	6
4	Mr. Prithviraj Chandrasekar**	Member	2	2
5	Mr. Saurabh Jhalaria**	Member	2	2
6	Mr. Krishna Bahety	Member	6	5
7	Mr. Rohan Suri**	Member	2	2
8	Mr. Karnam Sekar***	Member	5	5
9	Mr. Sankaran Nair Rajagopal	Member	6	6
10	Mr. Anil Nagu**	Member	4	2

*Ceased to be a member of the Committee w.e.f October 03, 2024

**Ceased to be a member of the Committee w.e.f August 09, 2024

***Appointed as member of the Committee w.e.f May 07, 2024

6. IT Strategy Committee ("ITSC"):

As per the RBI regulations applicable to the Company, the Board of Directors of the Company has constituted an ITSC.

Terms of reference:

The role of ITSC includes the following:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
6. In relation to any IT outsourced operations, the Committee shall:
 - i. Institute an appropriate governance/ risk management mechanism/framework for all outsourced activities/ IT outsourced processes/ operations, comprising of risk based policies and procedures and to setting up suitable administrative framework of senior management to effectively identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner in line with the regulatory requirement as applicable from time to time
 - ii. Define the approval authorities for outsourcing depending on the nature of risks and materiality of outsourcing.
 - iii. Develop sound and responsive outsourcing risk management policies and procedures, commensurate with the nature, scope, and complexity of outsourcing arrangements.
 - iv. Undertake a periodic review of outsourcing strategies and all existing material outsourcing arrangements.
 - v. Evaluate the risks and materiality of all prospective outsourcing based on the framework developed by the Board.
 - vi. Periodically review the effectiveness of policies and procedures.

Corporate Governance Report (Contd.)

- vii. Communicate significant risks in outsourcing to the Board on a periodic basis.
- viii. Ensure an independent review and audit, in accordance with approved policies and procedures.
- ix. Ensure that contingency plans have been developed and tested adequately.
- x. Ensure that the business of the Company is not adversely compromised on account of outsourcing. To ensure that sound business continuity management practices are adopted as issued by the RBI and seek proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis.
- 7. To settle any question, difficulty or doubt that may arise in regard to the above matters
- 8. Any such other role/functions as may be specifically required to be performed by the aforesaid Committee as per RBI regulations/master direction/circular/notification and any other assignment as may be referred to the Committee by the Board of Directors.

Composition:

The **IT Strategy** Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Ms. Sunita Gupta	March 30, 2023
2	Mr. Karnam Sekar	July 26, 2022
3	Mr. Sankaran Nair Rajagopal	March 30, 2023
4	Ms. Ambika Bisla	March 30, 2023
5	Mr. Ashwin Sekar	July 26, 2022
6	Mr. Suriya Nagarajan	August 02, 2023
7	Ms. Rupa Vora	August 09, 2024
8	Mr. Gaurav Maheshwari	January 27, 2025

Meetings and Attendance:

The Committee met four times during the year on April 24, 2024, August 08, 2024, October 22, 2024 and January 22, 2025. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Ms. Sunita Gupta	Chairperson	4	4
2	Mr. Karnam Sekar	Member	4	4
3	Mr. Vivek Bansal*	Member	2	1
4	Mr. Ashwin Sekar	Member	4	4
5	Mr. Sankaran Nair Rajagopal	Member	4	3
6	Ms. Ambika Bisla	Member	4	4
7	Mr. Suriya Nagarajan	Member	4	4
8	Ms. Rupa Vora**	Member	3	3
9	Mr. Gaurav Maheshwari***	Member	0	0

*Ceased to be a member of the Committee w.e.f. October 03, 2024

**Appointed to be the member of the Committee w.e.f. August 09, 2024

***Appointed to be the member of the Committee w.e.f. January 27, 2025

Corporate Governance Report (Contd.)

7. Asset Liability Management Committee (“ALCO”):

Terms of reference:

The role of ALCO includes the following:

1. To review/ monitor the Asset Liability Management (ALM) profile and systems of the Company from time to time;
2. To monitor and manage the following by taking appropriate steps and recommending suitable measures to the Board:
 - Liquidity Risk;
 - Market Risk;
 - Interest Rate Risk;
 - Funding and Capital Planning
3. To monitor and advise maturity profile and mix of the incremental Assets and Liabilities of the Company, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.
4. To formulate Interest Rate view of the Company and advise future business strategy accordingly if required. To advise on appropriate mix of between Fixed v/s Floating Interest Rate liabilities/ resources and assets etc.;
5. To advise on Funding, Source & Mix of Liabilities, Product Pricing for the loans etc.;
6. To advise on benchmark Floating Reference Rate (RFRR) and to amend / change the same from time to time, as required;
7. To review the ALM returns and take suitable remedial measures;
8. To adopt, amend, revise and modify ALM Policy of the Company in compliance with the regulatory requirements;
9. To assess the funding and capital planning for the Company;
10. To advise roadmap for profit planning and growth projections of the Company.
11. To ensure adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company.
12. Any other role/ functions as may be specifically referred to ALCO by the Board, or as may be required under directions/ circulars/ notifications/ guidelines issued by the Reserve Bank of India from time to time, or other applicable law(s) for the time being in force.

Composition:

The Asset Liability Management Committee of the Board of Directors of the Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Bhupinder Singh	July 26, 2022
2	Mr. Gaurav Maheshwari	December 16, 2024
3	Mr. Saurabh Jhalaria	July 26, 2022
4	Mr. Krishna Bahety*	January 17, 2023

*Ms. Mallika Mittal has been appointed as a member of the Committee in place of Mr. Krishna Bahety w.e.f April 1, 2025

Corporate Governance Report (Contd.)

Meetings and Attendance:

The Committee met four times during the year on April 26, 2023, August 07, 2024, December 6, 2024 and February 5, 2025. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Mr. Bhupinder Singh	Chairperson	4	4
2	Mr. Vivek Bansal*	Member	2	2
3	Mr. Saurabh Jhalaria	Member	4	4
4	Mr. Gaurav Maheshwari**	Member	1	1
5	Mr. Krishna Bahety	Member	4	4

8. Finance Committee

Terms of reference:

The role of Finance Committee includes the following:

- a) To approve borrowing of monies (otherwise than by issue of debentures) by way of availing financial facilities from financial institution(s)/ bank(s) or other entities in the form of term loan(s), guarantee(s), line of credit or in any other forms ("Facilities"), within the overall limits approved by the Board/ shareholders, in connection with the Company's business requirement, and taking necessary actions connected therewith.
- b) To appoint security trustee(s) and/or create charge/ mortgage in favour of the lenders of the Company.
- c) To consider opening of bank accounts with various banks, apply and avail corporate internet banking, fax indemnity facility, email indemnity, online account statement viewing facility with respect to accounts maintained with various banks, and to revise signatories for operating various bank accounts of the Company as and when necessary.
- d) To review and approve an assignment/ securitization transaction or a transaction relating to the transfer of financial assets or cash flows.
- e) To review and approve arrangements and tie-ups with the banks for various banking facilities and/ or cash management services.
- f) To consider and approve availing of bank guarantees from various banks.
- g) To consider availing of corporate credit cards, including credit card facility in the name of employees/ officials of the Company and the terms of such facilities.
- h) To approve investment of surplus funds of the Company, within the limits approved by the Board, in Mutual Funds, Fixed Deposits, Government Securities, securities of any company, body corporate etc., and redemption thereof.
- i) To review and recommend the investment policy to the Board.
- j) To review and approve the 'demand and call loan policy' and other related policies relating to finance and treasury (except the policies on asset liability management and rate of interest) of the Company.
- k) To decide on matters relating to the finalization of the terms and conditions of non-convertible debentures (NCDs) to be issued on private placement basis and allotted from time to time, within the aggregate limit as approved by the Board; decide the opening and closing date for receiving application and date of allotment /deemed date of allotment; and apply with stock exchanges for listing of the NCDs.
- l) To appoint the debenture trustee, legal advisors, depositories, custodians, registrar and transfer agent and other intermediaries, in accordance with the provisions of the applicable debt regulations and the related formalities.
- m) To approve, authorize officials to sign and execute offer document(s), offer letter(s), information memorandum(s) as per the prescribed format, if any, including any declaration, confirmation, affirmation, indemnity and undertaking in respect of the NCDs to the potential investors, listing application(s), various agreements including but not limited to Deed of Hypothecation, Debenture

Corporate Governance Report (Contd.)

Trust Deed, Debenture Trustee Agreement, Listing Agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc., and all other documents; and to do all such acts, deeds and things, and to comply with all formalities, as may be required in connection with and incidental to, the offering of NCDs on private placement basis including the post issue formalities and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such NCDs as may be deemed fit.

- n) To delegate authorities from time to time to the executives/ authorized representatives to implement the decisions of the Committee from time to time.
- o) Any other role/ functions as may be specifically referred to the Committee by the Board.

Composition:

The Finance Committee of the Board of Directors of your Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Bhupinder Singh	July 26, 2022
2	Mr. Gaurav Maheshwari	January 27, 2025
3	Ms. Apeksha Munwantee	December 16, 2024

Meetings and Attendance:

The Committee met Fifty times during the year as on April 08, 2024, April 23, 2024, April 29, 2024, May 07, 2024, May 08, 2024, May 21, 2024, June 04, 2024, June 06, 2024, June 19, 2024, June 24, 2024, June 26, 2024, June 28, 2024, July 04, 2024, July 23, 2024, July 30, 2024, August 01, 2024, August 14, 2024, August 20, 2024, August 22, 2024, August 29, 2024, August 30, 2024, September 04, 2024, September 07, 2024, September 09, 2024, September 13, 2024, September 18, 2024, September 19, 2024, September 23, 2024, September 26, 2024, October 23, 2024, October 29, 2024, November 19, 2024, November 27, 2024, November 28, 2024, December 11, 2024, December 23, 2024, December 30, 2024, December 31, 2024, January 20, 2025, January 24, 2025, January 29, 2025, February 10, 2025, February 17, 2025, February 26, 2025, March 06, 2025, March 11, 2025, March 19, 2025, March 21, 2025, March 25, 2025, and March 28, 2025. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee during their tenure	
			Held	Attended
1	Mr. Vivek Bansal*	Member	29	29
2	Mr. Bhupinder Singh	Member	50	47
3	Mr. Ashish Kumar Singhal**	Member	33	33
4	Mr. Krishna Bahety****	Member	50	50
5	Ms. Apeksha Munwantee***	Member	15	15
6	Mr. Gaurav Maheshwari***	Member	15	15

* Ceased to be the member of the Committee w.e.f. October 03, 2024

**Ceased to be the member of the Committee w.e.f. November 28, 2024

***Appointed to be the member of the Committee w.e.f. December 16, 2024

****Ceased to be the member of the Committee w.e.f. March 28, 2025

Corporate Governance Report (Contd.)

9. Customer Grievance Committee

Terms of reference:

The role of CGC includes the following:

- a) To oversee and guide implementation of customer service enhancement initiatives.
- b) To review grievance redressal and issues bearing on the quality of services rendered by the Company to its customers, adherence to Fair Practices Code, Review of awards under Ombudsman scheme and implementation of internal ombudsman policy with respect to determining the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman.
- c) To review the performance of the Company with respect to Customer Services.
- d) Any specific observation from RBI in the inspection reports pertaining to Customer Service.
- e) Such other matters as may be assigned by the Board of Directors or prescribed under any of the directions, circulars, or guidelines issued by Reserve Bank of India or otherwise directed by them, from time to time.

Composition:

The Customer Grievance Committee of the Board of Directors of your Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Ms. Rupa Vora	May 07, 2024
2	Mr. Karnam Sekar	May 07, 2024
3	Mr. Sankaran Nair Rajagopal	October 25, 2024
4	Mr. Gaurav Maheshwari	January 27, 2025

Meetings and Attendance:

The Committee met three times during the year as on August 08, 2024, October 25, 2024 and January 27, 2025

The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee held during their tenure	
			Held	Attended
1	Ms. Rupa Vora	Chairperson	3	3
2	Mr. Karnam Sekar	Member	3	3
3	Mr. Sankaran Nair Rajagopal	Member	1	1
4	Mr. Vivek Bansal*	Member	3	0

*Ceased to be the member of the Committee w.e.f. October 03, 2024

10. Identification Committee

Terms of reference:

- a) The evidence of wilful default shall be examined by the Identification Committee.
- b) If the Identification Committee is satisfied that an event of wilful default has occurred, it shall issue a show-cause notice to borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity and call for the submissions from them within 21 days of issuance of show cause notice.
- c) After considering the submissions and where satisfied, the Identification Committee shall make a proposal to the Review Committee for classification as a wilful defaulter by explaining the reasons in writing.

Corporate Governance Report (Contd.)

Composition:

The Identification Committee of the Board of Directors of your Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Krishna Bahety*	October 25, 2024
2	Mr. Srijeyaraj Jones Bhaskaran	October 25, 2024
3	Mr. Mayur Gaikwad	October 25, 2024

*Ms. Mallika Mittal has been appointed as a member of the Committee in place of Mr. Krishna Bahety w.e.f April 1, 2025

Meetings and Attendance:

The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee held during their tenure	
			Held	Attended
1	Mr. Krishna Bahety*	Chairperson	0	0
2	Mr. Srijeyaraj Jones Bhaskaran	Member	0	0
3	Mr. Mayur Gaikwad	Member	0	0

*Ceased to be the Chairperson w.e.f. March 28, 2025

11. Review Committee**Terms of reference:**

- a) To review the proposal of the Identification Committee for reporting a borrower/ guarantor/ promoter/ director/ entity ("Person") as wilful defaulter along with the written response to the show-cause notice issued by the Company.
- b) To meet soon after proposal of classifying a wilful defaulter is passed by the Identification Committee.
- c) To pass a reasoned order, as deemed fit by it.

Composition:

The Review Committee of the Board of Directors of your Company as on March 31, 2025 consists of the following Members:

Sr. No.	Name of Director	Member of Committee since
1	Mr. Bhupinder Singh	October 25, 2024
2	Mr. Karnam Sekar	October 25, 2024
3	Mr. Sankaran Nair Rajagopal	October 25, 2024

Meetings and Attendance:

The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Capacity	Number of Meetings of the Committee held during their tenure	
			Held	Attended
1	Mr. Bhupinder Singh	Chairperson	0	0
2	Mr. Karnam Sekar	Member	0	0
3	Mr. Sankaran Nair Rajagopal	Member	0	0

Corporate Governance Report (Contd.)

D. DIRECTORS ON BOARDS OF MATERIAL SUBSIDIARIES

The Company does not have any material subsidiaries.

E. OTHER INFORMATION

Training of Directors:

All Directors of the Company are aware and are also updated as and when required, of their roles, responsibilities and liabilities.

Information to Directors:

The Directors have access to the information within the Company, which inter alia, includes items as mentioned in point no. B5 of the Corporate Governance Report. Presentations are made regularly to the Board and its Committees, where Directors get an opportunity to interact with the management. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior management personnel are asked to make presentations about the performance of the Company / business to the Board.

Statutory Auditors:

M/s Deloitte Haskins & Sells, Statutory Auditors of the Company has signed the Audit Report for FY 2024-25.

Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members including Independent Directors and senior management personnel. The Code of Conduct is available on the website of the Company.

Vigil Mechanism Framework / Whistle Blower Mechanism:

The Company has in place a Whistle Blower Mechanism which seeks to define and establish the mechanism for the stakeholders of the Company and its subsidiaries and group companies on the framework for reporting instances of unethical/improper conduct and actioning suitable steps to investigate and correct the same. The policy on Whistle Blower Mechanism details the following:

- a. Procedure to disclose any suspected unethical and/or improper practice taking place in the Company;
- b. Protection available to the person making such disclosure in good faith;
- c. Mechanism for actioning and reporting on such disclosures to the relevant authority within the Company; and Relevant authority and its powers to review disclosures and direct corrective action relating to such disclosures.

A quarterly report with number of complaints received and their outcome are placed before the Audit Committee.

The details of establishment of such mechanism have been disclosed on the website of the Company.

As on March 31, 2025, 2 (Two) complaints has been received by the Company from any directors or employees of the Company with respect to any wrong doings that may have an adverse impact on the Company's image or financials of the Company.

During the year, no person has been declined access to the Audit Committee, wherever desired.

Corporate Governance Report (Contd.)

General Body Meetings:

The details of AGM of the Company for the previous three years are as under:

Year	Date & Time	Venue / Mode of conducting the meeting	Details of Special Resolution passed
FY 2022-23	June 23, 2022 at 11.30 a.m	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	None
FY 2023-24	June 27, 2023 at 11.00 a.m	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	1. Appointment of Mr. Sankaran Nair Rajagopal (DIN: 10087762) as an Independent Director of the Company. 2. Appointment of Ms. Sunita Gupta (DIN: 06902258) as an Independent Director of the Company. 3. Appointment of Ms. Ambika Bisla (DIN: 09789579) as an Independent Director of the Company. 4. Issuance of Non-Convertible Debentures/Bonds during F.Y 2023-24.
FY 2024-25	July 8, 2024 at 11.30 a.m	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	1. Approval for increase in overall borrowing powers of the Company 2. Approval for creation of mortgage/ charge on the Company's assets with respect to Borrowings 3. Issuance of Non- Convertible Debentures/Bonds during F.Y. 2024-25 4. Approval for revision in the terms of the remuneration to be paid to Mr. Bhupinder Singh, Wholtime Director & CEO of the Company

Postal Ballot:

The Company had not passed any resolution through Postal Ballot during FY 2024-25. Further, currently, there is no proposal which is envisaged to be passed through Postal Ballot. If a Resolution is passed by way of Postal Ballot, the Company will follow the process as per regulatory requirements.

Other Disclosures:

- During the year, there were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the Financial Statements as required under Ind AS-24 and the same forms part of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time while preparing the Financial Statements.
- There were no instances of non-compliance on any matter relating to capital markets, during the last three years nor any penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority except the followings:
 - » The Company had received communication under regulations 57(1), 60(2) and 54(2) of SEBI Listing Regulations from BSE in FY 2022-23. The Company has responded to the aforesaid communication and has made payment of the penalties levied. Further while the Company had received waiver

Corporate Governance Report (Contd.)

of penalty levied under Regulation 54(2) and 60(2) the representation for waiver of penalty under regulation 57(1) was rejected by the waiver committee of BSE. Later, the Company has received communication of delayed intimation under regulation 60(2) of SEBI Listing Regulations from BSE and NSE in FY 2023-24. The representation for waiver of the same was placed before BSE and NSE respectively and the same has been rejected by the waiver committees of both the Exchanges.

- » RBI has imposed, by an order dated May 05, 2022, a monetary penalty of INR 5.0 lakh (Rupees Five Lakh only) on the Company, for non-compliance with the 'Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016' issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of clause (b) of sub-section (1) of section 58 G read with clause (aa) of sub-section (5) of section 58 B of the Reserve Bank of India Act, 1934, taking into account the failure of the company to adhere to the aforesaid RBI Directions.

- As on the date of this report, the Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses 1A of Regulation 62 of the SEBI Listing Regulations.
- The web link with respect to the policy for determining 'material subsidiaries' and policy on dealing with related party transactions are mentioned in the Board's Report.
- The Company has also complied with the discretionary requirements stipulated under Regulation 27 of the SEBI Listing Regulations.
- As on March 31, 2025, there were no funds unutilized requiring disclosure as specified under SEBI Listing Regulations.
- Mr. Ashish Karodia, Practising Company Secretary has certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The said certificate forms part of this report.
- During F.Y 2024-25, total consolidated fees of INR.157.02 Lakhs was paid to the Statutory Auditors (i.e. Deloitte Haskins & Sells) and all entities in the network firm / network entity of which the Statutory Auditors are a part of, for all the services rendered to the Company and its subsidiaries.
- The Company is committed to fostering a diverse, inclusive, and respectful work environment, providing equal opportunities free from discrimination and harassment. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has implemented a Gender-Neutral Policy to prevent and address sexual harassment. An Internal Complaints Committee (ICC) ensures a prompt, confidential, and fair process for grievance redressal. The number of complaints received, disposed of and pending as on 31 March 2025 are given below:

Number of complaints filed during the financial year	0
Number of complaints disposed of during the financial year	0
Number of complaints pending as on end of the financial year	0

- There were no loans and advances made by the Company and its subsidiaries to firms/companies in which directors are interested.
- In terms of amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all mandatory recommendations received from its committees.
- For disclosure pertaining to credit rating, please refer the Board's Report.

Means of Communication:

- Quarterly Results are communicated through Newspaper Advertisements in prominent national dailies like Business Standard.
- The Financial results are also displayed on the website of the Company.
- The Annual Report is circulated to all the Members, auditors, debenture trustees, debenture holders etc and are available on the stock exchanges in prescribed manner.
- Management Discussion and Analysis forms a part of the Annual Report is sent to the Members of the Company.

Corporate Governance Report (Contd.)

General Shareholders' Information

Annual General Meeting	September 9, 2025
Financial Year	April 1, 2024 to March 31, 2025
Date of Book Closure	Not applicable
Dividend Payment Date	Not applicable
Listing on Stock Exchanges (Non-convertible Debentures)	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, Block G, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. The Company has paid the applicable listing fees to the Stock Exchanges for FY 2024-25.
Listing of Non-Convertible Debentures ("NCDs")	Secured, Redeemable, Non-Convertible Debentures issued by the Company on public and/or private placement basis till date are listed on National Stock Exchange of India Limited and BSE Limited.
CIN	U67190MH1995PLC360817
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not applicable
Registrar and Share Transfer Agent("RTA")	M/s. MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796
Share Transfer System	All transmission, transposition, issue of duplicate share certificate(s)/Letter of Confirmation, etc., as well as requests for dematerialisation/ rematerialisation are processed at MUFG Intime India Private Limited ("MUFG"). The work related to dematerialisation / rematerialisation is handled by MUFG through connectivity with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The Securities and Exchange Board of India ('SEBI') vide its circular dated 25 January 2022, has mandated listed entities to issue shares in dematerialised form only while processing any service requests.
Distribution of Shareholding as on March 31, 2025:	Not applicable

Corporate Governance Report (Contd.)

Categories of the Shareholders as on March 31, 2025:

Category	No. of Shares	%
Promoters	48,83,10,114*	100
Financial Institutions	-	-
Foreign Institutional Investors & Foreign Portfolio Investors	-	-
Alternate Investment Funds	-	-
Mutual Funds	-	-
Bodies Corporate	-	-
Directors & Relatives	-	-
Resident Individuals & Others	-	-
Banks	-	-
Non-Resident Indians	-	-
TOTAL	48,83,10,114	100

**Including shares held by Nominee Shareholders*

Dematerialization of Shares:

The number of shares held in dematerialized and physical form are as under:

Particulars	No. of Shares	%
NSDL	48,83,10,112	100
CDSL	2	Negligible
Physical	-	-
TOTAL	48,83,10,114	100

Corporate Governance Report (Contd.)

Dematerialization of shares and liquidity	As on March 31, 2025, the entire equity capital was held in the dematerialized form.
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on March 31, 2025.
Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
Plant Locations	As the Company is engaged in the business of Non-Banking Financial Services, this section is not applicable.
Address for correspondence	All correspondence by Members should be forwarded to the Company's RTA, M/s. MUFG Intime India Private Limited at the following address. MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India. Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796 OR To the Company's dedicated e-mail id for Investors correspondences, queries or complaints is incred.compliance@incred.com
Name and Address of the Compliance Officer	Mr. Gajendra Thakur Company Secretary and Compliance Officer InCred Financial Services Limited Unit No. 1203, 12th Floor, B Wing, The Capital, Bandra Kurla Complex, Mumbai 400051 E-mail: incred.compliance@incred.com
Unclaimed shares lying in the Suspense Account:	Not applicable
Transfer of Amounts / Shares to Investor Education and Protection Fund ("IEPF")	Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed/ unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority. During the year under review, the Company has not transferred any sum to IEPF.

Corporate Governance Report (Contd.)

Code of Conduct for prevention of Insider Trading

The Company has framed the Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information in line with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of the Code is to prevent purchase and / or sale of listed securities of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Designated Persons are prohibited from dealing in the listed securities of the Company during the closure of Trading Window.

Further, SEBI has mandated every listed entity, to maintain a Structured Digital Database (SDD) containing details of persons with whom any Unpublished Price Sensitive Information (UPSI) is shared. As per the SEBI (PIT) Regulations 2015, this database must be secured through adequate internal controls such as time stamping and audit trails so as to prevent any kind of tampering. The above mandate was primarily introduced with a view to maintain a trail of information and aid SEBI in investigations pertaining to insider trading by establishing a link between insiders and persons who communicate and trade on the basis of such UPSI. In line with the same, the Company has availed TRACK IN Software from **MUFG Intime India Private Limited** so as to comply with the said requirement.

Further, Mr. Gajendra Thakur, Company Secretary has been designated as the Compliance Officer for monitoring compliances with this Code.

Secretarial Audit

The Board of Directors of the Company at its meeting held on May 7, 2024, had appointed Ashish Karodia, Practicing Company Secretary as the Secretarial Auditor of the Company for FY 2024-25.

Debenture Trustee

The details of Debenture Trustees are provided in the Board's Report

For **InCred Financial Services Limited**

sd/-

Bhupinder Singh

Whole-time Director and CEO

DIN: 07342318

sd/-

Gaurav Maheshwari

Whole-time Director and CFO

DIN: 07639132

Place: Mumbai

Date: May 7, 2025

Corporate Governance Report (Contd.)

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

[Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

**The Board of Directors,
InCred Financial Services Limited**

Dear Board Members,

Subject: Certificate of Compliance under Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

- A.** We confirm that, we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** We to the to the best of our knowledge and belief, that no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit Committee;
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **InCred Financial Services Limited**

Bhupinder Singh

Wholetime Director and CEO
DIN: 07342318

Gaurav Maheshwari

Wholetime Director and CFO
DIN: 07639132

Place: Mumbai

Date: May 7, 2025

Corporate Governance Report (Contd.)

PRACTISING COMPANY SECRETARIES CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of InCred Financial Services Limited
Unit No. 1203, 12th Floor, B wing, The Capital Plot No. C - 70, G Block, BKC Mumbai Maharashtra-400051

We have examined the compliance of the conditions of Corporate Governance by INCRED FINANCIAL SERVICES LIMITED ('the Company') for the year ended on March 31, 2025, as stipulated and as applicable under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and part C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: May 7, 2025

Sd/-
CS Ashish Karodia
Practising Company Secretary
Membership No. F 6549
Certificate of Practice No. 6375
UDIN: F006549G000290998

Corporate Governance Report (Contd.)

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
InCred Financial Services Limited

We have examined the following documents:

- a. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- b. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as received from the Directors of the Company for the Financial Year 2024-25, produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Date of Appointment in the Company*	Date of Cessation in the Company*
1	Mr. Bhupinder Singh	26-07-2022	-
2	Mr. Vivek Bansal	26-07-2022	03-10-2024
3	Mr. Rohan Suri	30-03-2023	-
4	Mr. Vivek Anand PS	26-07-2022	-
5	Ms. Rupa Vora	26-07-2022	-
6	Mr. Sekar Karnam	26-07-2022	-
7	Ms. Sunita Gupta	30-03-2023	-
8	Ms. Ambika Bisla	30-03-2023	-
9	Mr. Sankaran Nair Rajagopal	30-03-2023	-
10	Mr. Anil Nagu	14-09-2023	-
11	Mr. Gaurav Maheshwari	27-01-2025	-

**Date of appointment and cessation is as per MCA Portal*

Corporate Governance Report (Contd.)

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act. Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

CS Ashish Karodia

Practising Company Secretary

Membership No. F 6549

Certificate of Practice No. 6375

UDIN: F006549G000290998

Place: Indore

Date: May 7, 2025

Annexure 'D' To Board's Report

MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2025

[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,
InCred Financial Services Limited
U67190MH1995PLC360817
Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C-70,
G Block, BKC, Mumbai City, Mumbai, Maharashtra, India, 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INCRED FINANCIAL SERVICES LIMITED (CIN: U67190MH1995PLC360817) (herein after called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the INCRED FINANCIAL SERVICES 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, 2025 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 here in after:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed there under;
- (iv) 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
- (v) IRDAI (Registration of Corporate Agents) Regulations, 2015 and amendments thereof
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i) 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
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (ii) 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 being a debt listed entity
 - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - Not applicable to the Company during the period under scrutiny being a debt listed entity
 - (v) 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;
 - (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - Not applicable to the Company during the period under scrutiny
 - (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - Not applicable to the Company during the period under scrutiny
 - (viii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (ix) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

Annexure “D” To Board’s Report (Contd.)

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. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs, as informed /confirmed to us.
- b. Applicable Direct and Indirect Tax Laws.
- c. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- d. IRDAI (Registration of Corporate Agents) Regulations, 2015 and amendments thereof

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements and listing regulations entered into by the Company with BSE Limited and NSE Limited;

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.

The 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 which 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 due to the repetitive nature of the transactions like issuance of the debentures, we have verified the documents on sample basis during the audit process.

We further report that:

Following approvals were obtained by the members through special resolution during the year:

- 1. Approval for increase in overall borrowing powers of the Company
- 2. Approval for creation of mortgage/charge on the Company’s assets with respect to Borrowing
- 3. Issuance of Non-Convertible Debentures/Bonds
- 4. Approve material related party transactions.
- 5. Approval for revision in the terms of the remuneration to be paid to Mr. Bhupinder Singh, Whole-time Director & CEO of the Company.
- 6. Appointment of Mr. Gaurav Maheshwari (DIN: 07639132) as the Whole-time Director of the Company
- 7. Increase in the limit of managerial remuneration payable to Whole-time Directors of the Company for the F.Y 2024-25.

Annexure “D” To Board’s Report (Contd.)

We further report that:

1. Appointment of Mr. Gaurav Maheshwari (DIN: 07639132) as a Whole-time Director of the Company with effect from January 27, 2025.
2. Appointment of Mr. Gaurav Maheshwari as CFO of the Company with effect from December 16, 2024.
3. Resignation of Mr. Vivek Bansal (DIN: 07835456) as a Whole-time Director and CFO with effect from October 03, 2024 due to other pre-occupation.

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

CS Ashish Karodia

MNo.6549CP6375

ON: 07.05.2025

At Indore

UDIN: F006549G000290602

Annexure “D” To Board’s Report (Contd.)

ANNEXURE–A TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
InCred Financial Services Limited
U67190MH1995PLC360817
Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C-70,
G Block, BKC, Mumbai City, Mumbai, Maharashtra, India, 400051

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 a 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 are the responsibility of the management. My examination was limited to the verification of procedures on a test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Ashish Karodia
MNo.6549CP6375
ON: 07.05.2025
At Indore
UDIN: F006549G000290602

Annexure 'E' To Board's Report

PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Directors to the median employee's remuneration and other details in terms of sub-section (12) of the Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Disclosure		
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year. ⁽¹⁾	Mr. Bhupinder Singh (Whole-time Director and CEO)	Mr. Vivek Bansal (Whole-time Director and CFO)	Mr. Gaurav Maheshwari (Whole-time Director and CFO)
		112.15	70.09	37.38
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. ⁽¹⁾	Mr. Bhupinder Singh (Whole-time Director and CEO)		Mr. Gajendra Thakur (Company Secretary)
		0%	6.67%	11%
3.	The percentage increase in the median remuneration of employees in the financial year.	16.30%.		
4.	The number of permanent employees on the rolls of Company.	1927 employees.		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	9.4% change in the remuneration of employees		
6.	Affirmation that the remuneration is as per remuneration policy of the Company.	We affirm that the remuneration is as per the nomination and remuneration policy of the Company.		

(1) For the purpose of determining the ratio of remuneration and percentage increase in remuneration of directors as stipulated in Sr. No. 1 & 2 above, only remuneration of Executive Directors is considered.

For **InCred Financial Services Limited**

sd/-

Bhupinder Singh

Whole-time Director and CEO

DIN: 07342318

Place: Mumbai

Date: May 7, 2025

sd/-

Gaurav Maheshwari

Whole-time Director and CFO

DIN: 07639132

Annexure 'F' To Board's Report

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]

- 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.incred.com>

- 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 meetings held/entitled to attend during the year	Number of CSR meetings attended during the year
1.	Mr. Karnam Sekar	Independent Director	3	3
2.	*Mr. Gaurav Maheshwari	Whole-Time Director and CFO	0	0
3.	Ms. Rupa Vora	Independent Director	3	3
4.	Ms. Ambika Bisla	Independent Director	3	3
5.	Ms. Sunita Gupta	Independent Director	3	3

*Appointed on the Committee w.e.f January 27, 2025 and no CSR meeting is held after his appointment.

- 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.incred.com>
- 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**
- 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	2023-24	NIL	NIL
2	2022-23	NIL	NIL
3	2021-22	NIL	NIL
	Total		

- Average net profit of the company as per section 135(5): INR 14688.43 Lakhs

Annexure “F” To Board’s Report (Contd.)

7. CSR obligation

Sr. No.	Particulars	Amount (INR in lakh)
a.	Two percent of average net profits of the company as per section 135(5)	293.77
b.	Surplus arising out of the CSR Projects or programmes or activity of the previous financial years	NIL
c.	Amount required to be set off for the financial year	NIL
	Total CSR obligation for the financial year (7a + 7b- 7c)	293.77

8. (a) CSR amount spent or unspent for the financial year: **NA**

Total Amount Spent for the Financial Year: (In INR lakh)	Amount spent (In INR)				
	Total Amount transferred to Unspent CSR Account as per section 136		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in INR)	Date of Transfer	Name of the fund	Amount (in INR)	Date of Transfer
293.77	NIL				

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

1	2	3	4	5		6	7	8	9	10	11	
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		Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial year (in INR)	Amount transferred to unspent CSR account for the project as per section 135(6) (in INR)	Mode of Implementation Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration No.
	Total											

Annexure “F” To Board’s Report (Contd.)

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

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 Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District			Name	CSR Registration number
1	Project Nanhi Kali	Education	Yes	Maharashtra	Palghar	76,17,000	No	K.C Mahindra	CSR000000511
2	Udayan Shalini Fellowship Program	Education	No	Ahmedabad, Bengaluru, Delhi, Hyderabad		19,22,800	No	Udayan Care	CSR000000619
3	Vidyadhan Scholarship Program	Education	No	Andhra Pradesh, Karnataka, Kerala, Goa, Delhi, Telangana, Tamil Nadu, Odisha		50,00,000	No	SD Foundation	CSR000000627
4	Medical equipments for Cancer treatment	Promoting health care	No	Assam		15,03,694	No	Cachar Cancer Hospital	CSR000003079
5	Adoption of 18 Child Care Institutions	Promoting health care	Yes	Maharashtra, Madhya Pradesh	Nashik, Sangli, Solapur, Khandwa, Kattni, Ratlam, Dighi	55,03,360	No	Catalysts For Social Action	CSR000002803
6	Nurse Mentoring and Facility Enhancement - NMFE	Promoting health care	No	Madhya Pradesh	Chhindwara, Betul, Seoni, Gwalior, Morena, Damoh, Barwani, Khargone, Pandhurna	19,66,500	No	The Antara Foundation	CSR000000106
7	Cancer treatment of underprivileged children	Promoting health care	No	Karnataka		60,00,000	No	Manipal Academy of Higher Education	CSR000015389

Annexure “F” To Board’s Report (Contd.)

- (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): INR 295.13 Lakhs
- (g) Excess amount for set off, if any: None

9. (a) Details of Unspent CSR amount for the proceeding 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 INR)
				Name of the fund	Amount (in INR)	Date of transfer	
1.	2023-24	NIL	NIL	-	NIL	-	NIL
2.	2022-23	NIL	NIL	-	NIL	-	NIL
3.	2021-22	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 Financial Services Limited**

sd/-

Bhupinder Singh

Whole-time Director and CEO

DIN: 07342318

Place: Mumbai

Date: May 7, 2025

Annexure 'G' To Board's Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under 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 / 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 advance, if any
InCred Capital Financial Services Private Limited (entity having significant influence)	ICD	3 months	11%	Operational	January 17,2024	50 Cr
InCred Capital Financial Services Private Limited (entity having significant influence)	ICD	3 months	11%	Operational	January 17,2024	75 Cr
InCred Capital Financial Services Private Limited (entity having significant influence)	ICD	3 months	11%	Operational	January 17,2024	50 Cr
InCred Capital Financial Services Private Limited (entity having significant influence)	ICD	3 months	10.5%	Operational	January 17,2024	100 Cr
InCred Capital Financial Services Private Limited (entity having significant influence)	ICD	3 months	10.5%	Operational	January 17,2024	15 Cr
InCred Capital Financial Services Private Limited (entity having significant influence)	ICD	3 months	10.5%	Operational	January 17,2024	60 Cr

For **InCred Financial Services Limited**

sd/-
Bhupinder Singh
 Whole-time Director and CEO
 DIN: 07342318

sd/-
Gaurav Maheshwari
 Whole-time Director and CFO
 DIN: 07639132

Place: Mumbai
 Date: May 7, 2025

Annexure 'H' To Board's Report

Related Party Disclosures as required under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) 2015

Disclosures of amounts as on March 31, 2025 and the maximum amount of loans/ advances/ Investments outstanding during the year.

Particulars	Loans and advances in the nature of loans to subsidiaries			
	Nature of Loan	Amount (INR in lakh)		
		Opening Balance as on April 1, 2024	During the year 2024-25	As on March 31, 2025
InCred Finserv Private Limited	NA	-	-	-
InCred.AI Limited	NA	-	-	-

Loans and advances in the nature of loans to associates				
Particulars	Nature of Loan	Amount (INR in lakh)		
		Opening Balance as on April 1, 2024	During the year 2024-25	As on March 31, 2025
NA				

Name of Directors	Loans and advances in the nature of loans to associates and firms/companies in which directors are interested		
	Name of Associate / Firm/Company	Nature of Loan	Amount (INR in lakh)
NA			

For **InCred Financial Services Limited**

sd/-

Bhupinder Singh

Whole-time Director and CEO
DIN: 07342318

sd/-

Gaurav Maheshwari

Whole-time Director and CFO
DIN: 07639132

Place: Mumbai

Date: May 7, 2025





FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of InCred Financial Services Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **InCred Financial Services Limited (the "Company")**, which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the 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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit, other comprehensive income, the changes in equity and its cash flows 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") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Independent Auditors' Report (Contd.)

Key audit matter	How the key audit matter was addressed in our Audit
Impairment of loans Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, including classification of assets into stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, • The segmentation of loans when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors. • Adjustments to model driven ECL results. The relevant disclosures are made in standalone financial statements for ECL including those related to judgements and estimates used by the Management in determination of the ECL. Refer Note 1(D)(5), 6 and 32 (A) to the standalone financial statements.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of impairment of loans. In particular, our procedures include: We examined Board approved policy approving methodologies for computation of ECL that addresses policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates used by the Management. We tested accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2025 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. We tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. We tested the appropriateness of EAD, PD and LGD on sample basis. We assessed the adequacy and appropriateness of disclosures in compliance with Ind AS 107 in relation to ECL.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

When we read the report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors 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

Independent Auditors' Report (Contd.)

performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 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 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 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 and Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial controls 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 standalone 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 the 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 standalone 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

Independent Auditors' Report (Contd.)

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 financial controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 07 May 2024.

Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the separate financial statements we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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

Independent Auditors' Report (Contd.)

(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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at 31 March 2025 - Refer Note 38 to the standalone financial statements;
- ii. The Company has made provision, 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 standalone financial statements;
- 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 46(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, 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 46(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, 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 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended 31 March 2025 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 did not come across any instance of the audit trail feature being tampered with.

Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

For Deloitte Haskins & Sells
 Chartered Accountants
 (Firm's Registration No. 117365W)

G. K. Subramaniam
 Partner
 (Membership No. 109839)
 UDIN: 25109839BMOFVM1886

Place: Mumbai
 Date: May 7, 2025

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements 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 Financial Services Limited (the “Company”) as at 31 March 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Company’s management and Board of Directors’ are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 (the “Guidance Note”). 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 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 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 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.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company’s internal financial control 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 control 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.

Annexure “A” To The Independent Auditor’s Report (Contd.)

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an 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 2025 based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm’s Registration No. 117365W)

G. K. Subramaniam

Partner
(Membership No. 109839)
UDIN: 25109839BMOFVM1886

Place: Mumbai
Date: May 7, 2025

Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on other legal and regulatory requirements’ section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, 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, capital work-in-progress and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Property, Plant and Equipment, were physically verified during the year by the management, in accordance with a regular programme of verification which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- c. Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Standalone Financial Statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.
- e. No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a. The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable.
- b. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of loans (assets) during the year. In our opinion, the quarterly statements filed with banks are in agreement with the books of account.
- (iii) As explained in Note 1 to the Standalone Financial Statements, the Company is registered as non-banking financial Company (“NBFC”) with the Reserve Bank of India (“RBI”) and as a part of its business activities is engaged in the business of lending across various types of loans.

During the year, in the ordinary course of its business, the Company has made investments and granted loans and advances in the nature of loans, secured and unsecured, but not provided guarantee / security to companies, firms, limited liability partnerships and other parties. With respect to such investments and loans and advances:

- a. The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;
- b. In our opinion, having regard to the nature of the Company’s business, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company’s interest;
- c. In respect of loans and advances in the nature of loans (together referred to as “loan assets”), the schedule of repayment of principal and payment of interest has been stipulated. Note 1(D)(5) to the Standalone Financial Statements explains the Company’s accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at 31 March 2025, aggregating Rs. 20,939.17 lakh were categorised as credit impaired (“Stage 3”) and Rs. 15,738.63 lakh were categorised as those where the credit risk has increased significantly since initial recognition (“Stage 2”). Disclosures in respect of such loans have been provided in Note 32(A) to the Standalone Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs. 1,041,117.54 lakh, where credit risk has not significantly increased since initial recognition (categorised as “Stage 1”), delinquencies in the repayment of principal and payment of interest aggregating Rs. 19,556.05 lakh were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company’s business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

Annexure “B” To The Independent Auditor’s Report (Contd.)

- d. The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is Rs. 13,806.40 lakh. Reasonable steps are being taken by the Company for recovery of the principal and interest.
- e. The Company’s principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f. The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- iv. The Company has not advanced loans or made investments in or provided guaranty or security to parties covered by section 185 of the Act and the provisions of section 186 of the Act are not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- v. In our opinion the Company has complied with the directives issued by the Reserve Bank of India with regard to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being Non-Banking Finance Company registered with RBI provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable and no order has been passed by the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Act.
- vii. In respect of statutory dues:
- a. Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31 March 2025 for a period of more than six months from the date they became payable except as given below:

Name of Statute	Nature of the Dues	Amount (Rs. in lakh)	Period to which the Amount Relates	Due Date	Date of payment	Remarks, if any
Professional Tax	Professional Tax	0.67	FY 24-25	Various dates	Not paid	The Company is in the process of obtaining the registration under the Statute

- b. There are no dues of Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income Tax, Cess and other material statutory dues which have not been deposited on account of dispute.

Annexure “B” To The Independent Auditor’s Report (Contd.)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a. The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 c. In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.
 d. On the basis of the maturity profile of financial assets and financial liabilities provided in Note 32(B) to the Standalone Financial Statements, financial liabilities maturing within the 12 months following the reporting date (i.e. 31 March 2025) are less than expected recoveries from financial assets during that period. Further, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 e. On an overall examination of the Standalone 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.
 f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 b. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) a. To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements, etc., as required by the applicable accounting standards.
- (xiv) a. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company.

Annexure “B” To The Independent Auditor’s Report (Contd.)

- (xvi) a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- b. During the year the Company has not conducted any Non-Banking Financial activities or Housing Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company (“CIC”) and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- d. The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xxi) According to the information and explanations given to us, and based on the CARO reports issued by the auditor of the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report except for the following:

Annexure “B” To The Independent Auditor’s Report (Contd.)

No.	Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
1	Incred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited)	U72900MH2016PTC273211	Subsidiary	Clause 3(vii)(a)

For Deloitte Haskins & SellsChartered Accountants
(Firm’s Registration No. 117365W)**G. K. Subramaniam**Partner
(Membership No. 109839)
UDIN: 25109839BMOFVM1886Place: Mumbai
Date: May 7, 2025

Standalone Financial Statements

Balance Sheet as at March 31, 2025

(INR in lakh)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	63,991.58	8,141.03
(b) Bank balance other than cash and cash equivalents	3	17,234.70	8,323.96
(c) Derivative financial instruments	4	884.14	878.92
(d) Trade Receivables	5	1,680.80	-
(e) Loans	6	10,48,702.05	7,25,877.44
(f) Investments	7	51,631.83	58,664.10
(g) Other financial assets	8	12,153.27	10,617.64
Total financial assets		11,96,278.37	8,12,503.09
(2) Non-financial assets			
(a) Current tax assets (Net)		980.27	2,231.93
(b) Deferred tax assets (Net)	9	25,457.92	37,461.82
(c) Property, plant and equipment	10A	5,489.84	4,975.31
(d) Capital work-in-progress	10B	230.18	336.65
(e) Goodwill	45	6,126.09	6,126.09
(f) Other intangible assets	11	189.94	393.40
(g) Other non-financial assets	12	5,910.28	3,349.35
Total non-financial assets		44,384.52	54,874.55
Total Assets		12,40,662.89	8,67,377.64
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	4	2,145.27	2,265.96
(b) Payables	13		
(i) Trade Payables			
(ii) total outstanding dues of micro enterprises and small enterprises		1.79	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises		321.33	271.89
(c) Debt securities	14	1,77,399.33	96,989.55
(d) Borrowings (other than debt securities)	15	6,58,251.41	4,04,365.93
(e) Other financial liabilities	16	28,910.97	29,040.41
Total financial liabilities		8,67,030.10	5,32,933.74
(2) Non-financial liabilities			
(a) Provisions	17	1,053.50	812.64
(b) Other non-financial liabilities	18	1,019.28	1,591.06
Total non-financial liabilities		2,072.78	2,403.70
EQUITY			
(a) Equity share capital	19	48,831.01	48,831.01
(b) Other equity	20	3,22,729.00	2,83,209.19
Total equity		3,71,560.01	3,32,040.20
Total Liabilities and Equity		12,40,662.89	8,67,377.64

Significant 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 Deloitte Haskins & Sells
Chartered Accountants
ICAI Firm Registration No.: 117365W

G.K. Subramaniam
Partner
Membership No: 109839

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

Bhupinder Singh
Whole-Time Director and CEO
DIN: 07342318

Gaurav Maheshwari
Whole-Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Place: Mumbai
Date: May 7, 2025

Place: Mumbai
Date: May 7, 2025

Standalone Financial Statements (Contd.)

Statement of Profit and Loss for the year ended March 31, 2025

(INR in lakh)

Particulars	Note No	Year ended March 31, 2025	Year ended March 31, 2024
Revenue From operations			
(i) Interest income	21	1,69,157.98	1,19,341.32
(ii) Dividend income		49.90	50.10
(iii) Fees and commission income	22	13,722.61	3,308.47
(iv) Net gain/(loss) on fair value changes	23	2,394.57	1,000.25
(v) Net gain on derecognition of financial instruments under amortised cost category		1,871.56	3,218.45
(I) Total revenue from operations		1,87,196.62	1,26,918.59
(II) Other income	24	1,061.20	2,313.37
(III) Total income (I + II)		1,88,257.82	1,29,231.96
Expenses			
(i) Finance costs	25	62,761.94	45,484.42
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	3,765.18
(iii) Impairment on financial instruments (net of recoveries)	26	18,776.74	(1,946.88)
(iv) Employee benefits expenses	27	32,199.40	26,117.34
(v) Depreciation and amortization expenses	10A & 11	1,802.36	1,723.11
(vi) Others expenses	28	22,584.69	11,786.74
(IV) Total expenses		1,38,125.13	86,929.91
(V) Profit before exceptional items and tax (III - IV)		50,132.69	42,302.05
(VI) Exceptional Items		-	-
(VII) Profit before tax (V - VI)		50,132.69	42,302.05
Tax Expense:			
(i) Current Tax		682.70	717.80
(ii) Deferred Tax		12,233.02	10,094.70
(VIII) Total Tax Expense	29	12,915.72	10,812.50
(IX) Profit for the year (VII - VIII)		37,216.97	31,489.55
(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		(62.83)	(123.79)
(ii) Income tax relating to items that will not be reclassified to profit or loss		15.81	31.16
Subtotal (A)		(47.02)	(92.63)
(B) (i) Items that will be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		(80.98)	24.84
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(766.48)	(234.40)
(ii) Income tax relating to items that will be reclassified to profit or loss		213.31	52.75
Subtotal (B)		(634.15)	(156.81)
Other comprehensive income / (loss) (A + B)		(681.17)	(249.44)
(XI) Total comprehensive income for the year (IX + X)		36,535.80	31,240.11
(XII) Earnings per equity share (Face Value : Rs. 10 per share)	30		
Basic (Rs.)		7.62	6.73
Diluted (Rs.)		7.62	6.73

Significant 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 Deloitte Haskins & Sells
Chartered Accountants
ICAI Firm Registration No.: 117365W

G.K. Subramaniam
Partner
Membership No: 109839

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

Bhupinder Singh
Whole-Time Director and CEO
DIN: 07342318

Gaurav Maheshwari
Whole-Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Place: Mumbai
Date: May 7, 2025

Place: Mumbai
Date: May 7, 2025

Standalone Financial Statements (Contd.)

Statement of Changes in Equity for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL										(INR in lakh)
Particulars		As at March 31, 2025		As at March 31, 2024						
Balance as at the beginning of the year		48,831.01		46,022.65						
Changes in equity share capital during the year		-		2,808.36						
Balance as at the end of the year		48,831.01		48,831.01						
B. OTHER EQUITY										(INR in lakh)
Particulars	Reserves and Surplus						Debt instruments through OCI	Cash flow hedge reserve	Equity instruments through OCI	Total
	Special reserve	Securities premium	Deemed equity	Capital contribution from parent	Retained earnings	Merger Reserve				
Balance at March 31, 2023	3,795.09	62,498.49	2774	1,05,850.57	13,008.72	17,030.92	(57.02)	174.90	15.36	2,02,344.76
Profit for the year	-	-	-	-	31,489.55	-	-	-	-	31,489.55
Other comprehensive income for the year	-	-	-	-	(92.63)	-	18.59	(175.40)	-	(249.44)
Total comprehensive income for the year (net of tax)	-	-	-	-	31,396.92	-	18.59	(175.40)	-	31,240.11
Transfer / utilisations	-	47,191.64	-	-	-	-	-	-	-	47,191.64
Additions during the year (cash premium)	-	-	-	-	-	-	-	-	-	-
Additions during the year (non-cash premium)	6,297.91	-	-	-	(6,297.91)	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-	-	-	-	-
Purchase consideration towards business combination (Refer Note No 44)	-	-	-	-	-	-	-	-	-	-
Transferred to special reserve from retained earnings	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	2,432.68	-	-	-	-	-	2,432.68
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 44)	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024	10,093.00	1,09,690.13	2774	1,08,283.25	38,107.73	17,030.92	(38.43)	(0.50)	15.36	2,83,209.19

Standalone Financial Statements (Contd.)

Statement of Changes in Equity for the year ended March 31, 2025

Particulars	Reserves and Surplus						Debt instruments through OCI	Cash flow hedge reserve	Equity instruments through OCI	Total
	Special reserve	Securities premium	Deemed equity	Capital contribution from parent	Retained earnings	Merger Reserve				
Profit for the year	-	-	-	-	37,216.97	-	-	-	-	37,216.97
Other comprehensive income for the year	-	-	-	-	(47.02)	-	(60.60)	(573.55)	-	(681.17)
Total comprehensive income for the year (net of tax)	-	-	-	-	37,169.95	-	(60.60)	(573.55)	-	36,535.80
Transfer / utilisations										
Additions during the year (cash premium)	-	-	-	-	-	-	-	-	-	-
Additions during the year (non-cash premium)	-	-	-	-	-	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-	-	-	-	-
Purchase consideration towards business combination (Refer Note No 44)	-	-	-	-	-	-	-	-	-	-
Transferred to special reserve from retained earnings	7,443.39	-	-	-	(7,443.39)	-	-	-	-	-
Transferred to retained earnings	-	-	(27.74)	-	27.74	-	-	-	-	-
Share based payment expense	-	-	-	2,984.01	-	-	-	-	-	2,984.01
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 44)	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2025	17,536.39	1,09,690.13	-	1,11,267.26	67,862.03	17,030.92	(99.03)	(574.05)	15.36	3,22,729.00

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Significant accounting policies and other explanatory information

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

As per our report of even date

For **For Deloitte Haskins & Sells**

Chartered Accountants

ICAI Firm Registration No.: 117365W

G.K. Subramaniam

Partner

Membership No: 109839

Place: Mumbai
Date: May 7, 2025

For and on behalf of the Board of Directors of

InCred Financial Services Limited

CIN: U67190MH1995PLC360817

Bhupinder Singh

Whole-Time Director and CEO

DIN: 07342318

Gaurav Maheshwari

Whole-Time Director and CFO

DIN: 07639132

Gajendra Thakur

Company Secretary

Membership No: A19285

Place: Mumbai

Date: May 7, 2025

Standalone Financial Statements

Cash Flow Statement for the year ended March 31, 2025

Particulars	(INR in lakh)	
	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from operating activities		
Profit before tax	50,132.69	42,302.05
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation and amortization expenses	1,802.36	1,723.11
Loss on sale of property, plant and equipment	71.26	96.60
Net (gain) on fair value changes	(2,394.57)	(1,000.25)
Net Loss/(gain) on derecognition of financial instruments	(1,871.56)	546.73
Interest income	(1,69,157.98)	(1,19,341.32)
Finance costs	62,259.42	45,113.84
Impairment on financial instruments (net of recoveries)	18,776.74	(1,946.88)
Share based payment to employees	2,984.01	2,432.70
Dividend income	(49.90)	(50.10)
Provision for diminution on investment	-	(1.33)
Retirement Benefit expenses	239.86	170.71
	(37,207.67)	(29,954.14)
Interest received on loans	1,61,883.66	1,16,642.49
Interest paid on borrowings and debt	(64,073.66)	(44,872.28)
Cash generated from operation before working capital changes	60,602.33	41,816.07
Working capital adjustments		
(Increase) in Loans	(3,36,331.93)	(1,82,988.73)
(Increase)/Decrease in other financial assets	329.12	(1,652.13)
Decrease / (Increase) in other non financial assets	(2,560.93)	(1,632.84)
(Increase) in trade receivables	(1,687.55)	-
Increase in trade payables	51.23	99.44
Increase in other financial liabilities	513.02	4,368.20
(Decrease) / Increase in other non financial liabilities	(571.78)	(200.04)
(Decrease) / Increase in provisions	(61.83)	2,509.44
	(3,40,320.65)	(1,79,496.66)
Income taxes paid (net)	568.96	(1,544.38)
Net cash (used in) / generated from operating activities	(2,79,149.36)	(1,39,224.97)
Cash flow from investing activities		
(Purchase) / Sale of property, plant and equipment	(2,167.04)	(1,969.64)
(Purchase) / Sale of intangibles assets	(17.66)	(111.93)
(Addition) / Deletion of Capital work-in-progress	106.47	(174.86)
Proceeds from sale of subsidiaries	-	1,757.27
Purchase of investments	(16,61,614.16)	(10,38,617.44)
Proceeds from sale of investments	16,70,048.06	9,89,256.48
Interest income from investing activities	2,087.93	2,698.83
Investment in term deposits with banks	(4,55,841.07)	(1,90,240.61)
Proceeds from maturity of term deposits with banks	4,46,930.33	1,86,712.08
Net cash (used in) / generated from investing activities	(467.14)	(50,689.82)

Standalone Financial Statements (Contd.)

Cash Flow Statement for the year ended March 31, 2025

Particulars	(INR in lakh)	
	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from financing activities		
Issue of equity shares (including securities premium)	-	50,000.00
Payment of Lease liability	(845.92)	(837.26)
Proceeds from of borrowings (other than debt securities)	4,82,843.12	2,63,413.84
Proceeds from debt securities	1,24,300.00	79,946.24
Repayment of borrowings (other than debt securities)	(2,22,112.49)	(1,40,668.38)
Redemption of debt securities	(41,690.83)	(98,146.77)
Net cash (used in) / generated from generated from financing activities	3,42,493.88	1,53,707.67
Net increase / (decrease) in cash and cash equivalents	62,877.38	(36,207.12)
Cash and cash equivalents at the beginning of the year	1,114.20	37,321.32
Cash and cash equivalents at the end of the year	63,991.58	1,114.20

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

1

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

Particulars	(INR in lakh)	
	Year ended March 31, 2025	Year ended March 31, 2024
Balances with banks		
- Current Accounts	62,990.19	8,141.03
Deposit with bank with maturity less than 3 months	1,001.39	-
Cash and cash equivalents (Refer note 2)	63,991.58	8,141.03
Less: Bank overdraft and cash credit (Refer note 15)	-	(7,026.85)
Cash and cash equivalents of as per statement of cash flows	63,991.58	1,114.20

Significant 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 **For Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No.: 117365W

G.K. Subramaniam
Partner
Membership No: 109839

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

Bhupinder Singh
Whole-Time Director and CEO
DIN: 07342318

Gaurav Maheshwari
Whole-Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Place: Mumbai
Date: May 7, 2025

Place: Mumbai
Date: May 7, 2025

Notes to the Standalone Financial Statements

1. Material Accounting Policies and Other Explanatory Information

A. Corporate Information

InCred Financial Services Limited ("Company") (CIN: U67190MH1995PLC360817) incorporated in India on February 3, 1995, under the provisions of the Companies Act, 1956.

The Company received a Certificate of Registration from the Reserve Bank of India ('RBI'), on October 25, 2000 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company currently holds a Certificate of Registration from RBI dated September 28, 2022 bearing number B-13.02417 and classified as NBFC Middle layer NBFC under the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

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 May 7, 2025.

B. Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the RBI Master Directions and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except as explained in Note D15.

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 derivatives that are measured at fair value and
- b. Net defined benefit asset / liability – plan assets are measured at fair value less present value of defined benefit obligation.

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.

Significant accounting estimates and judgements:

- i. Business model assessment
- ii. Fair value of financial instruments
- iii. Impairment of financial assets

Notes to the Standalone Financial Statements (Contd.)

C. Presentation of financial statements

The standalone financial statements of the Company are presented as per Division III of Schedule III, as amended, of the Act 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 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).
- *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.

Notes to the Standalone Financial Statements (Contd.)

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:

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.

Notes to the Standalone Financial Statements (Contd.)

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 in the statement of profit and loss.

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.

The Company 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.

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.

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.

Notes to the Standalone Financial Statements (Contd.)

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 Company 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.

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 Company 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.

Notes to the Standalone Financial Statements (Contd.)

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

Investment in subsidiaries is carried at cost less impairment if any in the standalone financial statements.

5. Impairment of financial assets

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

- The Company 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 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 Company 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 Company does the assessment of significant increase in credit risk at a borrower level. Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances 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).

Notes to the Standalone Financial Statements (Contd.)

Credit-impaired 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;
- 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.

The mechanics of ECL:

The Company 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 Company in accordance with the contract and the cash flows that the Company 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 Company reviews macro-economic developments occurring in the economy and market it operates in. On annual basis, the Company 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.

The Company also uses a model in unsecured personal Loan portfolio as part of its Probability of Default (PD) estimation within the Expected Credit Loss (ECL) framework. The model is derived using internal data elements such as credit history, repayment behavior, and borrower demographics, enabling the Company to build a comprehensive borrower risk profile. This scoring mechanism is integrated to assess the credit quality of individual exposures and assign risk grades, which are then mapped to corresponding PD values.

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) .

Notes to the Standalone Financial Statements (Contd.)

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

Write-offs

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company'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 Company 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.

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 Company's cash management.

Notes to the Standalone Financial Statements (Contd.)

8. Share-based payment arrangements

- a. The employee share options are granted and settled through equity instruments issued by the Holding Company, InCred Holdings Limited.
- b. 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.
- c. 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.
- d. 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 Statement of Profit and Loss.
- e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

9. Lease Accounting

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

The Company 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 Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company 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 Company 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 leases.

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 an item recognised directly in equity or in other comprehensive income ('OCI').

Notes to the Standalone Financial Statements (Contd.)

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 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

Income tax comprises of current tax and deferred tax. Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears. Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled. The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 'Income Taxes'.

11. Property, plant and equipment

Income tax expense comprises current and deferred tax. It is recognised in Stat

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. 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).

Notes to the Standalone Financial Statements (Contd.)

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 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.

13. 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.

Notes to the Standalone Financial Statements (Contd.)

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.

14. 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.

Processing fees earned on origination of loan, adjusted for cost, are amortized on effective interest rate over the life of the loan.

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.

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 calculated using the EIR on respective financial instruments and borrowings including foreign currency borrowings measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. All other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

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 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.

Notes to the Standalone Financial Statements (Contd.)

ii. Contribution to provident fund and Employees' State Insurance Corporation (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.

18. 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.

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 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.

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 Company are segregated.

Notes to the Standalone Financial Statements (Contd.)

21. Segment Reporting

The Company 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 Company 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 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.

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.

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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

2. CASH AND CASH EQUIVALENTS

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts	62,990.19	8,141.03
Fixed deposit with bank with original maturity of less than 3 months	1,001.39	-
Total	63,991.58	8,141.03

3. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Fixed deposits with bank with original maturity of more than 3 months*	17,234.70	8,323.96
Total	17,234.70	8,323.96

*Includes lien marked fixed deposits for borrowings amounting to Rs. 12,998.67 lakh (PY Rs. 6,104.07 lakh)

4. DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
(A) Derivative financial assets at fair value		
(i) Cross Currency Interest Rate Swaps		
Cash flow hedge (Notional amount (Rs in lakh): 72,207.23, PY : 5,811.40)*	514.67	25.74
(ii) Equity Linked Derivatives		
Embedded Derivatives, Options and futures (Notional amount (Rs in lakh) : 992.89, PY : 2,724.25 (Refer note 14)	369.47	853.18
Total	884.14	878.92
(B) Derivative financial liabilities at fair value		
Embedded Derivatives on Market Linked Debentures and Forwards (Notional amount(Rs in lakh) : 35,908.09 , PY : 11,790.00) (Refer Note 14)	2,145.27	2,265.96
Total	2,145.27	2,265.96

*Derivative transactions comprise of currency, forwards and interest rate swaps. The Company undertakes such transactions for hedging borrowings in foreign currency.

5. TRADE RECEIVABLES

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Considered good – Secured	-	-
Considered good – Unsecured	511.36	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
Unbilled Trade Receivables	1,176.19	-
Sub Total	1,687.55	-
Less: Impairment loss allowance	(6.75)	-
Total	1,680.80	-

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Trade receivables ageing schedule :

Particulars	Not due	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	1,176.19	511.36	-	-	-	-	1,687.55
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed	-	-	-	-	-	-	-	-

6. LOANS

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
(A) (i) Term loans*	10,77,795.34	7,44,924.17
(ii) Loans repayable on demand	-	-
Total - Gross (A)	10,77,795.34	7,44,924.17
Less: Impairment loss allowance	(29,093.29)	(19,046.73)
Total - Net of impairment loss allowance (A)	10,48,702.05	7,25,877.44
(B) (i) Secured by tangible assets**	2,62,823.33	2,26,693.04
(ii) Covered by Bank and Government guarantees	14,355.74	15,552.93
(iii) Unsecured	8,00,616.27	5,02,678.20
Total - Gross (B)	10,77,795.34	7,44,924.17
Less: Impairment loss allowance	(29,093.29)	(19,046.73)
Total - Net of impairment loss allowance (B)	10,48,702.05	7,25,877.44
(C) Loans in India		
(i) Gov	-	-
(ii) Public sectors	-	-
(iii) Others	10,77,795.34	7,44,924.17
Total - Gross (C)	10,77,795.34	7,44,924.17
Less: Impairment loss allowance	(29,093.29)	(19,046.73)
Total - Net of impairment loss allowance (C)	10,48,702.05	7,25,877.44

* Does not include outstanding of Rs. 1,80,712.05 lakh (PY : 1,58,950.12 lakh) derecognised on account of Co-Lending transaction.

**Secured by charge on immovable properties, vehicles, inventories and receivables.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

7. INVESTMENTS

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
(A) At Amortised Cost		
- Debt securities	4,892.11	36,860.88
Less: Allowance for impairment loss on amortised cost	(19.57)	-
Net at Amortised Cost (A)	4,872.54	36,860.88
(B) At Fair Value Through Other Comprehensive Income (FVOCI)		
- Debt securities	16,278.03	20,157.02
Less: Allowance for impairment loss FVOCI	(72.75)	(6.71)
Net At Fair Value Through Other Comprehensive Income (FVOCI) (B)	16,205.28	20,150.31
(C) At Fair Value Through Profit or Loss (FVTPL)		
- Debt securities	1,891.61	1,035.67
- Mutual Fund	28,045.16	-
Less: Allowance for impairment loss FVTPL	-	-
Net At Fair Value Through Profit or Loss (FVTPL) (C)	29,936.77	1,035.67
(D) Others (At cost less impairment, if any)		
- Subsidiaries (Refer Note 34)	2,297.57	2,297.57
- Convertible Preference Shares	9.67	9.67
Total	2,307.24	2,307.24
Less: Allowance for impairment loss others	(1,690.00)	(1,690.00)
Net Others (D)	617.24	617.24
Total - Gross (A+B+C+D)	53,414.15	60,360.81
Investments in India	53,414.15	60,360.81
Total - Allowance for impairment	(1,782.32)	(1,696.71)
Total - Net (A+B+C+D)	51,631.83	58,664.10

8. OTHER FINANCIAL ASSETS

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
Security Deposits	770.47	576.12
Retained interest on loans derecognised	10,458.49	8,042.78
Receivable from related parties (Refer note 34)	112.23	80.41
Balances with partners	411.44	594.57
Receivable from assigned portfolio	41.56	27.94
Others (includes ECLGS receivable, collection receivables)	365.89	1,295.82
Sub Total	12,160.08	10,617.64
Less: Allowance for impairment loss	(6.81)	-
Total	12,153.27	10,617.64

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

9. DEFERRED TAX

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

(INR in lakh)				
Particulars	Net balance as at March 31, 2024	Recognised in profit or loss	Recognised in OCI	Net balance as at March 31, 2025
Deferred tax assets				
Provision for impairment loss on financial instruments	11,521.36	2,267.15	-	13,788.51
Provision for employee benefit plans	1,466.04	(1,239.23)	15.81	242.62
Disallowance of merger expenses	161.09	(53.70)	-	107.39
Lease liability	94.77	(4.80)	-	89.97
Fair value change on financial instruments	65.11	(82.37)	-	(17.26)
Unabsorbed business loss/capital loss	23,651.18	(12,282.12)	-	11,369.06
Difference between written down value of property plant and equipment and Intangible assets as per the books of accounts and income tax	122.34	81.97	-	204.31
Fair value change of investment valued at Fair value through OCI	8.11	(180.82)	213.31	40.60
Provision for expenses	1,118.93	461.85	-	1,580.78
(A)	38,208.93	(11,032.07)	229.12	27,405.98
Deferred tax liabilities				
EIR impact on financial instruments	(747.41)	(1,862.66)	-	(2,610.07)
Others	0.30	661.71	-	662.01
(B)	(747.11)	(1,200.95)	-	(1,948.06)
Deferred tax asset (net) (A-B)	37,461.82	(12,233.02)	229.12	25,457.92

Note - The company is earning profits and expects to utilise deferred tax asset in coming years.

(INR in lakh)				
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				
Provision for impairment loss on financial instruments	12,207.48	(686.12)	-	11,521.36
Provision for employee benefit plans	675.56	759.32	31.16	1,466.04
Disallowance of merger expenses	214.78	(53.69)	-	161.09
Lease liability	85.52	9.25	-	94.77
Fair value change on financial instruments	11.86	53.25	-	65.11
Unabsorbed business loss/capital loss	34,766.70	(11,115.52)	-	23,651.18
Difference between written down value of property plant and equipment and Intangible assets as per the books of accounts and income tax	87.31	35.03	-	122.34
Fair value change of investment valued at Fair value through OCI	14.03	(58.67)	52.75	8.11
Provision for expenses	-	1,118.93	-	1,118.93
(A)	48,063.24	(9,938.22)	83.91	38,208.93
Deferred tax liabilities				
EIR impact on financial instruments	(579.73)	(167.68)	-	(747.41)
Others	(10.90)	11.20	-	0.30
(B)	(590.63)	(156.48)	-	(747.11)
Deferred tax asset (net) (A-B)	47,472.61	(10,094.70)	83.91	37,461.82

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Particulars	Buildings*	Furniture and fixtures	Leasehold Improvements	Office equipment	Computer & Printer	Vehicles	Right-of-use assets**	Total
(INR in lakh)								
Year ended March 31, 2024								
At carrying cost at the beginning of the year	22.71	260.55	1,379.53	313.34	1,533.36	194.39	3,420.48	7,124.36
Additions during the year	-	244.85	783.72	338.30	280.36	315.25	294.02	2,256.50
Disposals	-	(24.01)	(204.14)	(4.31)	(52.85)	-	(29.88)	(315.19)
Gross carrying value as at March 31, 2024	22.71	481.39	1,959.11	647.33	1,760.87	509.64	3,684.62	9,065.67
Accumulated depreciation as at the beginning of the year	1.92	46.37	435.51	122.85	942.59	54.89	1,238.27	2,842.40
Depreciation for the year	0.38	74.88	211.73	123.82	369.30	51.51	632.44	1,464.06
Disposals	-	(8.30)	(122.26)	(2.81)	(52.85)	-	(29.88)	(216.10)
Accumulated depreciation as at March 31, 2024	2.30	112.95	524.98	243.86	1,259.04	106.40	1,840.83	4,090.36
Net carrying value as at March 31, 2024	20.41	368.44	1,434.13	403.47	501.83	403.24	1,843.79	4,975.31
Year ended March 31, 2025								
At carrying cost at the beginning of the year	22.71	481.39	1,959.11	647.33	1,760.87	509.64	3,684.62	9,065.67
Additions during the year	-	93.39	691.08	162.61	524.59	501.96	209.94	2,183.57
Disposals	-	-	-	-	(312.09)	(92.05)	-	(404.14)
Gross carrying value as at March 31, 2025	22.71	574.78	2,650.19	809.94	1,973.37	919.55	3,894.56	10,845.10
Accumulated depreciation as at the beginning of the year	2.30	112.95	524.98	243.86	1,259.04	106.40	1,840.83	4,090.36
Depreciation for the year	0.38	50.59	307.95	130.63	376.44	91.78	623.39	1,581.16
Disposals	-	-	-	-	(311.72)	(4.54)	-	(316.26)
Accumulated depreciation as at March 31, 2025	2.68	163.54	832.93	374.49	1,323.76	193.64	2,464.22	5,355.26
Net carrying value as at March 31, 2025	20.03	411.24	1,817.26	435.45	649.61	725.91	1,430.34	5,489.84

* There is no immovable property where the title deed of such immovable property is not held in the Company's name or jointly held with others.

** Refer Note 37 for recognition of right-of-use assets

10B. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2025				As at March 31, 2024			
	Opening Balance	Additions	Deletions	Closing Balance	Opening Balance	Additions	Deletions	Closing Balance
Capital work-in-Progress	336.65	678.00	(784.47)	230.18	161.79	1,203.43	(1,028.57)	336.65
Total	336.65	678.00	(784.47)	230.18	161.79	1,203.43	(1,028.57)	336.65

Ageing Schedule	As at March 31, 2025				As at March 31, 2024			
	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	230.18	-	-	-	336.65	-	-	-
	230.18	-	-	-	336.65	-	-	-

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

11. OTHER INTANGIBLE ASSETS

(INR in lakh)

Particulars	Computer software
Year ended March 31, 2024	
At cost at the beginning of the year	1,369.76
Additions during the year	111.93
Gross carrying value as at March 31, 2024 (A)	1,481.69
Accumulated amortization:	
Accumulated amortization as at the beginning of the year	829.24
amortization for the year	259.05
Accumulated amortization as at March 31, 2024 (B)	1,088.29
Net carrying value as at March 31, 2024 (A-B)	393.40
Year ended March 31, 2025	
At cost at the beginning of the year	1,481.69
Additions during the year	17.66
Gross carrying value as at March 31, 2025 (C)	1,499.35
Accumulated amortization:	
Accumulated amortization as at the beginning of the year	1,088.29
amortization for the year	221.12
Accumulated amortization as at March 31, 2025 (D)	1,309.41
Net carrying value as at March 31, 2025 (C-D)	189.94

12. OTHER NON-FINANCIAL ASSETS

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
Prepaid expenses	2,347.05	356.64
Advances to vendors	828.29	872.78
GST receivable	2,734.94	2,119.93
Total	5,910.28	3,349.35

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

13. PAYABLES

(INR in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	1.79	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	321.33	271.89
Total	323.12	271.89

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprises as mentioned below is based on information received and available with the Company.

(INR in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid	1.79	-
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(iv) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
(v) Amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Payables ageing schedule as on March 31, 2025:

(INR in lakh)					
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	1.79	-	-	-	1.79
(ii) Others	321.33	-	-	-	321.33
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Payables ageing schedule as on March 31, 2024:

(INR in lakh)					
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	-	-	-	-	-

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

14. DEBT SECURITIES

Particulars		(INR in lakh)	
		As at March 31, 2025	As at March 31, 2024
Amortised cost			
Debtures (Secured)		148,641.53	96,989.55
Commercial Papers (Unsecured)		28,757.80	-
Total		177,399.33	96,989.55
Debt securities in India		177,399.33	96,989.55
Debt securities outside India		-	-
Total		177,399.33	96,989.55

Terms and conditions		Nature of security	Terms of repayment	Maturity date	As at March 31, 2025	As at March 31, 2024
Sr No	Particulars					
1	350, Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000 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	1150, 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.	27-Jul-24	-	12,366.97
3	17,38,325, Secured Rated Listed Redeemable Non-Convertible issued at Rs. 1,000 each		Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid quarterly.	2-May-25	17,620.57	17,480.82
4	2,54,599, 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.	2-May-25	2,583.53	2,563.51
5	1,47,712, 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.	2-May-26	1,485.85	1,476.08
6	1,69,758, 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.	2-May-26	1,708.69	1,696.39

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

7	4,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each	Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid quarterly.	12-Dec-25	1,334.74	3,103.79
8	5,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each	Redeemable at par at the end of 729 days from the date of allotment. Coupon to be paid annually.	21-May-26	5,347.31	-
9	10,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each	Redeemable at par at the end of 728 days from the date of allotment. Coupon to be paid annually.	18-Aug-26	10,410.90	-
10	12,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each	Redeemable at par at the end of 729 days from the date of allotment. Coupon to be paid quarterly.	21-Aug-26	12,084.35	-
11	21,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 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.	18-Sep-26	21,314.16	-
12	5,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each		29-Oct-26	5,132.64	-
13	2,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each		25-Nov-27	2,300.59	-
14	9,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each		11-Dec-26	8,948.70	-
15	5,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each		31-Dec-26	5,530.86	-
16	5,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each		19-Jul-27	5,565.40	-
17	10,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,00,000 each		16-Aug-27	9,988.55	-

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

18	1,32,867, Secured Rated Listed Redeemable Non-Convertible Debentures 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 547 days from the date of allotment. Coupon to be paid monthly.	10-May-25	1,334.22	1,322.85
19	8,76,454, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1000 each		Redeemable at par at the end of 731 days from the date of allotment. Coupon to be paid quarterly.	10-Nov-25	3,310.23	7,671.34
20	1,92,719, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 731 days from the date of allotment. Coupon to be paid monthly.	10-Nov-25	1,927.40	1,911.46
21	5,72,845, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 1096 days from the date of allotment. Coupon to be paid annually.	10-Nov-26	3,911.36	5,834.29
22	8,69,739, Secured Rated Listed Redeemable Non-Convertible Debentures issued at Rs. 1,000 each		Redeemable at par at the end of 1096 days from the date of allotment. Coupon to be paid monthly.	10-Nov-26	8,615.87	8,544.41
23	139, 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 1221 days from the date of allotment. If NIFTY final fixing level is greater than or equal to 115.85% of the initial fixing level then coupon paid out to the clients is NIFTY Performance. In case NIFTY final fixing level is less than 115.85% of the initial fixing level then coupon paid out to the clients is 15.85%.	4-Oct-24	-	1,507.84
24	150, 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 the initial fixing level then the coupon paid out is 1.3 times NIFTY Performance.	26-Apr-24	-	1,846.26
25	1330, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 10,00,000		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
26	173, 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. The MLD pays a leveraged participation i.e. 1.25x times the performance of NIFTY - Maximum Return is uncapped.. If NIFTY Final level is less than the initial level then the MLD redeems at par with zero coupon payment.	8-May-25	2,247.15	1,510.31

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

27	117, 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. The MLD pays a leveraged participation i.e. 1.3x times the performance of NIFTY till a pre-defined cap of NIFTY Performance. Maximum Return is capped at 50%. Cap of NIFTY performance is 38.46% above the initial level of NIFTY. If NIFTY Final level is less than the initial level then the MLD redeems at par with zero coupon payment.	5-Dec-25	1,093.34	1,046.05
28	250, 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	8-Apr-25	3,114.01	2,857.27
29	2500, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000		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%	6-Dec-24	-	2,496.69
30	2500, 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. The MLD pays a leveraged participation i.e. 1.5x times the performance of NIFTY till a pre-defined cap of NIFTY Performance. Maximum Return is capped at 33%. Cap of NIFTY performance is 22% above the initial level of NIFTY. If NIFTY Final level is less than the initial level then the MLD redeems at par with zero coupon payment.	3-Apr-26	2,278.40	2,095.61

Standalone Financial Statements (Contd.)

31	2500, 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. Minimum Return paid out is 10% irrespective of the performance of NIFTY. Additional to this, the MLD gives a leverage participation(1.5x) over NIFTY Performance starting from 6.67% to 25% of NIFTY Performance. So Maximum Return is 37.5%. If NIFTY Performance is above 25% then the MLD gets knocked out and the MLD pays a flat 30% return at maturity. If NIFTY Level is below the Initial Level of NIFTY then the MLD redeems with the 10% minimum return.	12-Oct-26	2,354.11	2,154.73
32	3500, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000	Redeemable with agreed coupon at the end of 1250 days from the date of allotment. For NIFTY Performance between 0% to 10%, the MLD pays a 1x participation rate. From 10% to 35% of NIFTY Performance the MLD pays a 2x leveraged participation. So Maximum Return is 60%. If NIFTY performance is more than 35% any of the final observation date then the MLD gets knocked out and pays 40% flat return.	8-Nov-27	2,644.43	-
33	4800, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of Rs. 1,00,000	Redeemable with agreed annual coupons at the end of 1204 days from the date of allotment. Minimum annual return is 7.5%. Additional bonus payout linked to the annual performance of NIFTY capped at 18%. If NIFTY Annual Performance is greater than 18%, then the MLD gets knocked out in that year and pays flat 7.5%. NIFTY level gets reset every year. After 3 annual returns, principal is paid out at maturity.	12-May-28	4,454.17	-
34	Commercial Paper	Issued at a discount and redeemable at par. The tenure is 60 days to 365 days with an discount rate ranging from 9.10%-9.50%.	NA	28,757.80	-
Total				1,77,399.33	96,989.55

Note: Interest rate ranging from 9.45%-10.30% for debentures.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
(a) Term loans (Secured)		
(i) from banks	5,05,946.34	2,97,812.16
(ii) from other parties	99,996.11	69,565.38
(b) Pass Through Certificates (Secured)	52,308.96	3,311.59
(c) Loans repayable on demand (Secured)		
(i) from banks	-	33,676.80
Total	6,58,251.41	4,04,365.93
Borrowings in India	5,89,344.79	3,98,527.58
Borrowings outside India (comprises External Commercial Borrowings)	68,906.62	5,838.35
Total	6,58,251.41	4,04,365.93

Note : The borrowings from banks, financial institutions and others have been used for the specific purpose for which it was borrowed.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Terms and conditions		(INR in lakh)		
Particulars	Nature of security	Terms of repayment	As at March 31, 2025	As at March 31, 2024
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 6 to 78 months and interest ranging from 8.15%-11.48%.	4,43,049.02	2,97,812.16
b) 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 38 months and interest rate ranging from 9.25%-12.10%	93,986.80	63,727.03
b) 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.	Loans are repayable on maturity and annual installments with original tenure upto 60 months and interest rate is linked to SOFR.	68,906.62	5,838.35
c) Pass Through Certificates (Secured)	Secured by an exclusive charge by way of hypothecation/ assignment of specific loan receivables	Facility tenure ranging from 30 to 45 months repayable on monthly basis and interest rate ranging from 9.00%-9.60%	52,308.96	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 with interest rate ranging from 8.70% to 10.40%.	-	33,676.80
Total			6,58,251.41	4,04,365.93

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

16. OTHER FINANCIAL LIABILITIES

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
Lease liability (Refer Note 37)	1,787.82	2,220.34
Collaterals received towards loans	4,833.78	8,497.81
Security deposits	124.47	102.93
Payable to related parties (Refer Note 34)	6.24	-
Payable on assigned portfolio	6,856.24	3,405.76
Advance/Payable from/to the customers	2,006.81	3,547.22
Provision for expenses	6,580.90	4,591.44
Servicing liability on loans derecognised	1,576.20	1,783.26
Payable to employees	4,530.00	4,754.99
Others	608.51	136.66
Total	28,910.97	29,040.41

17. PROVISIONS

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Provision for Gratuity	1,040.56	803.79
Expected credit loss provision on undrawn loan commitments	12.94	8.85
Total	1,053.50	812.64

18. OTHER NON-FINANCIAL LIABILITIES

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	1,019.28	1,591.06
Total	1,019.28	1,591.06

19. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10/- each	50,00,00,000	50,000.00	50,00,00,000	50,000.00
Total	50,00,00,000	50,000.00	50,00,00,000	50,000.00
Issued, subscribed and paid up capital				
Equity Shares of Rs. 10/- each fully paid up	48,83,10,114	48,831.01	48,83,10,114	48,831.01
Total	48,83,10,114	48,831.01	48,83,10,114	48,831.01

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025**Terms/rights attached to equity shares**

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 holding company

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

(INR in lakh)

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	Amount	No. of shares held	Amount
InCred Holdings Limited (including shares held by Nominee Shareholders)	48,83,10,114	48,831.01	48,83,10,114	48,831.01
Total	48,83,10,114	48,831.01	48,83,10,114	48,831.01

Equity shares held by promoters of the company

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

(INR in lakh)

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% of shares held	No. of shares held	% of shares held
InCred Holdings Limited (including shares held by Nominee Shareholders)*	48,83,10,114	100.00%	48,83,10,114	100.00%
Total	48,83,10,114	100.00%	48,83,10,114	100.00%

*Includes 395 shares held as registered owner by Mr. Bhupinder Singh, Promoter of the Company and there are 5 other shareholders holding 1 share each.

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% Holding	No. of shares held	% Holding
InCred Holdings Limited (including shares held by Nominee Shareholders)	48,83,10,114	100.00%	48,83,10,114	100.00%
Total	48,83,10,114	100.00%	48,83,10,114	100.00%

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 Company has issued Nil equity shares for consideration other than cash (PY : Nil).

Equity shares reconciliation

(INR in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
At the beginning of the year	48,83,10,114	48,831.01	46,02,26,538	46,022.65
Add: Shares issued during the year	-	-	2,80,83,576	2,808.36
At the end of the year	48,83,10,114	48,831.01	48,83,10,114	48,831.01

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

20. OTHER EQUITY

Particulars		Reserves and Surplus						Debt instruments through OCI	Cash flow hedge reserve	Equity instruments through OCI	Total
		Special reserve	Securities premium	Deemed equity	Capital contribution from parent	Retained earnings	Merger Reserve				
Balance at March 31, 2023		3,795.09	62,498.49	27.74	1,05,850.57	13,008.72	17,030.92	(57.02)	174.90	15.36	2,02,344.76
Profit for the year		-	-	-	-	31,489.55	-	-	-	-	31,489.55
Other comprehensive income for the year		-	-	-	-	(92.63)	-	18.59	(175.40)	-	(249.44)
Total comprehensive income for the year (net of tax)		-	-	-	-	31,396.92	-	18.59	(175.40)	-	31,240.11
Transfer / utilisations											
Additions during the year (cash premium)		-	47,191.64	-	-	-	-	-	-	-	47,191.64
Utilized during the year		-	-	-	-	-	-	-	-	-	-
Purchase consideration towards business combination (Refer Note No 44)		-	-	-	-	-	-	-	-	-	-
Transferred to special reserve from retained earnings		6,297.91	-	-	-	(6,297.91)	-	-	-	-	-
Share based payment expense		-	-	-	2,432.68	-	-	-	-	-	2,432.68
Transfer from share based payment reserve (Refer Note No 36)		-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 44)		-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024		10,093.00	1,09,690.13	27.74	1,08,283.25	38,107.73	17,030.92	(38.43)	(0.50)	15.36	2,83,209.19

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Profit for the year	-	-	-	-	37,216.97	-	-	37,216.97
Other comprehensive income for the year	-	-	-	-	(47.02)	-	(60.60)	(681.17)
Total comprehensive income for the year (net of tax)	-	-	-	-	37,169.95	-	(60.60)	36,535.80
Transfer / utilisations								
Additions during the year (cash premium)	-	-	-	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-	-	-
Purchase consideration towards business combination (Refer Note No 44)	-	-	-	-	-	-	-	-
Transferred to special reserve from retained earnings	7,443.39	-	-	-	(7,443.39)	-	-	-
Transferred to retained earnings	-	-	(27.74)	-	27.74	-	-	-
Share based payment expense	-	-	-	-	-	2,984.01	-	2,984.01
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 44)	-	-	-	-	-	-	-	-
Balance at March 31, 2025	17,536.39	1,09,690.13	-	1,11,267.26	67,862.03	17,030.92	(99.03)	3,22,729.00

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Nature and purpose of each reserves:

- (i) **Special reserve** - As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. Thus, during the years ended 31 March 2025 and 31 March 2024, the Company has transferred to the Statutory Reserve an amount arrived at in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.
- (ii) **Securities premium** - Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- (iii) **Deemed equity** - Security deposits placed by Incred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited) (wholly owned subsidiary) on behalf of the Company is reported as deemed equity
- (iv) **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 Finance Private Limited (formerly known as "InCred Financial Services Limited") as a part of purchase consideration in lieu of demerger of identified NBFC business. The reserves also includes share based arrangement where the Holding Company has granted equity settled options to the employees of the company. Refer Note No 36.
- (v) **Share based payment reserve** - Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee stock option schemes operated by the Company for its employees. Refer Note no 36.
- (vi) **Retained earnings** - Retained earnings represents the amount of accumulated earnings of the Company.
- (vii) **Merger Reserve** - The "Merger Reserve" is created on account of difference between legal capital of erstwhile InCred Prime Finance Private Limited (formerly, InCred Financial Services Limited) ('erstwhile IFSL') and InCred Financial Services Limited (formerly, KKR India Financial Services Limited) ('new IFSL') along with capital contribution from parent. The Demerger was executed in FY 2022-23 through the NCLT order. (Refer Note 44)
- (viii) **Other comprehensive income:**
 - (a) **Debt instruments through other comprehensive income** - The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.
 - (b) **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.
 - (c) **Equity instruments through other comprehensive income** - The Company has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

21. INTEREST INCOME

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On Financial Assets measured at amortised cost:		
-Interest on loans	1,67,070.05	1,16,642.49
-Interest income from investments	575.42	1,201.42
-Interest on deposits with banks	1,032.17	696.67
On Financial Assets measured at fair value through profit or loss:		
-Interest on loans	-	-
On Financial Assets measured at fair value through Other Comprehensive Income:		
-Interest income from investments	480.34	800.74
Total	1,69,157.98	1,19,341.32

22. FEES AND COMMISSION INCOME

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Service and administration charges	13,722.61	3,308.47
Total	13,722.61	3,308.47
Geographical Markets		
Within India	13,722.61	3,308.47
Outside India	-	-
Total	13,722.61	3,308.47
Timing of revenue recognition		
Services transferred at a point in time	13,722.61	3,308.47
Services transferred over time	-	-
Total	13,722.61	3,308.47

Note: For receivable balances against the income, refer note no 5

23. NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net gain/ (loss) on financial instruments at fair value through profit or loss		
-Investments	1,529.00	1,303.74
-Derivatives	865.57	(303.49)
Total	2,394.57	1,000.25
Fair value changes:		
-Realised	1,260.94	1,418.07
-Unrealised	1,133.63	(417.82)

24. OTHER INCOME

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Marketing income	565.20	1,963.10
Business support charges	127.50	243.97
Others	368.50	106.30
Total	1,061.20	2,313.37

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

25. FINANCE COSTS

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial liabilities measured at amortised cost:		
(i) Interest on borrowings	46,734.34	33,035.84
(ii) Discount on Commercial Paper	1,802.75	933.88
(iii) Interest on Debentures	11,625.52	9,949.48
(iv) Interest on Inter Corporate Debts ("ICD")	237.57	558.85
(v) Interest on Pass Through Certificate	1,655.78	394.23
(vi) Interest on lease liability (Refer Note 37)	203.46	241.56
(vii) Other finance cost	502.52	370.58
Total	62,761.94	45,484.42

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS (NET OF RECOVERIES)

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On Financial instruments measured at amortised cost:		
(i) Loans (including amount written off, net of recovery)*	18,743.61	(2,458.59)
(ii) Investments	19.57	-
(iii) Others	13.56	511.71
Total	18,776.74	(1,946.88)

*Of the above Rs. 10,513.23 lakh pertains to write-off during current year (PY : Rs. 4,852.85 lakh)

27. EMPLOYEE BENEFITS EXPENSES

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	27,524.83	22,222.19
Contribution to provident and other funds	666.86	546.11
Share based payment to employees (Refer Note 36)	2,983.98	2,432.70
Staff welfare expenses	783.87	745.63
Retirement Benefit expenses (Refer Note 35)	239.86	170.71
Total	32,199.40	26,117.34

28. OTHER EXPENSES

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Information Technology expenses	3,795.06	2,540.98
Collection expenses	6,789.57	3,479.62
Legal, professional and consultancy charges	6,347.73	1,671.38
Office Expense	1,258.80	1,076.31
Travelling and conveyance	849.93	744.51
Advertisement, publicity and sales promotion expenses	1,244.47	677.92
Rating fees	279.53	226.79

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Payment to auditors	157.02	142.43
Directors' sitting fees (Refer Note 34)	156.96	86.84
Stamp Duty & Filing fees	68.29	77.64
Bank charges	42.96	43.30
Repairs and maintenance	40.75	24.06
Corporate Social responsibility (Refer Note 41)	295.61	-
Rent (Refer Note 37)	400.01	210.50
Membership and Subscription	18.59	15.51
Miscellaneous expenses	839.41	768.95
Total	22,584.69	11,786.74

Payment to the auditors:

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Auditor's remuneration		
- Audit fees	136.25	116.25
In other capacity		
- Certification services	16.90	18.15
Reimbursement of expenses	3.87	8.03
Total	157.02	142.43

29. TAX EXPENSE

(a) Amounts recognised in profit and loss

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax expense		
Current year	682.70	717.80
Current tax expense	682.70	717.80
Deferred tax expense		
Origination and reversal of temporary differences	12,233.02	10,094.70
Deferred tax expense	12,233.02	10,094.70
Tax expense for the year	12,915.72	10,812.50

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(b) Amounts recognised in other comprehensive income

(INR in lakh)

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	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)	(62.83)	15.81	(47.02)	(123.79)	31.16	(92.63)
Items that will be reclassified to profit or loss						
(a) Debt instruments through other comprehensive income	(80.98)	20.38	(60.60)	24.84	(6.25)	18.59
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(766.48)	192.92	(573.56)	(234.40)	59.00	(175.40)
	(910.29)	229.11	(681.18)	(333.35)	83.91	(249.44)

(c) Amounts recognised directly in equity

There are no temporary difference recognised directly in equity for the year ended March 31, 2025 (PY : Nil)

(d) Reconciliation of effective tax rate

(INR in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit before tax as per Statement of profit and loss (A)	50,132.69	42,302.05
Statutory tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate (B)	12,618.40	10,647.43
Tax effect of:		
Tax effect of amounts which are not deductible in calculating taxable income	74.40	-
Tax impact of earlier period	206.85	213.61
Other adjustments	16.07	(48.54)
Effective tax amount	12,915.72	10,812.50
Effective tax rate	25.76%	25.56%

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

30. 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:

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit attributable to equity holders of the Company used in calculating basic earnings per share	37,216.97	31,489.55
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	37,216.97	31,489.55

ii. Weighted average number of ordinary shares

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (A)	4,88,310,114	4,67,920,668
Adjustments for calculation of diluted earnings per share (B)	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (A+B)	4,88,310,114	4,67,920,668
Basic earnings per share	7.62	6.73
Diluted earnings per share	7.62	6.73

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

31. 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 :

Particulars	As at March 31, 2025					As at March 31, 2024					(INR in lakh)	
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets												
Cash and cash equivalents	-	-	63,991.58	63,991.58	-	-	-	-	-	-	8,141.03	8,141.03
Bank balance other than cash and cash equivalents	-	-	17,234.70	17,234.70	-	-	-	-	-	-	8,323.96	8,323.96
Derivative financial instruments	369.47	514.67	-	884.14	853.18	25.74	-	878.92	-	-	-	-
Trade Receivables	-	-	1,680.80	1,680.80	-	-	-	-	-	-	-	-
Loans	-	-	10,48,702.05	10,48,702.05	-	-	-	7,25,877.44	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
-Debt securities	1,891.61	16,205.28	4,872.54	22,969.43	1,035.67	20,150.31	36,860.88	58,046.86	-	-	-	-
-Mutual Fund	28,045.16	-	-	28,045.16	-	-	-	-	-	-	-	-
Other financial assets	-	-	12,153.27	12,153.27	-	-	10,617.64	10,617.64	-	-	-	-
Total financial assets	30,306.24	16,719.95	11,48,634.94	11,95,661.13	1,888.85	20,176.05	7,89,820.95	8,11,885.85				
Financial liabilities												
Derivative financial instruments	2,145.27	-	-	2,145.27	2,265.96	-	-	2,265.96	-	-	-	-
Trade Payables	-	-	323.12	323.12	-	-	271.89	271.89	-	-	-	-
Debt securities	-	-	1,77,399.33	1,77,399.33	-	-	96,989.55	96,989.55	-	-	-	-
Borrowings (other than debt securities)	-	-	6,58,251.41	6,58,251.41	-	-	4,04,365.93	4,04,365.93	-	-	-	-
Other financial liabilities	-	-	28,910.97	28,910.97	-	-	29,040.41	29,040.41	-	-	-	-
Total financial liabilities	2,145.27	-	8,64,884.83	8,67,030.10	2,265.96	-	5,30,667.78	5,32,933.74				

Note: Investment in subsidiaries (less impairment) and convertible preference shares amounting to Rs. 617.24 lakh (PY : Rs. 617.24 lakh) is carried at cost and does not form part of the above.

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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Particulars	Fair value						
	As at March 31, 2025			As at March 31, 2024			(INR in lakh)
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	
Financial assets							
Derivative Financial Instruments	-	884.14	-	884.14	-	878.92	878.92
Investment in Mutual Fund	28,045.16	-	-	28,045.16	-	-	-
Investment in debt securities	15,703.82	2,393.07	-	18,096.89	5,381.28	15,804.70	21,185.98
Total	43,748.98	3,277.21	-	47,026.19	5,381.28	16,683.62	22,064.90
Financial liabilities							
Derivative Financial Instruments	-	2,145.27	-	2,145.27	-	2,265.96	2,265.96
Total	-	2,145.27	-	2,145.27	-	2,265.96	2,265.96
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.							
Particulars	Fair value						
	As at March 31, 2025			As at March 31, 2024			(INR in lakh)
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	
Financial assets							
Cash and cash equivalents	63,991.58	-	-	63,991.58	8,141.03	-	8,141.03
Bank balance other than cash and cash equivalents	17,234.70	-	-	17,234.70	8,323.96	-	8,323.96
Investments							
- Debt securities	-	-	4,872.54	4,872.54	-	-	36,860.88
Trade Receivables	-	-	1,680.80	1,680.80	-	-	-
Loans	-	-	10,89,315.05	10,89,315.05	-	-	7,60,868.19
Other financial assets	-	-	12,153.27	12,153.27	-	-	10,617.64
Total	81,226.28	-	11,08,021.66	11,89,247.94	16,464.99	-	8,08,346.71
Financial Liabilities							
Trade Payables	-	-	323.12	323.12	-	-	271.89
Debt securities	-	-	1,78,325.40	1,78,325.40	-	-	98,714.07
Borrowings (other than debt securities)	-	-	6,58,011.71	6,58,011.71	-	-	4,04,336.00
Other financial liabilities	-	-	28,910.97	28,910.97	-	-	24,285.42
Total	-	-	8,65,571.20	8,65,571.20	-	-	5,27,607.38

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(INR in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	63,991.58	63,991.58	8,141.03	8,141.03
Bank balance other than cash and cash equivalents	17,234.70	17,234.70	8,323.96	8,323.96
Derivative Financial instruments	884.14	884.14	853.18	-
Trade Receivables	1,680.80	1,680.80	-	-
Loans	10,48,702.05	10,89,315.05	7,25,877.44	760,868.19
Investments				
-Convertible preference shares	-	-	-	-
-Debt securities at fair value through profit & loss	29,936.77	29,936.77	1,035.67	1,035.67
-Debt securities at Other comprehensive income	16,205.28	16,205.28	20,150.31	20,150.31
-Debt securities at amortised cost	4,872.54	4,872.54	36,860.88	36,860.88
Other financial assets	12,153.27	12,153.27	10,617.64	10,617.64
Total	11,95,661.13	12,36,274.13	8,11,860.11	8,45,997.68
Financial liabilities				
Derivative Financial instruments	2,145.27	2,145.27	2,265.96	2,265.96
Trade Payables	323.12	323.12	271.89	271.89
Debt securities	1,77,399.33	1,78,325.40	96,989.55	98,714.07
Borrowings (other than debt securities)	6,58,251.41	6,58,011.71	4,04,365.93	4,04,336.00
Other financial liabilities	28,910.97	28,910.97	29,040.41	29,040.41
Total	8,67,030.10	8,67,716.47	5,32,933.74	5,34,628.33

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. 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. The carrying value of Stage 3 loans are considered as fair value.

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 Company has investments in debt securities with fixed rates. The carrying amount of these financial instruments is

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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 CRISIL Rating Agency as at March 31, 2025 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 mutual funds:**

The investment in mutual 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 yield 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 among 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, 2025 and March 31, 2024.

D. Sensitivity analysis of financial instruments at Level 3

Particulars		As at March 31, 2025		As at March 31, 2024	
		Delta effect of		Delta effect of	
	Input name	+ 1% change	- 1% change	+ 1% change	- 1% change
Financial Assets:					
Loans	Discount rate	(8,413.74)	8,598.69	(4,613.00)	4,710.06
Investment in debt securities	Gsec / FIMMDA rate	-	-	(12.56)	13.29
Financial Liabilities:					
Debt securities	Discount rate	(719.56)	725.08	(292.15)	293.98
Borrowings (other than debt securities)	Discount rate	(2,159.07)	2,212.96	(428.83)	434.49

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, 2025 and March 31, 2024

Particulars	(INR in lakh)
	Debt Instruments
As at March 31, 2023	4,353.78
Net Acquisitions/(Disposal)	(4,378.62)
Gains /(Loss) recognised in other comprehensive income	24.84
As at March 31, 2024	-
Net Acquisitions/(Disposal)	-
Gains /(Loss) recognised in other comprehensive income	-
As at March 31, 2025	-

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

32. 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 board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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 is the risk of financial loss to the Company 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 Company's key objective is to maintain a strong culture of responsible lending, and robust risk policies and control frameworks. The Company 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. To mitigate this risk, the Company has a robust system of credit line management for various transactions, including over-withdrawals, loan approvals, account inactivity, etc. These measures are also audited by Internal Audit to ensure adequacy of risk controls on an ongoing basis.

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 Company 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."
- **Risk Management of unsecured exposure :** The Company periodically monitors sectoral limits for consumer credit in line with the extant regulations. Also, there is a Board approved framework in place for periodic review and monitoring of sub-sectoral limits and adherence to the exposure limits on an ongoing basis by the Risk Management Committee of the Board. The Company has data analytics led early warning process to check stress build up of portfolio in certain pockets and is always vigilant to mitigate the risks through timely policy changes and other sourcing related actions to maintain the portfolio quality . Also, effective collection strategies, proactive communication, and building robust collection capacities are essential measures to mitigate risks and ensure sustainable growth. By focusing on these areas, the Company enhances its resilience and better manage the challenges associated with loan collections. The Company 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."

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Measurement of Expected Credit Losses ('ECL')

The Company has segmented its outstanding portfolio 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 Company 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 Company 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 Company does the assessment of significant increase in credit risk at a borrower level. Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3. “

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company 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 Company's internally developed statistical models and other historical data. In addition, the Company 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, company consider economic span of base case, plus upside and downside scenario.

The Company also uses an internally developed model in unsecured personal Loan portfolio as part of its Probability of Default (PD) estimation within the Expected Credit Loss (ECL) framework. The internally developed model is a proprietary Machine Learning based scoring system designed to evaluate the risk level of loan accounts and combines various data points as per the Credit Bureau of the borrower. The model is derived using internal data elements such as credit history, repayment behaviour, and borrower demographics, enabling the Company to build a comprehensive borrower risk profile. This scoring mechanism is integrated to assess the credit quality of individual exposures and assign risk grades, which are then mapped to corresponding PD values. The use case of this model in ECL computation is to further break down a portfolio segment by grouping the borrowers exhibiting similar risk characteristics.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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)	As per empirical data Considered 65% for unsecured portfolio as per regulatory guidelines
	Student Loans					
	Supply Chain Finance					
Secured	Escrow Backed Unsecured Business 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)	As per empirical data
	Structured Finance					
	Two Wheeler Finance					
	Secured School Finance	In absence of sufficient default data, a management judgement-based PD is used in line with industry benchmarks		100%	Exposure at Default (EAD) is the amount which the borrower owes as at the reporting date (including overdue and undrawn amount)	Considered 50% for secured portfolio as per regulatory guidelines
	Supply Chain Finance					
	Lending to Other Financial Institutions					
	Loan Against Property					
	Home Loans					

As at March 31, 2025

(INR in lakh)				
Particulars	Asset group	Gross carrying amount (GCA)	Expected credit losses (ECL)	Net carrying amount (NCA)
Stage 1	Term Loans*	10,41,117.54	11,213.18	10,29,904.36
	Loan commitments	39,082.62	12.94	39,069.68
Stage 2	Term Loans	15,738.63	4,683.64	11,054.99
Stage 3	Term Loans	20,939.17	13,196.47	7,742.70

* Out of the above GCA of Rs. 10,41,117.54 lakh from 3,95,117 loan accounts, 3,83,721 loan accounts with GCA of Rs. 10,03,641.70 lakh are zero days past due.

As at March 31, 2024

(INR in lakh)				
Particulars	Asset group	Gross carrying amount (GCA)	Expected credit losses (ECL)	Net carrying amount (NCA)
Stage 1	Term Loans*	7,16,171.95	5,989.37	7,10,182.58
	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. 7,16,171.95 lakh from 3,50,445 loan accounts, 3,36,152 loan accounts with GCA of Rs. 7,02,072.62 lakh are zero days past due.

Collateral held

"The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

- First/Subservient charge on the Land and/or Building of the project or other projects
- First/Subservient charge on the fixed and current assets of the borrower

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

- 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 Company on the basis of its assessment of credit risk classifies loans under Stage 2 irrespective of its overdue 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.

(iii) Reconciliation of Loan exposure and Loan loss allowance

For Loan exposure

The below table signifies movement of gross carrying amount:

	(INR in lakh)		
Reconciliation of Loan exposure	Stage 1	Stage 2	Stage 3
Loan exposure on March 31, 2023	5,17,664.54	26,125.43	11,441.58
Change in opening credit exposure	(2,96,375.57)	(19,886.86)	(7,509.70)
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	-	-	(4,852.85)
Loan exposure on March 31, 2024	7,16,171.95	12,815.87	15,936.35
Change in opening credit exposure	(3,40,891.64)	(7,973.80)	(7,913.01)
New credit exposures during the year, net of repayment*	6,91,326.12	4,228.50	4,608.24
Transferred to 12-month ECL	1,518.75	(1,425.12)	(93.63)
Transferred to Lifetime ECL not credit impaired	(11,086.03)	11,187.71	(101.68)
Transferred to Lifetime ECL credit impaired	(15,921.61)	(3,094.53)	19,016.13
Write – offs	-	-	(10,513.23)
Loan exposure on March 31, 2025	10,41,117.54	15,738.63	20,939.17

*represents outstanding balance of loan exposures originated during the year as at reporting date.

For Loan loss allowance:

	(INR in lakh)		
Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on March 31, 2023	2,959.88	5,463.35	6,428.30
Change in opening credit exposure	(2,400.19)	(2,776.78)	6,552.91
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	-	-	(4,852.85)
Loss allowance on March 31, 2024	5,989.37	3,382.05	9,675.31
Change in opening credit exposure	(2,312.88)	1,299.18	10,111.03
New credit exposures during the year, net of repayment*	7,434.85	1,296.29	2,731.33
Transferred to 12-month ECL	459.51	(410.07)	(49.44)
Transferred to Lifetime ECL not credit impaired	(103.50)	156.76	(53.26)
Transferred to Lifetime ECL credit impaired	(254.17)	(1,040.57)	1,294.73
Write – offs	-	-	(10,513.23)
Loss allowance on March 31, 2025	11,213.18	4,683.64	13,196.47

*represents outstanding balance of loss allowance on loan exposures originated during the year as at reporting date.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

For investments

(INR in lakh)

Reconciliation of loss allowance	Stage 1
Loss allowance on March 31, 2023	4,387.85
Changes in loss allowances due to Assets used or released	(2,691.14)
Loss allowance on March 31, 2024	1,696.71
Changes in loss allowances due to Assets used or released	85.61
Loss allowance on March 31, 2025	1,782.32

The company has assessed the impairment allowance on trade receivables and other financial assets and has taken the impairment loss of Rs. 13.56 lakh for current year (PY : Nil). Investments at amortised cost and FVOCI are all classified as Stage 1

For loan commitments

(INR in lakh)

Reconciliation of loss allowance	Stage 1
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
Changes in loss allowances due to Assets used or released	4.09
Loss allowance on 31 March 2025	12.94

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.

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 has formulated an Asset Liability Management Policy. The Asset Liability Management Committee ('ALCO') is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. 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 Company has the following uncancellable undrawn credit lines available as at the end of the reporting period:

(INR in lakh)

Particulars	As at March 31, 2025"	As at March 31, 2024"
- Expiring within one year	91,600.00	9,873.00
- Expiring beyond one year	-	-
Total	91,600.00	9,873.00

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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

As at March 31, 2025

(INR in lakh)

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	2,145.27	(2,145.27)	(620.34)	(1,358.99)	(165.94)	-
Trade Payables	13	323.12	(323.12)	(323.12)	-	-	-
Debt securities	14	1,77,399.33	(2,01,088.43)	(78,781.66)	(1,16,910.80)	(5,395.97)	-
Borrowings (other than debt securities)	15	6,58,251.41	(7,80,016.87)	(3,10,978.25)	(3,43,793.16)	(1,20,881.69)	(4,363.76)
Other financial liabilities	16	28,910.97	(28,910.97)	(19,149.74)	-	(1,188.80)	(8,572.42)
Commitments	38	39,439.80	(39,439.79)	(14,638.42)	(24,801.37)	-	-
Total		9,06,469.90	(10,51,924.45)	(4,24,491.53)	(4,86,864.32)	(1,27,632.40)	(12,936.18)

As at March 31, 2024

(INR in lakh)

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	13	271.89	(271.89)	(271.89)	-	-	-
Debt securities	14	96,989.55	(1,09,199.43)	(42,913.39)	(66,286.04)	-	-
Borrowings (other than debt securities)	15	4,04,365.93	(4,49,172.49)	(2,39,107.19)	(1,79,988.54)	(30,076.76)	-
Other financial liabilities	16	29,040.41	(29,040.41)	(17,686.06)	(1,614.25)	(676.03)	(9,064.07)
Commitments	38	49,998.24	(49,998.24)	(17,743.96)	(32,254.28)	-	-
Total		5,82,931.98	(6,39,948.42)	(3,18,613.86)	(2,81,517.70)	(30,752.79)	(9,064.07)

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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, 2025

(INR in lakh)

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	63,991.58	63,994.56	63,994.56	-	-	-
Bank balance other than cash and cash equivalents	3	17,234.70	17,949.17	14,849.40	3,099.76	-	-
Derivative financial instruments	4	884.14	884.14	884.14	-	-	-
Trade Receivables	5	1,680.80	1,680.80	1,680.80	-	-	-
Loans	6	10,48,702.05	17,59,486.86	5,36,501.35	5,43,341.64	2,09,915.75	4,69,728.11
Investments (other than investments at cost)	7	51,014.59	56,179.51	39,352.44	9,614.59	2,326.93	4,885.55
Other financial assets	8	12,153.27	12,153.28	931.13	-	-	11,222.15
Total		11,95,661.13	19,12,328.31	6,58,193.82	5,56,056.01	2,12,242.69	4,85,835.81

As at March 31, 2024

(INR in lakh)

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	8,141.03	8,141.03	8,141.03	-	-	-
Bank balance other than cash and cash equivalents	3	8,323.96	8,579.48	8,579.48	-	-	-
Derivative financial instruments	4	878.92	878.92	878.92	-	-	-
Loans	6	7,25,877.44	14,07,972.83	4,30,495.17	4,04,545.66	1,63,819.30	4,09,112.70
Investments (other than investments at cost)	7	58,063.24	59,650.82	52,687.88	6,467.16	-	495.78
Other financial assets	8	10,617.64	10,617.64	4,822.82	2,308.07	820.95	2,665.80
Total		8,11,902.23	14,95,840.72	5,05,605.30	4,13,320.89	1,64,640.25	4,12,274.28

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. The Company 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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Exposure to interest rate risk

Company's interest rate risk arises majorly from borrowings, loans and investments. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(INR in lakh)

Particulars	Nominal amount	
	As at March 31, 2025"	As at March 31, 2024"
Loans		
- Fixed rate loans	7,20,982.01	4,52,042.47
- Variable rate loans	3,31,932.28	2,84,567.94
Fixed rate bank deposits	18,236.09	8,323.96
Fixed rate investments in debt securities at amortised cost	4,892.11	36,860.88
Fixed rate investments in debt securities at other comprehensive income	16,278.03	20,157.02
Total	10,92,320.52	8,01,952.27
Debt and Borrowings		
Fixed rate Debt and Borrowings	(3,89,379.38)	(1,87,368.20)
Variable rate Debt and Borrowings	(4,49,935.92)	(3,10,269.92)
Total	(8,39,315.30)	(4,97,638.12)

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.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis 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 1% higher/ lower and all other variables were held constant, the Company's Profit before tax for the year ended/ Other Equity (pre-tax) as on March 31, 2025 and March 31, 2024 would increase/ (decrease) by the following amounts:

(INR in lakh)

Particulars	Profit or (loss) before tax		Equity (before tax)	
	+ 1% Change	- 1% Change	+ 1% Change	- 1% Change
March 31, 2025				
Variable-rate instruments	(1,180.04)	1,180.04	(1,180.04)	1,180.04
Cash flow sensitivity (net)	(1,180.04)	1,180.04	(1,180.04)	1,180.04
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

The risk estimates provided assume a parallel shift of 1% 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 year end balances are not necessarily representative of the average debt outstanding during the year end.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

D. Other Price risk

The Company is currently exposed to the price risk arising from investments classified in the Balance Sheet at fair value through Other Comprehensive Income. If the market price of the investment had been higher/lower by 1% from the market price existing as at March 31, 2025, profit or loss(pre-tax) for the year ended March 31, 2025 would increase/decrease by Rs. 154.97 lakh (PY : 105.10 lakh) with a corresponding increase /decrease in the Total Equity of the Company as at March 31, 2025.

E. Foreign Currency Risk

The Company'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 Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved policy. The Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Company is following hedge accounting. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved policy.

33. CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES**A. Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flows')**

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

B. Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

Company's interest rate risk arises majorly from borrowings, loans and investments. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(INR in lakh)

Particulars	As at April 01, 2024	Cash flows	Change in fair value	Other	As at March 31, 2025
Debt securities	96,989.56	82,609.17	-	(2,199.40)	1,77,399.33
Borrowings other than debt securities	4,04,365.93	2,60,730.63	-	(6,845.15)	6,58,251.41
Total	5,01,355.49	3,43,339.80	-	(9,044.55)	8,35,650.74

(INR in lakh)

Particulars	As at April 01, 2023	Cash flows	Change in fair value	Other	As at March 31, 2024
Debt securities	1,15,190.09	(18,200.53)	-	-	96,989.56
Borrowings other than debt securities	2,76,105.88	1,22,745.46	-	5,514.59	4,04,365.93
Total	3,91,295.97	1,04,544.93	-	5,514.59	5,01,355.49

(i) Other includes interest accrued but not paid on borrowing, amortization of processing fees etc.

(ii) Total Liabilities comprises of Debt securities and Borrowings (other than debt securities)

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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	Resignation	03.10.2024
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
Dr. Sankaran Nair Rajagopal	Independent Director	Appointment	30.03.2023
Ms. Sunita Gupta	Independent Director	Appointment	30.03.2023
Ms. Ambika Bisla	Independent Director	Appointment	30.03.2023
Mr. Rohan Suri	Non-Executive Director	Appointment	30.03.2023
Mr. Anil Nagu	Non-Executive Director	Appointment	14.09.2023
Mr. Gaurav Maheshwari	CFO/Wholetime Director	Appointment	16.12.2024/27.01.2025

Enterprises where key management personnel exercises significant influence

1. InCred Capital Financial Services Limited
2. InCred Asset Management Private Limited
3. InCred Wealth and Investments Services 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
10. Alpha Fintech Private Limited
11. InCred TechInvest Private Limited (Formerly known as "Booth Fintech Private Limited")
12. InCred Premier Distribution Private Limited (Formerly known as "mValu Technology Services Private Limited")
13. InCred Global Wealth Limited (Dubai)

Fellow subsidiaries:

1. InCred Prime Finance Private Limited (Formerly known as InCred Financial Services Limited) (upto September 02, 2024)

A. Names of related parties and nature of relationship

Holding Company	Country of Incorporation	Proportion of ownership interest (% holding)	
		As at March 31, 2025	As at March 31, 2024
InCred Holdings Limited	India	100.00%	100.00%

Direct subsidiaries:

Name of subsidiaries	Country of Incorporation	Principal place of business	Proportion of ownership interest (% holding)	
			As at March 31, 2025	As at March 31, 2024
Incred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited)	India	Mumbai	100.00%	100.00%
Incred.AI Limited	India	Mumbai	100.00%	100.00%

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025**Transactions with key management personnel****i. Key management personnel compensation**

(INR in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employee benefit expenses	1,718.10	1,663.20
Directors' sitting fees	156.96	86.84

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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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

Nature of transactions	Holding Company		Subsidiaries		Enterprises owned or controlled by KMP		Fellow Subsidiary	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance Sheet transactions								
Investment in equity shares from Holding company	-	50,000.00	-	-	-	-	-	-
Inter Corporate Deposits (ICD) taken	-	3,100.00	-	-	15,000.00	4,000.00	-	-
Repayment of ICD taken (including interest)	-	3,142.71	-	-	15,157.79	4,001.07	-	-
ICD given	-	-	5.00	-	40,000.00	17,915.00	-	-
Repayment of ICD given (including interest)	-	1,505.47	-	-	38,859.60	219.41	-	-
Issue of Debentures	-	-	-	-	18,380.00	6,650.00	-	-
Subscription to Debentures	-	-	-	-	493.00	1,150.00	-	-
Proceeds from sale of subsidiary	-	-	-	-	-	1,735.01	-	-
Purchase of investments	-	-	-	-	-	4,375.23	-	-
Proceeds from sale of investments	-	-	-	-	4,147.72	7,955.17	-	-
Transfer out / (in) of gratuity liability	-	1.59	0.50	-	(12.94)	2.61	-	15.97
Income transactions								
Interest on ICD	-	5.47	0.48	-	959.60	204.41	-	-
Expense transactions								
Interest on ICD	-	42.71	-	-	157.79	1.07	-	-
Business Support	-	-	1,738.54	-	-	-	-	-
Fee and commission	278.44	131.78	-	-	231.30	108.89	-	-

Note: The above does not include reimbursement related transactions.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Summary of balance receivable from / payable to the above related parties are as follows:

Sr. No.	Balance outstanding	Holding Company		Subsidiaries		KMP/ KMP exercising influence/ close member of KMP		Enterprises owned or controlled by Key Managerial Personnel*		Fellow Subsidiary	
		For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Advances/Receivables	2.99	57.24	49.78	3.24	-	-	105.62	20.76	-	-
2	Investments (at cost)	-	-	2,297.57	2,297.57	-	-	-	-	-	-
3	Investments in debentures	-	-	-	-	-	-	1,373.00	1,150.00	-	-
4	Outstanding debenture payable	-	-	-	-	-	-	809.09	1,622.51	-	-
5	ICD Receivable	-	-	5.48	-	-	-	20,000.00	17,900.00	-	-
6	Other Payables	120.00	-	-	-	-	-	6.24	-	-	1.08

Note:

* Other than those mentioned, 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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

35. EMPLOYEE BENEFITS

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

Particulars	(INR in lakh)	
	Year ended March 31, 2025	Year ended March 31, 2024
Provident fund	666.86	546.11

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

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	803.79	546.63
Interest cost	57.39	39.36
Current Service cost	182.47	125.44
Past Service cost - incurred during the period	-	-
Liability Transferred In/ Acquisitions	20.78	6.21
Liability Transferred Out/ Divestments	(10.14)	(26.38)
Benefit Paid Directly by the Employer	(76.56)	(11.26)
Actuarial Loss / (Gains) on Obligations - Due to Change in Demographic Assumptions	19.34	26.88
Actuarial Loss / (Gains) on Obligations - Due to Change in Financial Assumptions	(21.06)	28.33
Actuarial Losses on Obligations - Due to Experience	64.55	68.58
Liability at the end of the year	1,040.56	803.79

Note:-Actuarial Losses on Obligations - Due to Experience : FY 23- INR 87.72 lakh, FY 22- 95.44 lakh , FY 21- 21.29 lakh

Amount recognized in the Balance Sheet

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation at the end of the year	(1,040.56)	(803.79)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	(1,040.56)	(803.79)
Net (Liability)/Asset Recognized in the Balance Sheet	(1,040.56)	(803.79)

Expenses recognized in the Statement of Profit and Loss

Particulars	(INR in lakh)	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	182.47	125.44
Interest cost	57.39	39.36
Past Service Cost - Recognized	-	-
Expenses recognised	239.86	164.80

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Expenses recognized in the Other comprehensive income (OCI)

(INR in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial Loss / (Gains) on obligation for the year	62.83	123.79
Net Loss / (Income) for the year recognized in OCI	62.83	123.79

The actuarial assumptions used to determine benefit obligations as at March 31, 2025 and March 31, 2024 are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount Rate	6.55%	7.14%
Salary escalation rate	8.00%	9.00%
Expected Rate of return on Plan Assets	N.A	N.A
Rate of Employee Turnover	28%	30%
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

(INR in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Opening net liability	803.79	546.63
Expenses recognized in Statement of Profit and Loss	239.86	164.80
Expenses recognized in OCI	62.83	123.79
Net Liability/(Asset) Transfer In	20.78	6.21
Net (Liability)/Asset Transfer Out	(10.14)	(26.38)
Benefit Paid Directly by the Employer	(76.56)	(11.26)
Net liability recognized in the Balance Sheet	1,040.56	803.79

Cash Flow Projection

Maturity analysis of the benefit payments: from the employer

(INR in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st following year	216.62	186.49
2nd following year	189.70	157.06
3rd following year	173.16	134.99
4th following year	153.35	118.17
5th following year	129.59	98.84
Sum of years 6 to 10	326.68	236.89
Sum of years 11 and above	105.74	68.46

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

Sensitivity analysis

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefit obligation on current assumptions	1,040.56	803.79
Delta effect of +1% change in rate of discounting	(29.31)	(20.69)
Delta effect of -1% change in rate of discounting	31.37	22.07
Delta effect of +1% change in rate of salary increase	39.79	28.42
Delta effect of -1% change in rate of salary increase	(37.83)	(27.12)
Delta effect of +1% change in rate of employee turnover	(9.12)	(6.83)
Delta effect of -1% change in rate of employee turnover	9.43	7.08

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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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 (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, 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 Company is compensated by way of capital contribution by Holding Company in the Company.

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	Year ended March 31, 2025	Year ended March 31, 2024
Fair value as on grant date	68.48 to 110.70	26.68 to 99.78
Share prices during the year , on grant dates	134.99 to 136.07	67.02 to 134.98
Exercise price	40 to 90	40 to 60
Expected volatility (weighted average volatility)	40%	40%
Rate of Employee Turnover	18%	20%
Expected life (expected weighted average life)	4.12 years	4.61 years
Risk- free interest rate (based on government bonds)	6.77% to 7.19%	7.22% to 7.55%
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, 2025	As at March 31, 2024
Opening balance	41.80	2,81,00,429	3,19,57,654
Add: Options granted during the year	85.94	50,27,250	60,92,850
Less: Options exercised during the year	41.19	(56,99,869)	(95,45,137)
Less: Options lapsed during the year	63.47	(666,937)	(4,04,938)
Options outstanding as at the year end	50.84	2,67,60,873	2,81,00,429
Option exercisable of the above		1,44,65,798	1,27,54,746

Weighted average remaining contractual life of options outstanding at end of the year: 4.12 years

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

37. LEASE ACCOUNTING

The Company 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):

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,843.79	2,182.21
Addition during the year	209.94	294.02
Disposals during the year	-	-
Depreciation for the year	(623.39)	(632.44)
Balance as at the end of the year	1,430.34	1,843.79

ii. The following is the movement in lease liabilities:

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,220.34	2,522.02
Addition during the year	209.94	294.02
Finance cost accrued during the year	203.46	241.56
Payment of Lease liabilities made during the year	(845.92)	(837.26)
Balance as at the end of the year	1,787.82	2,220.34

iii. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	714.95	809.69
Between one and five years	1,326.36	1,822.59
More than five years	35.22	-
Total	2,076.53	2,632.28

iv. Maturity Analysis of carrying value of lease liability

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Within 12 months	567.85	623.84
After 12 months	1,219.97	1,596.50
Total	1,787.82	2,220.34

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

v. Expenses recognised in the statement of Profit and Loss

(INR in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expense on right-of-use assets (Refer Note 10A)	623.39	632.44
Interest expense on lease liabilities (Refer Note 25)	203.46	241.56
Expense relating to short-term leases (Refer Note 28)	400.01	210.50
Expense relating to leases of low value assets	-	-

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

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Commitments		
Undrawn committed credit lines*	39,082.62	49,641.06
Obligation on investments in partly paid up preference shares	357.18	357.18
Total	39,439.80	49,998.24

*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 Company which requires any provision or disclosure as contingent liability.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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:

(INR in lakh)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	63,991.58	-	63,991.58	8,141.03	-	8,141.03
Bank balance other than cash and cash equivalents	14,366.21	2,868.50	17,234.70	8,323.96	-	8,323.96
Derivative financial instruments	884.14	-	884.14	878.92	-	878.92
Trade Receivables	1,680.80	-	1,680.80	-	-	-
Loans	3,64,614.10	6,84,087.95	10,48,702.05	2,58,192.84	4,67,684.60	7,25,877.44
Investments	37,725.28	13,906.55	51,631.83	50,607.96	8,056.14	58,664.10
Other financial assets	931.13	11,222.14	12,153.27	4,822.82	5,794.82	10,617.64
Sub total	4,84,193.24	7,12,085.14	11,96,278.37	3,30,967.53	4,81,535.56	8,12,503.09
Non-financial assets						
Current Tax assets (Net)	-	980.27	980.27	-	2,231.93	2,231.93
Deferred Tax assets (Net)	-	25,457.92	25,457.92	-	37,461.82	37,461.82
Property, plant and equipment	-	5,489.84	5,489.84	-	4,975.31	4,975.31
Capital Work-in-progress	-	230.18	230.18	-	336.65	336.65
Goodwill	-	6,126.09	6,126.09	-	6,126.09	6,126.09
Other intangible assets	-	189.94	189.94	-	393.40	393.40
Other non-financial assets	3,563.23	2,347.05	5,910.28	3,340.97	8.38	3,349.35
Sub total	3,563.23	40,821.29	44,384.52	3,340.97	51,533.58	54,874.55
Total assets	4,87,756.48	7,52,906.43	12,40,662.89	3,34,308.50	5,33,069.14	8,67,377.64
LIABILITIES						
Financial liabilities						
Derivative financial instruments	620.34	1,524.93	2,145.27	891.37	1,374.59	2,265.96
Trade payables	323.12	-	323.12	271.89	-	271.89
Debt securities	67,123.56	1,10,275.77	1,77,399.33	41,821.90	55,167.65	96,989.55
Borrowings (other than debt securities)	2,39,486.16	4,18,765.25	6,58,251.41	1,86,620.22	2,17,745.71	4,04,365.93
Other financial liabilities	19,149.74	9,761.22	28,910.97	17,686.06	11,354.35	29,040.41
Sub total	3,26,702.93	5,40,327.17	8,67,030.10	2,47,291.44	2,85,642.30	5,32,933.74
Non-Financial liabilities						
Provisions	216.62	836.88	1,053.50	189.60	623.04	812.64
Other non-financial liabilities	1,019.28	-	1,019.28	1,591.06	-	1,591.06
Sub total	1,235.91	836.88	2,072.78	1,780.66	623.04	2,403.70
Total liabilities	3,27,938.84	5,41,164.04	8,69,102.88	2,49,072.10	2,86,265.34	5,35,337.44

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

40. FOREIGN CURRENCY TRANSACTIONS

(INR in lakh)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Remittance in foreign currency		
Legal, professional and consultancy charges	620.48	827.66
Information Technology expenses	146.88	42.68
Advance to vendor	-	24.80
Membership and subscription	98.42	-
Miscellaneous expenses	4.01	14.07
Interest on External Commercial Borrowings	2,971.73	610.72
Purchase of Software	-	81.74
Bank Charges	0.45	-
Total	3,841.97	1,601.67

41. Corporate social responsibility

(INR in lakh)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
(a) Total amount required to be spent during the year	293.77	-
(b) Total amount of expenditure incurred during the year	295.61	-
(c) (Shortfall)/Excess at the end of the year	1.84	-
(d) Total amount of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA

InCred Financial Services Limited works in the areas of Education & Public Health to contribute back to the society under Corporate Social Responsibility in following ways :

- Championing girl child education, giving them the power of knowledge & confidence to lead their way towards a brighter future;
- Enabling higher education for bright girls to join the workforce and support their families, paving the way for youth success;
- Fostering academic excellence and leadership in talented college girls from underserved backgrounds to empower them;
- Providing training and support to primary healthcare staff for better facility management and improved capacities;
- Supporting institutions & healthcare providers to enhance facilities, hygiene, nutrition, and medical care, alongside education, life skills, recreation, and vocational training programs;
- Sponsor the treatment of cancer in children and provide financial support for essential medical equipment.

Notes:

- No amount has been spent by the Company for the construction/ acquisition of any new asset during the year ended 31 March 2025.
- There have been no related party transactions during the year ended 31 March 2025 in respect of CSR activities.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

42. CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As a NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of the Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Common Equity Tier1 (CET1) capital	2,99,132.56	2,62,163.33
Other Tier 2 capital	5,239.96	5,359.01
Total capital	3,04,372.52	2,67,522.34

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit and loss. Certain adjustments are made to Ind AS-based results and reserves.

Refer Note 50 (6) for further details.

43. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	As at March 31, 2025	As at March 31, 2024	% change	Reason for variance (if above 25%)
CRAR (%)	26.11%	30.44%	-14.24%	NA
CRAR - Tier I Capital (%)	25.66%	29.83%	-13.99%	NA
CRAR - Tier II Capital (%)	0.45%	0.61%	-26.32%	On account of higher deduction in tier II pertaining to securitisation deal during the year.
Liquidity Coverage Ratio (LCR)*	798.80%	96.07%	731.48%	On account of year on year increase of HQLA balances.

CRAR : (Tier I Capital + Tier II Capital) / Total Risk Weighted Assets

CRAR - Tier I Capital : Tier I Capital / Total Risk Weighted Assets

CRAR - Tier II Capital : Tier II Capital / Total Risk Weighted Assets

LCR : Refer Note no 50 (23)

44. COMPOSITE SCHEME OF ARRANGEMENT:

Under the Composite Scheme of Arrangement (the 'Scheme') effective from April 01, 2022, the identified NBFC business of InCred Prime Finance Private Limited (erstwhile Incred Financial Services Limited) has been demerged with InCred Financial Services Limited (formerly, KKR India Financial Services Limited).

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 IFSL. Accordingly, the net assets of Rs. 1,077.31 lakh pertaining to the remaining NBFC business will continue to remain in the erstwhile IFSL.

The deemed purchase consideration, represented by the equity instruments to be issued in accordance with Ind AS 103 pursuant to the reverse merger, has been compared with the net assets recognized under the Scheme. The resulting difference has been accounted for as goodwill.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

45. GOODWILL

The carrying amount of goodwill acquired in business combination as follows:

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	6,126.09	6,126.09
Goodwill arising on account of business combination	-	-
Impaired during the year	-	-
Balance at the end of year	6,126.09	6,126.09

Above goodwill arises due to difference between purchase consideration and the net asset acquired on account of composite scheme referred in note 44. The goodwill is supported by the potential realisation of the sale of the underlying security (land). During the current year, there have been legal proceedings (by the Regulatory Authority) resulting in attachment of the said security. The Company is in the process of contesting the proceedings. As of the date of reporting, the management, based on the opinion received from the external legal counsel and internal assessment, has not made any adjustment to the carrying value of the goodwill.

46 .OTHER STATUTORY INFORMATION**During the current year and previous year:**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off as on the reporting date i.e. March 31, 2025.
- (iii) The Company does 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 otherwise) that the Company 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 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.
- (x) The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India, classified as NBFC Middle layer NBFC under the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the provisions of sec 2(87) read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.
- (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.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

47. Disclosure pursuant to RBI notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021

(INR in lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	Of (A) amount written off during the half-year ended March 31, 2025#	Of (A) amount paid by the borrowers during the half-year ended March 31, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2025
Personal Loans*	239.91	14.81	0.57	119.86	104.67
Corporate persons	-	-	-	-	-
- of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	239.91	14.81	0.57	119.86	104.67

*includes resolution framework implemented pursuant to OTR 2.0 till 30 September 2021 for personal loans and small business loans

includes accounts written off during the half year ended March 31, 2025 which were classified as NPA prior to being written off

48. FEES / REMUNERATION RECEIVED FROM BANCASSURANCE

The Company has earned Rs. 5,162.55 lakh from bancassurance business (Income from selling life insurance policies) during year ended March 31, 2025 (PY : Rs. 165.12).

49. BACKUP OF BOOKS OF ACCOUNTS AND AUDIT TRAIL

The Company has used an accounting software for maintaining its books of account for the year ended 31 March 2025 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. These Audit trail has been preserved by the Company as per the statutory requirements for record retention.

50. ADDITIONAL DISCLOSURES REQUIRED BY RESERVE BANK OF INDIA ('RBI')

1 Fraud reported during the year

Particulars	As at March 31, 2025	Rs. in Lakh	As at March 31, 2024	Rs. in Lakh
	No. of cases		No. of cases	
Amount involved is greater than or equal to 1 lakh	60	103.51	13	37.35
Amount involved is less than 1 lakh	93	50.19	-	-
Total	153	153.70	13	37.35

2 Off-Balance Sheet SPVs sponsored

The Company does not have any off-Balance Sheet SPVs sponsored.

3 Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year Profit and Loss.

4 Revenue recognition

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025**5 Loans to Directors, Senior Officers and relatives of Directors**

Particulars	As at March 31, 2025	As at March 31, 2024
i) Directors and their relatives	Nil	Nil
ii) Entities associated with directors and their relatives	Nil	Nil
iii) Senior officers and their relatives	Nil	Nil

6 Capital to Risk Assets Ratio (CRAR)

The ratios calculated in accordance with the guidelines of Reserve Bank of India, are as under:

Particulars	As at March 31, 2025	As at March 31, 2024
i) CRAR (%)	26.11%	30.44%
ii) CRAR - Tier I Capital (%)	25.66%	29.83%
iii) CRAR - Tier II Capital (%)	0.45%	0.61%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-
vi) Risk weighted asset	11,65,872.57	8,78,943.43

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

7 Investments

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(1) Value of investments		
(i) Gross value of investments		
(a) In India	53,414.15	60,360.81
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	1,782.32	1,696.71
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	51,631.83	58,664.10
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	1,696.71	4,387.85
(ii) Add : Provisions made during the year	92.32	6.71
(iii) Less : Write-off/write-back of excess provisions during the year	(6.71)	(2,697.85)
(iv) Closing balance	1,782.32	1,696.71

8 Derivatives

(a) Forward rate agreement/interest rate swap

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The notional principal of swap agreements*	72,207.23	5,811.40
Losses which would be incurred if counterparties failed to fulfil		
(ii) their obligations under the agreements	514.67	25.74
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	514.67	25.74

*The Company has hedged its foreign currency borrowings through CCIRS (cross currency interest rate swaps). For Accounting Policy & Risk Management Policy. (Refer note no. 1 and 32)

(b) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(c) Disclosures on risk exposure in derivatives**Qualitative disclosure**

As per the ALM policy of the company, the company ensures that transactions involving currency risk should be fully hedged. However, unhedged transactions can be done only with prior approval of the ALCO.

The Company undertake the derivatives transactions to prudently hedge the risk in context of a particular borrowing and to maintain a mix of fixed and floating rate borrowings. The company reviews the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks, potential savings from the proposed transaction etc. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, Basis Risk etc.

Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors are closely monitored and controlled. Un-wind transactions are done only with prior approval of the CEO/ CFO / Treasury Head.

Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizeable trading capacity and capability to enter into transactions in any markets around the world.

The respective functions of trading, confirmation and settlements are performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasury Head.

Quantitative disclosure

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Derivatives (notional principal amount) for hedging	93,645.32	5,811.40
(ii) Marked to market positions		
(a) Asset	514.67	25.74
(b) Liability	483.62	-
(iii) Credit exposure	-	-
(iv) Unhedged exposures	-	-

(d) Unhedged Foreign Currency Exposure - The Company's exposure of unhedged foreign currency risk at the end of the reporting period is Nil (PY : Nil) (Refer Note No 1 and 32)

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

9 Disclosures relating to securitisation

(a) DISCLOSURE RELATING TO SECURITISATION PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 DATED 24 SEPTEMBER 2021 FOR NON-STC SECURITISATION TRANSACTIONS.

(INR in lakh)

Sr. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	1	1
2	Total amount of securitised assets as per books of the SPEs	66,418.48	7,204.15
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	(a) Off-Balance Sheet exposures		
	• First loss	-	-
	• Others	-	-
	(b) On-Balance Sheet exposures		
	• First loss	6,641.85	720.42
	• Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	(a) Off-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	(ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	(b) On-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	• First loss	4,335.36	540.31
	• Others	-	-
	(ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Fixed Deposit		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	5,100.51	454.79
8	Average default rate of portfolios observed in the past.	0.62%	0.28%
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints:		
	(a) Directly/Indirectly received and	-	-
	(b) Complaints outstanding	-	-

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(b) Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

I) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2025

(INR in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Amount of Loan accounts assigned*	97,041.12	1,57,488.00
ii) Retention of Beneficial Economic Interest (in%)	10%-20%	10%-20%
iii) Weighted Average Maturity (in Years)	5.14	8.04
iv) Weighted Average Holding Period (in Years)	0.91	NA
v) Coverage of tangible security Coverage (in%)	NA	NA

*The above transaction includes Direct Assignment through Co-lending option II amounting to Rs. 57,701 lakh (PY- Rs. 1,27,584 lakh) pursuant to RBI notification RBI/2020-21/63/FIDD.CO.Plan.BC.No.8/04.09.01/2020-21

II) Details of overdue loans (NPA and SMA) transferred during the year ended March 31, 2025:

(INR in lakh)

Particulars	To permitted transferees	
	Year ended March 31, 2025	Year ended March 31, 2024
No of Accounts	-	6.00
Aggregate principal outstanding of loans transferred	-	65,643.00
Weighted average residual tenor of the loans transferred	-	Overdue
Net book value of loans transferred (at the time of transfer)	-	3,926.00
Aggregate consideration	-	10,901.00
Additional consideration realised in respect of accounts transferred in earlier years	-	-

II) Details of loans not in default acquired during the year:

(INR in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Amount of Loan accounts assigned	6,330.32	13,697.49
ii) Retention of Beneficial Economic Interest by originator (in%)	10%	NIL
iii) Weighted Average Residual Maturity (in years)	9.56	15.77
iv) Weighted Average Holding Period (in months)	1.16	40.65
v) Weighted average coverage of tangible security (%)*	1.77 times	2.48 times
vi) Rating wise distribution of loans acquired	Unrated	Unrated

*Note - This pertains to coverage of secured portfolio.

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

10 Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2025

Particulars	1 to 7 Days	8 to 14 Days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	17,926.58	11,918.27	13,828.99	38,620.59	40,724.72	1,11,277.33	1,30,317.62	3,21,971.88	1,06,447.01	2,55,669.06	10,48,702.05
Investments	28,045.16	-	-	-	4,872.55	1,373.77	3,433.80	7,720.35	1,623.44	4,562.76	51,631.83
Borrowings	3,073.21	3,721.02	9,442.23	41,619.00	38,547.42	74,749.63	1,25,951.82	3,64,172.82	77,467.36	4,019.70	7,42,764.21
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	110.49	-	1.81	210.21	357.19	1,936.45	6,889.25	40,338.91	43,042.22	-	92,886.53

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2024

Particulars	1 to 7 Days	8 to 14 Days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	11,504.00	9,310.41	19,776.77	31,345.42	39,787.12	62,140.08	84,329.03	2,04,312.05	72,652.95	1,90,719.61	7,25,877.44
Investments	93.34	15,179.16	231.04	5,564.36	12,997.06	12,903.05	3,639.96	6,931.27	0.00	1,124.86	58,664.10
Borrowings	2,183.08	689.95	24,336.88	12,180.43	16,530.31	49,536.51	1,11,636.59	2,19,136.75	33,982.38	0.00	4,70,212.89
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	0.00
Foreign currency liabilities	201.42	0.00	1,319.70	0.00	5,868.13	1,319.70	2,639.40	10,557.61	9,236.62	0.00	31,142.59

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

11 Exposure to sensitive sector

a Exposure to real estate sector

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	52,201.83	2,367.90
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	5,970.35	2,097.75
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
B. Indirect Exposure		
Fund based and non based exposures on National housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	58,172.18	4,465.65

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

b Exposure to capital market

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	2,307.24	2,307.24
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.	NA	NA
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	NA	NA
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	NA	NA
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	NA	NA
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	NA	NA
(vii) Bridge loans to companies against expected equity flows / issues.	NA	NA
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	NA	NA
(ix) Financing to stockbrokers for margin trading.	NA	NA
(x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	NA	NA
Total exposure to capital market	2,307.24	2,307.24

12 Details of financing of parent company products

During the current year, the Company has given ICD of Rs. Nil to the parent company (PY : Rs. Nil)

13 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) in the current year and previous year.

14 Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses, authority. For details of unsecured advances, refer note 6

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

15 Miscellaneous

(a) Registration obtained from other financial sector regulators

Particulars	Reg. Number
RBI Registration Number (COR)	B-13.02417
RBI Registration Number (COR) to carry on the factoring business	N-13.02479
IRDAI – Corporate Agent	CA0900
Corporate Identification number (CIN)	U67190MH1995PLC360817

(b) Related Party Transactions

Refer Note 34 to the Financial statements for the transaction with the related parties.

(c) Credit rating

Rating Agency	Facilities	As at March 31, 2025	As at March 31, 2024
CRISIL Ratings Limited	Long Term Bank Loan Facilities	CRISIL AA-/Stable	CRISIL AA-/Stable
	Non-convertible debentures	CRISIL AA-/Stable	CRISIL AA-/Stable
	Principal Protected Market Linked Debenture	CRISIL PPMLD AA-/ Stable	CRISIL PPMLD AA-/ Stable
	Principal Protected Market Linked Debenture	NA	NA
	Commercial paper	CRISIL A1+	CRISIL A1+
	Pass Through Certificate	CRISIL AA (SO)	CRISIL AA (SO)
ICRA Limited	Market Linked Debentures	PPMLD ICRA AA- /Stable	NA
	Non-convertible debentures	ICRA AA- /Stable	ICRA AA- /Stable
	Commercial paper	ICRA A1+	ICRA A1+
	Pass Through Certificate	ICRA AA+ (SO)	NA
CARE Ratings Limited	Long Term Bank Facilities	NA	CARE A+/Stable
	Principal Protected Market Linked Debenture	NA	CARE PP- MLD A+/Stable
	Non-convertible debentures	NA	NA
	Commercial paper	NA	CARE A1+

16

(a) Provisions and contingencies

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2025	Year ended March 31, 2024
Provisions for depreciation on investment	85.61	(2,691.14)
Provision towards NPA/ Write off	3,521.16	3,247.01
Provision made towards income tax	12,915.72	10,812.50
Provision for Standard Assets	6,525.40	948.20

Standalone Financial Statements (Contd.)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(b) Draw down from reserves

During the year, the Company has not drawn down any amount from Reserves.

(c) Concentration of Advances, Exposures and NPAs

(c) (i) Concentration of advances

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Total advances to twenty largest borrowers	59,363.37	29,698.77
Percentage of advances to twenty largest borrowers to total advances of the NBFC	5.51%	3.99%

(c) (ii) Concentration of exposures

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to twenty largest borrowers/customers	59,363.37	29,698.77
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	5.32%	3.74%

(c) (iii) Concentration of NPAs

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four NPA accounts	1,583.57	1,346.69

(c) (iv) Intragroup Exposures

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Amount of Intragroup Exposures	22,138.96	19,738.81
Total amount of Top-20 Intragroup Exposures	22,138.96	19,738.81
% of Intragroup Exposure to Total Exposure of the NBFC on borrowers/customers	1.99%	2.48%

Standalone Financial Statements (Contd.)

(c) (v) Sector-wise exposure and NPAs		(INR in lakh)				
Sector	As at March 31, 2025		As at March 31, 2024			
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	% Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	% Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	14,676.58	105.76	0.72%	15,271.60	230.23	1.51%
2. Industry (Micro and Small, Medium and Large)	39,023.97	194.39	0.50%	19,986.79	-	0.00%
2.1. Micro and Small	13,253.99	194.39	1.47%	6,007.76	-	0.00%
2.2. Medium	5,417.15	-	0.00%	2,741.66	-	0.00%
2.3. Large	20,352.83	-	0.00%	11,237.37	-	0.00%
3. Services	2,63,288.52	4,879.09	1.85%	2,65,176.42	4,302.45	1.62%
3.1. Transport Operators	3,936.43	2.34	0.06%	1,507.23	-	0.00%
3.2. Computer Software	1,845.95	-	0.00%	1,035.06	-	0.00%
3.3. Tourism, Hotels and Restaurants	11,287.73	503.87	4.46%	9,460.41	475.31	5.02%
3.4. Shipping	-	-	-	-	-	-
3.5. Aviation	-	-	-	-	-	-
3.6. Professional Services	7,159.00	-	0.00%	4,547.92	-	0.00%
3.7. Trade	74,541.02	2,202.23	2.95%	85,472.11	2,106.72	2.46%
3.7.1. Wholesale Trade (other than food procurement)	14,808.71	22.25	0.15%	17,795.26	160.42	0.90%
3.7.2. Retail Trade	59,732.31	2,179.97	3.65%	67,676.85	1,946.30	2.88%
3.8. Commercial Real Estate	1,791.42	-	0.00%	206.69	-	0.00%
3.9. Non-Banking Financial Companies (NBFCs) of which,	81,946.23	685.07	0.84%	47,582.80	7.81	0.02%
3.9.1. Housing Finance Companies (HFCs)	2,416.65	685.07	-	1,424.46	-	0.00%
3.9.2. Public Financial Institutions (PFIs)	-	-	-	-	-	-
3.10. Other Services*	80,780.74	1,485.58	1.84%	1,15,364.20	1,712.61	1.48%
4. Personal Loans	7,99,888.89	15,759.93	1.97%	4,94,130.43	11,403.66	2.31%
4.1. Consumer Durables	-	-	-	-	-	-
4.2. Housing (Including Priority Sector Housing)	0.18	-	0.00%	25.34	20.19	79.67%
4.3. Advances against Fixed Deposits	-	-	-	-	-	0.00%
4.4. Advances to Individuals against share, bonds, etc.	-	-	-	-	-	-
4.5. Credit Card Outstanding	-	-	-	-	-	-
4.6. Education	2,64,224.69	453.92	0.17%	1,87,744.16	102.93	0.05%
4.7. Vehicle Loans	2,827.28	1.06	0.04%	3,862.01	0.69	0.02%
4.8. Loans against gold jewellery	-	-	-	-	-	-
4.9. Other Personal Loans	5,32,836.74	15,304.95	2.87%	3,02,498.92	11,279.85	3.73%

* Other Services include services which are not indicated elsewhere.

Standalone Financial Statements (Contd.)

17 Movement of NPAs

(INR in lakh)

Particulars		Year ended March 31, 2025	Year ended March 31, 2024
(i)	Net NPAs to net advances (%)	0.73%	0.85%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	15,936.35	11,441.58
	(b) Other adjustments	-	-
	(c) Additions during the year	23,624.37	17,888.90
	(d) Reductions during the year	18,621.54	13,394.13
	(e) Closing balance	20,939.18	15,936.35
(iii)	Movement of NPAs (Net)		
	(a) Opening balance	6,261.04	5,013.27
	(b) Other adjustments	-	-
	(b) Additions during the year	9,487.28	9,301.55
	(c) Reductions during the year	8,005.61	8,053.79
	(d) Closing balance	7,742.71	6,261.03
(iv)	Movement of provisions for NPAs		
	(a) Opening balance	9,675.31	6,428.30
	(b) Other adjustments	-	-
	(c) Provisions made during the year	14,137.10	8,587.35
	(d) Write-off of excess provisions	10,615.93	5,340.34
	(e) Closing balance	13,196.48	9,675.31

18 Overseas Assets

The Company does not have any joint ventures or subsidiaries abroad.

19 In accordance with Master Direction Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has not lent against gold jewellery during the year ended March 31, 2025 (March 31, 2024:NIL)

Standalone Financial Statements (Contd.)

20 Customer Complaints

Sr No	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at the beginning of the year	16	17
2	Number of complaints received during the year	1,511	1,405
3	Number of complaints disposed during the year	1,487	1,406
3.1	Of which, number of complaints rejected by the NBFC	184	-
4	Number of complaints pending at the end of the year	40	16
	Maintainable complaints received by the NBFC from the Office of Ombudsman		
5*	Number of complaints received by the NBFC from Office of Ombudsman	276	197
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	260	191
5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	16	6
5.3	Of 5, number of complaints resolved after passing of Awards by the Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

*Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6

For the year ended March 31, 2025

Collections Related	8	757	12%	22	-
Sales Related Complaint	2	296	-31%	5	-
Post Disbursal queries	1	183	169%	4	-
Partner Related	-	111	593%	5	-
Bureau Related	1	98	-6%	2	1
Others	4	66	29%	2	-
Total	16	1,511		40	1

For the year ended March 31, 2024

Collections Related	3	675	-151%	8	-
Sales Related Complaint	5	429	-3%	2	-
Post Disbursal queries	-	68	-7%	1	-
Fraudulent Practice	-	78	30%	4	1
Bureau Related	9	104	30%	1	-
Others	-	51	-133%	-	-
Total	17	1,405		16	1

Standalone Financial Statements (Contd.)

21 Schedule to the Balance Sheet as per Master Directions

a Loans & Advances availed by the Non-Banking Financial company inclusive of interest accrued thereon but not paid:

(INR in lakh)

Sr. No.	Particulars	As at March 31, 2025		As at March 31, 2024	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Liabilities side :				
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
	(a) Debentures*				
	- Secured	1,48,641.53	-	96,989.55	-
	- Unsecured	-	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	6,05,942.45	-	3,67,377.54	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	28,757.80	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans	52,308.96	-	36,988.39	-
	*other than falling within the meaning of public deposits				
(2)	Assets side :				
	Break-up of loans and advances including bills receivables:				
	(a) Secured	2,77,179.07	3,489.00	2,42,245.96	3,390.84
	(b) Unsecured	8,00,616.27	10,574.73	5,02,678.20	10,387.75

b Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Sr. No.	Particulars	As at March 31, 2025		As at March 31, 2024	
(i)	Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease	-	-	-	-
	(b) Operating lease	-	-	-	-
(ii)	Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire	-	-	-	-
	(b) Repossessed Assets	-	-	-	-
(iii)	Other loans counting towards AFC activities:				
	(a) Loans where assets have been repossessed	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-

Standalone Financial Statements (Contd.)

c Break-up of investments:

(INR in lakh)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
	Current investments :		
1	Quoted:		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debenture and bonds	4,419.38	13,166.69
	(iii) Units of mutual funds	28,045.16	-
	(iv) Government securities	-	-
	(v) Others	-	-
2	Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	388.20	24,719.32
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	4,872.55	12,473.35
	Non- current investments:		
1	Quoted:		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	12,317.88	5,009.02
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
2	Unquoted:		
	(i) Shares: (a) Equity	607.57	607.57
	(b) Preference	9.67	9.67
	(ii) Debentures and bonds	971.42	2,678.50
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-

d Borrower group-wise classification of loans and advances:

(INR in lakh)

Sr. No.	Category	As at March 31, 2025		
		Amount (Net of provisions)		
		Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	5.46	5.46
	(b) Companies in the same group	-	19,920.00	19,920.00
	(c) Other related parties	-	-	-
2.	Other than related parties	2,71,483.12	7,57,293.48	10,28,776.60
	Total	2,71,483.12	7,77,218.94	10,48,702.06

Standalone Financial Statements (Contd.)

(INR in lakh)

Sr. No.	Category	As at March 31, 2024		
		Amount (Net of provisions)		
		Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	2,23,232.05	5,02,645.39	7,25,877.44
	Total	2,23,232.05	5,02,645.39	7,25,877.44

e Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(INR in lakh)

Sr. No.	Category	As at March 31, 2025		As at March 31, 2024	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties				
	(a) Subsidiaries	2,307.24	617.24	2,307.24	617.24
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2.	Other than related parties	51,106.91	51,014.59	58,053.57	58,046.86
	Total	53,414.15	51,631.83	60,360.81	58,664.11

f Other information

(INR in lakh)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Gross non-performing assets		
	(a) Related parties	-	-
	(b) Other than related parties	20,939.18	15,936.35
(ii)	Net non-performing assets		
	(a) Related parties	-	-
	(b) Other than related parties	7,742.71	6,261.03
(iii)	Assets acquired in satisfaction of debt	-	-

Standalone Financial Statements (Contd.)

22 Disclosure as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019 - Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies**a Funding Concentration based on significant counterparty**

(INR in lakh)

Sr. No.	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total liabilities
1	26	5,67,643.15	NA	65.31%

b Top 20 large deposits : NA**c Top 10 Borrowings**

(INR in lakh)

Amount	% of Total borrowings
3,79,281.24	45.39%

d Funding Concentration based on significant instrument/product

(INR in lakh)

Sr. No.	Name of Instrument	Amount	% of Total liabilities
1	Term Loan	5,37,035.76	61.79%
2	Non Convertible Debentures	1,30,455.99	15.01%
3	External Commercial Borrowings	68,906.62	7.93%
4	Commercial paper	28,757.80	6.02%
5	PTC	52,308.96	3.31%
6	Market Linked Debentures	18,185.60	2.09%

e Stock Ratios

Sr. No.	Name of Instrument	% of Total public funds	% of Total Liabilities	% of Total Assets
a	Commercial paper	3.44%	3.31%	2.32%
b	Non-convertible debentures (Original maturity of less than 1 year)	0.00%	0.00%	0.00%
c	Other short term liabilities	39.24%	37.73%	26.43%

f Institutional set-up for liquidity risk management

The Board holds ultimate responsibility for overseeing liquidity risk management. It sets the strategic direction, policies, and procedures for managing liquidity risk within predefined tolerance levels. To support these efforts, the Board has delegated certain responsibilities to the Asset Liability Management Committee (ALCO), which regularly reports the liquidity position to the Board. The ALCO is assisted by a dedicated support group responsible for ensuring seamless data flow and operational efficiency in preparing information for the committee's review. The Risk Management Committee of the Board also evaluates the structural liquidity and cash flow position to ensure proactive management of liquidity challenges, reinforcing the organization's resilience and stability in the face of dynamic market conditions.

Standalone Financial Statements (Contd.)

23 Disclosure as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019 - Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies (Contd.)

LCR Disclosure

Particulars	As at March 31, 2025		As at December 31, 2024		As at September 30, 2024		As at June 30, 2024	
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	67,619.71	65,844.86	41,138.26	39,190.39	48,762.55	48,509.78	37,120.78	36,468.36
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	3,979.44	4,576.36	9,954.11	11,447.23	-	-
4 Secured wholesale funding	16,340.45	18,791.52	7,464.86	8,584.59	8,769.19	10,084.56	22,172.65	25,498.55
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	12,002.49	13,802.86	20,593.67	23,682.72	18,029.42	20,733.83	12,357.75	14,211.41
7 Other contingent funding obligations	328.17	377.40	5,375.28	6,181.57	-	-	-	-
8 TOTAL CASH OUTFLOWS	28,671.11	32,971.78	37,413.25	43,025.24	36,752.71	42,265.62	34,530.40	39,709.96
Cash Inflows								
9 Secured lending@	40,100.00	30,075.00	23,100.00	17,325.00	17,694.00	13,270.50	17,330.00	12,997.50
10 Inflows from fully performing exposures	39,350.80	29,513.10	44,239.35	33,179.51	38,943.18	29,207.39	39,711.35	29,783.51
11 Other cash inflows	33,272.44	24,954.33	22,628.58	16,971.44	44,715.36	33,536.52	2,869.56	2,152.17
12 TOTAL CASH INFLOWS	1,12,723.24	84,542.43	89,967.93	67,475.95	1,01,352.54	76,014.41	59,910.91	44,933.18

Standalone Financial Statements (Contd.)

Particulars	As at March 31, 2025			As at December 31, 2024			As at September 30, 2024			As at June 30, 2024		
	Total unweighted value	Total weighted value	Total Adjusted Value	Total unweighted value	Total weighted value	Total Adjusted Value	Total unweighted value	Total weighted value	Total Adjusted Value	Total unweighted value	Total weighted value	Total Adjusted Value
13 TOTAL HQLA			65,844.86			39,190.39			48,509.78			36,468.36
14 TOTAL NET CASH OUTFLOWS			8,242.95			10,756.31			10,566.41			9,927.49
15 LIQUIDITY COVERAGE RATIO (%)			798.80%			364.35%			459.09%			367.35%
Details of HQLA												
Cash & Bank Balance	62,990.19	62,990.19		36,482.29	36,482.29		48,257.02	48,257.02		35,815.94	35,815.94	
HQLA 1 (A)	62,990.19	62,990.19		36,482.29	36,482.29		48,257.02	48,257.02		35,815.94	35,815.94	
Investment with long term rating of AA- or above	1,542.59	1,311.20		1,520.45	1,140.34		-	-		-	-	
Investment with long term rating between A+ and BBB-	3,086.94	1,543.47		3,135.53	1,567.76		505.53	252.76		1,304.84	652.42	
HQLA 2 (B)	4,629.53	2,854.67		4,655.98	2,708.10		505.53	252.76		1,304.84	652.42	
Total HQLA (A+B)	67,619.72	65,844.86		41,138.26	39,190.39		48,762.55	48,509.78		37,120.78	36,468.36	

The Reserve Bank of India has introduced Liquidity Coverage Ratio (LCR) requirement for all NBFCs with asset size of Rs. 5,000 crore and above. LCR has been introduced to ensure that NBFCs have adequate stock of un-encumbered high quality liquid assets (HQLA) to meet the liquidity requirements for a period of at least 30 days under stress scenario. The LCR requirement has been inducted in a phased manner with company required to maintain minimum LCR of 50% from December 1, 2020 eventually increasing to 100% by December 1, 2024.

The LCR of the company is governed by the Liquidity Risk Management framework as defined in the Asset Liability Management (ALM) policy of the company. The Asset Liability Committee (ALCO) is responsible for implementing the liquidity risk management strategy of the company and ensures compliance of the same with the overall risk management strategies of the company.

Accordingly, the company has implemented the prescribed format and calculated its LCR on monthly basis by dividing company's stock of HQLA by its total net cash outflows over a 30 days stress period. The company has maintained HQLA of Rs. 67,619.72 lakh as on March 31, 2025. The company has maintained LCR of 798.80% as on March 31, 2025 as against minimum requirement of 100%.

Standalone Financial Statements (Contd.)

23 Disclosure as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019 - Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies (Contd.)

LCR Disclosure

Particulars	As at March 31, 2024		As at December 31, 2023		As at September 30, 2023		As at June 30, 2023	
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	12,074.90	11,217.91	75,481.16	74,558.71	56,565.94	55,810.52	12,565.46	10,875.89
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	-	-	1,850.69	2,128.29	5,885.82	6,768.69	3,501.22	4,026.40
4 Secured wholesale funding	28,731.03	33,040.69	5,598.73	6,438.54	4,985.63	5,733.47	8,136.96	9,357.50
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	11,884.31	13,666.96	13,153.11	15,126.07	10,936.63	12,577.12	10,859.24	12,488.13
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 TOTAL CASH OUTFLOWS	40,615.34	46,707.65	20,602.53	23,692.91	21,808.08	25,079.29	22,497.42	25,872.03
Cash Inflows								
9 Secured lending@	9,873.00	7,404.75	33,457.00	25,092.75	16,125.00	12,093.75	14,127.00	10,595.25
10 Inflows from fully performing exposures	41,089.57	30,817.18	37,360.83	28,020.62	38,406.36	28,804.77	37,315.29	27,986.47
11 Other cash inflows	18,463.67	13,847.75	14,990.43	11,242.82	3,652.35	2,739.26	2,787.09	2,090.32
12 TOTAL CASH INFLOWS	69,426.23	52,069.67	85,808.26	64,356.20	58,183.71	43,637.78	54,229.38	40,672.04

Standalone Financial Statements (Contd.)

Particulars	As at March 31, 2025		As at December 31, 2024			As at September 30, 2024			As at June 30, 2024		
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total Adjusted Value	Total unweighted value	Total weighted value	Total Adjusted Value	Total unweighted value	Total weighted value	Total Adjusted Value
		Adjusted Value									
13 TOTAL HQLA		11,217.91			74,558.71			55,810.52		10,875.89	
14 TOTAL NET CASH OUTFLOWS		11,676.91			5,923.23			6,269.82		6,468.01	
15 LIQUIDITY COVERAGE RATIO (%)		96.07%			1258.75%			890.15%		168.15%	
Details of HQLA	Total Unweight	Total Weighted Value	Total Unweight	Total Weighted Value	Total Weighted Value	Total Unweight	Total Weighted Value	Total Weighted Value	Total Unweight	Total Weighted Value	Total Weighted Value
Cash & Bank Balance	8,141.03	8,141.03	70,654.21	70,654.21	70,654.21	51,321.40	51,321.40	51,321.40	6,135.23	6,135.23	6,135.23
FD - Non Earmarked	2,219.89	2,219.89	2,982.05	2,982.05	2,982.05	3,733.71	3,733.71	3,733.71	3,051.10	3,051.10	3,051.10
HQLA 1 (A)	10,360.92	10,360.92	73,636.26	73,636.26	73,636.26	55,055.11	55,055.11	55,055.11	9,186.33	9,186.33	9,186.33
Investment with long term rating of AA- or above						1,510.83	755.42	755.42			
Investment with long term rating between A+ and BBB-	1,713.98	856.99	1,844.89	1,844.89	922.45	-	-	-	3,379.13	1,689.56	1,689.56
HQLA 2 (B)	1,713.98	856.99	1,844.89	922.45	922.45	1,510.83	755.42	755.42	3,379.13	1,689.56	1,689.56
Total HQLA (A+B)	12,074.90	11,217.91	75,481.16	74,558.71	74,558.71	56,565.94	55,810.52	55,810.52	12,565.46	10,875.89	10,875.89

The company has implemented the prescribed format and calculated its LCR on monthly basis by dividing company's stock of HQLA by its total net cash outflows over a 30 days stress period. The company has maintained HQLA of Rs. 12,074.90 lakhs as on March 31, 2024. The company has maintained LCR of 96.07% as on March 31, 2024 as against minimum requirement of 85%.

Standalone Financial Statements (Contd.)

24. Restructuring of Loans

Sr. No.	Type of Restructuring		Others				(INR in lakhs)
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	
	Details						
1	Restructured Accounts as on April 1, 2024		No. of borrowers Amount outstanding Provision thereon	24 4,141.38 1,390.33	120 764.53 617.36	- - -	Total 144 4,905.91 2,007.69
2	Fresh Restructuring during the year		No. of borrowers Amount outstanding Provision thereon	- - -	261 330.88 218.78	- - -	261 330.88 218.78
3	Upgradations to restructured standard category during the FY*		No. of borrowers Amount outstanding Provision thereon	(8) (1,785.05) (646.39)	(52) (156.73) (77.42)	- - -	(60) (1,941.78) (723.81)
4	Restructured Standard Advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY		No. of borrowers	-	-	-	-
5	Down gradations of restructured accounts during the FY		Amount outstanding	-	-	-	-
			Provision thereon	-	-	-	-
			No. of borrowers	(1)	1	-	-
			Amount outstanding	(50.89)	50.89	-	-
6	Write-offs of restructured accounts during the FY		Provision thereon	(16.93)	16.93	-	-
			No. of borrowers	-	(21)	-	-
			Amount outstanding	-	(235.88)	-	(21)
			Provision thereon	-	(230.69)	-	(235.88)
7	Restructured Accounts as on March 31, 2025		No. of borrowers	15	309	-	324
			Amount outstanding	2,305.44	753.70	-	(230.69)
			Provision thereon	-	-	-	-
			Total	727.01	544.96	-	3,059.14 1,271.97

*Includes accounts closed/settled or repayments received from restructured accounts during the current year and previous year
There are no cases restructured on account of CDR mechanism or SME debt restructuring in the current year and previous year.

The Company has availed asset classification benefit under RBI Notification RBI/2018-19/100 DBR.No.BP/BC.18/21.04.048/2018-19 dated January 1, 2019 extended via RBI notification RBI/2019-20/160 DOR.No.BP/BC.34/21.04.048/2019-20 dated February 11, 2020 extended further via RBI Notification RBI/2020-21/17 DOR.No.BP/BC/4/21.04.048/2020-21 dated August 6, 2020 extended further via RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 - Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances during FY 2021-20 and FY 2020-21.

The above disclosure does not include assets where resolution plan is implemented under RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 - Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/16 DOR.No.BP/BC/3/21.04.048/2020-21 dated 6th August 2020 - Resolution Framework for COVID-19-related Stress.

Standalone Financial Statements (Contd.)

24. Restructuring of Loans (Continued)

Sr. No.	Type of Restructuring		(INR in lakh)				
	Asset Classification		Others				
	Details		Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2023	No. of borrowers	55	247	-	-	302
		Amount outstanding	7,240.09	1,785.29	-	-	9,025.39
	Fresh Restructuring during the year	Provision thereon	1,731.69	913.80	-	-	2,645.49
2		No. of borrowers	-	16	-	-	16
	Upgradations to restructured standard category during the FY*	Amount outstanding	-	102.46	-	-	102.46
		Provision thereon	-	56.77	-	-	56.77
3	Restructured Standard Advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	(31)	(48)	-	-	(79)
		Amount outstanding	(3,098.71)	(851.49)	-	-	(3,950.20)
4	Down gradations of restructured accounts during the FY	Provision thereon	(341.36)	(81.48)	-	-	(422.84)
		No. of borrowers	-	-	-	-	-
	Write-offs of restructured accounts during the FY	Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
5	Restructured Accounts as on March 31, 2024	No. of borrowers	-	95	-	-	95
		Amount outstanding	-	271.73	-	-	271.73
		Provision thereon	-	271.73	-	-	271.73
		No. of borrowers	24	120	-	-	144
6		Amount outstanding	4,141.38	764.53	-	-	4,905.92
		Provision thereon	1,390.33	617.36	-	-	2,007.69

Standalone Financial Statements (Contd.)

25. Disclosure as per Section II of RBI circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022

(A) Corporate Governance
1 Composition of Board

Sr No	Name of Director	Director since	Capacity	DIN	Number of Board Meetings		No. of other Director ships**	No. of shares held in and convertible instruments held in the NBFC*
					Held during their tenure	Attended		
1	Mr. Bhupinder Singh	July 26, 2022	Chairperson (Wholetime Director & CEO)	07342318	7	6	12	395
2	Mr. Gaurav Maheshwari	January 27, 2025	Wholetime Director & CFO	07639132	2	2	2	-
3	Mr. Anil Nagu	September 14, 2023	Non-Executive Director	00110529	7	4	5	-
4	Mr. Rohan Suri	March 30, 2023	Non-Executive Director	07074450	7	3	5	-
5	Mr. Vivek Anand PS	July 26, 2022	Non-Executive Director	02363239	7	6	3	-
6	Ms. Rupa Vora	July 26, 2022	Independent Director	01831916	7	6	7	-
7	Mr. Karnam Sekar	July 26, 2022	Independent Director	07400094	7	6	3	-
8	Ms. Sunita Gupta	March 30, 2023	Independent Director	06902258	7	7	-	-
9	Ms. Ambika Bisla	March 30, 2023	Independent Director	09789579	7	7	2	-
10	Dr. Sankaran Nair Rajagopal	March 30, 2023	Independent Director	10087762	7	7	1	-

For Remuneration details, refer note No 34 - Related party

**excluding number of directorship held in foreign entities.

Standalone Financial Statements (Contd.)

Details of change in composition of the Board during the current and previous financial year

Sr No	Name of Director	Capacity	Nature of change	Effective date
1	Mr. Gaurav Trehan	Non-Executive Director	Resignation	September 13, 2023
2	Mr. Anil Nagu	Non-Executive Director	Appointment	September 14, 2023
3	Mr. Vivek Bansal	Wholetime Director & CFO	Resignation	October 03, 2024
4	Mr. Gaurav Maheshwari	Wholetime Director	Appointment	January 27, 2025

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.

Not Applicable

None of the directors of the Company are related to each other.

2 Committees of the Board and their composition

AUDIT COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Ms. Rupa Vora	July 26, 2022	Chairperson	6	5	-
2	Mr. Vivek Anand PS	July 26, 2022	Member	6	5	-
3	Mr. Karnam Sekar	July 26, 2022	Member	6	6	-
4	Ms. Sunita Gupta	March 30, 2023	Member	6	6	-
5	Dr. Sankaran Nair Rajagopal	March 30, 2023	Member	6	6	-

NOMINATION AND REMUNERATION COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Mr. Bhupinder Singh	July 26, 2022	Chairperson	5	4	395
2	Mr. Rohan Suri	September 24, 2023	Member	5	3	-
3	Ms. Rupa Vora	July 26, 2022	Member	5	5	-
4	Dr. Sankaran Nair Rajagopal	March 30, 2023	Member	5	5	-
5	Ms. Ambika Bisla	March 30, 2023	Member	5	5	-
6	Mr. Karnam Sekar	March 30, 2023	Member	5	5	-

RISK MANAGEMENT COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Mr. Bhupinder Singh	July 26, 2022	Chairperson	6	5	395
2	Ms. Rupa Vora	July 26, 2022	Member	6	6	-
3	Mr. Krishna Bahety	January 17, 2023	Member	6	5	-
4	Dr. Sankaran Nair Rajagopal	March 30, 2023	Member	6	6	-
5	Mr. Karnam Sekar	May 07, 2024	Member	5	5	-
6	Mr. Anil Nagu	August 09, 2024	Member	4	2	-

Standalone Financial Statements (Contd.)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Mr. Karnam Sekar	July 26, 2022	Chairperson	3	3	-
2	Ms. Rupa Vora	July 26, 2022	Member	3	3	-
3	Ms. Ambika Bisla	March 30, 2023	Member	3	3	-
4	Ms. Sunita Gupta	March 30, 2023	Member	3	3	-
5	Mr. Gaurav Maheshwari	January 27, 2025	Member	0	0	-

STAKEHOLDER RELATIONSHIP COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Ms. Sunita Gupta	March 30, 2023	Chairperson	4	4	-
2	Mr. Bhupinder Singh	July 26, 2022	Member	4	2	395
3	Ms. Rupa Vora	May 07, 2024	Member	3	3	-
4	Ms. Ambika Bisla	March 30, 2023	Member	4	4	-
5	Mr. Karnam Sekar	May 07, 2024	Member	3	3	-
6	Mr. Gaurav Maheshwari	January 27, 2025	Member	0	0	-

IT STRATEGY COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Ms. Sunita Gupta	March 30, 2023	Chairperson	4	4	-
2	Mr. Karnam Sekar	July 26, 2022	Member	4	4	-
3	Dr. Sankaran Nair Rajagopal	March 30, 2023	Member	4	3	-
4	Mr. Ashwin Sekar	July 26, 2022	Member	4	4	-
5	Ms. Ambika Bisla	March 30, 2023	Member	4	4	-
6	Mr. Suriya Nagarajan	August 2, 2023	Member	4	4	-
7	Ms. Rupa Vora	May 07, 2024	Member	3	3	-
8	Mr. Gaurav Maheshwari	January 27, 2025	Member	0	0	-

Standalone Financial Statements (Contd.)

ASSETS LIABILITY MANAGEMENT COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Mr. Bhupinder Singh	July 26, 2022	Chairperson	4	4	395
2	Mr. Gaurav Maheshwari	December 16, 2024	Member	1	1	-
3	Mr. Saurabh Jhalaria	July 26, 2022	Member	4	4	-
4	Mr. Krishna Bahety	January 17, 2023	Member	4	4	-

FINANCE COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Mr. Bhupinder Singh	July 26, 2022	Chairperson	50	47	395
2	Mr. Gaurav Maheshwari	December 16, 2024	Member	15	15	-
3	Ms. Apeksha Munwanee	December 16, 2024	Member	15	15	-
4	Mr. Krishna Bahety	August 2, 2023	Member	50	50	-

CUSTOMER GRIEVANCE COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Ms. Rupa Vora	May 7, 2024	Chairperson	3	3	-
2	Mr. Karnam Sekar	May 7, 2024	Member	3	3	-
3	Dr. Sankaran Nair Rajagopal	October 25, 2024	Member	1	1	-
4	Mr. Gaurav Maheshwari	January 27, 2025	Member	0	0	-

IDENTIFICATION COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Ms. Mallika Mittal	March 28, 2025	Chairperson	0	0	-
2	Mr. Srijeyaraj Jones Bhaskaran	October 25, 2024	Member	0	0	-
3	Mr. Mayur Gaikwad	October 25, 2024	Member	0	0	-

REVIEW COMMITTEE

Sr No	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC*
				Held during their tenure	Attended	
1	Mr. Bhupinder Singh	October 25, 2024	Chairperson	0	0	395
2	Mr. Karnam Sekar	October 25, 2024	Member	0	0	-
3	Dr. Sankaran Nair Rajagopal	October 25, 2024	Member	0	0	-

*The shares are held on behalf on InCred Holdings Limited, the Holding Company.

**Credit Risk Committee dissolved w.e.f. December 24, 2024

#For terms of reference of each Committee, refer Corporate Governance Section under Annual Report.

Standalone Financial Statements (Contd.)

1 General Body Meetings

Sr No	"Type of Meeting (Annual/ Extra-Ordinary)"	Date and Place	Special resolutions passed
1	Annual General Meeting	July 08, 2024 at Registered office of the Company	1. Approval for increase in overall borrowing powers of the Company 2. Approval for creation of mortgage/charge on the Company's assets with respect to Borrowing 3. Issuance of Non-Convertible Debentures/Bonds during F.Y 2024-25 4. Approve material related party transactions. 5. Approval for revision in the terms of the remuneration to be paid to Mr. Bhupinder Singh, whole Time Director & CEO of the Company
2	Extra-Ordinary General Meeting	March 25, 2025 at Registered office of the Company	1. Appointment of Mr. Gaurav Maheshwari as the Whole-time Director of the Company 2. Increase in the limit of Managerial Remuneration payable to Whole-time Director of the Company

2 Details of non-compliance with requirements of Companies Act, 2013 - Not applicable

3 Details of penalties and strictures – For year ended March 31, 2025 – NIL

B) Breach of Covenant

There are no breach of Covenants in the current year and previous year

C) Divergence in Asset Classification and Provisioning

No Divergence was reported in the RBI Inspection report issued to the Company for the financial position as on March 31, 2024.

Standalone Financial Statements (Contd.)

26. Disclosure pursuant to RBI notification 'RBI/2019-20/170 DOR (NBFC). CC. PD.No.109/22.10.106/2019-20' dated March 13, 2020 - Implementation of Indian Accounting Standards

(INR in lakh)						
Asset Classification as per RBI Norms for year ended March 31, 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	10,41,117.54	11,213.18	10,29,904.36	4,076.69	7,136.49
	Stage 2	15,738.63	4,683.64	11,054.99	265.91	4,417.73
Subtotal		10,56,856.17	15,896.82	10,40,959.35	4,342.60	11,554.22
Non-Performing Assets (NPA)						
Substandard	Stage 3	20,939.17	13,196.47	7,742.70	2,002.76	11,193.71
Doubtful - up to 1 year	Stage 3	-	-	-	743.86	(743.86)
1 to 3 years	Stage 3	-	-	-	140.04	(140.04)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	883.90	(883.90)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		20,939.17	13,196.47	7,742.70	2,886.66	10,309.81
Other items such as guaranties, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	39,082.62	12.94	39,069.68	-	12.94
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		39,082.62	12.94	39,069.68	-	12.94
Total	Stage 1	10,80,200.16	11,226.12	10,68,974.04	4,076.69	7,149.43
	Stage 2	15,738.63	4,683.64	11,054.99	265.91	4,417.73
	Stage 3	20,939.17	13,196.47	7,742.70	2,886.66	10,309.81
	Total	11,16,877.96	29,106.23	10,87,771.73	7,229.26	21,876.97

Standalone Financial Statements (Contd.)

26. Disclosure pursuant to RBI notification 'RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20' dated March 13, 2020 - Implementation of Indian Accounting Standards (Continued)

Asset Classification as per RBI Norms for year ended March 31, 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1 Stage 2	7,16,171.95 12,815.87	5,989.37 3,382.05	7,10,182.58 9,433.82	2,962.84 293.69	3,026.54 3,088.36
Subtotal		7,28,987.82	9,371.42	7,19,616.40	3,256.53	6,114.89
Non-Performing Assets (NPA)						
Substandard	Stage 3	15,936.35	9,675.31	6,261.04	1,448.15	8,227.15
Doubtful - up to 1 year	Stage 3	-	-	-	426.32	(426.32)
1 to 3 years	Stage 3	-	-	-	54.82	(54.82)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful					481.14	(481.14)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		15,936.35	9,675.31	6,261.04	1,929.28	7,746.02
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 Stage 2 Stage 3	49,641.06 - -	8.85 - -	49,632.21 - -	- - -	8.85 - -
Subtotal		49,641.06	8.85	49,632.21	-	8.85
Total	Stage 1 Stage 2 Stage 3 Total	7,65,813.01 12,815.87 15,936.35 7,94,565.23	5,998.22 3,382.05 9,675.31 19,055.58	7,59,814.79 9,433.82 6,261.04 7,75,509.65	2,962.84 293.69 1,929.28 5,185.82	3,035.39 3,088.36 7,746.02 13,869.75

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

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

Significant accounting policies and other explanatory information

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

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC36087**Bhupinder Singh**
Whole-Time Director and CEO
DIN: 07342318**Gaurav Maheshwari**
Whole-Time Director and CFO
DIN: 07639132**Gajendra Thakur**
Company Secretary
Membership No: A19285Place: Mumbai
Date: May 7, 2025

Independent Auditors' Report

To The Members of InCred Financial Services Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **InCred Financial Services Limited (the "Parent")** and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31 March 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated 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 consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, and their consolidated profit, their consolidated Other Comprehensive Income, their consolidated changes in equity 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") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Independent Auditors' Report (Contd.)

Key audit matter	How the key audit matter was addressed in our Audit
Impairment of loans Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, including classification of assets into stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, • The segmentation of loans when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors. • Adjustments to model driven ECL results. The relevant disclosures are made in consolidated financial statements for ECL including those related to judgements and estimates used by the Management in determination of the ECL. Refer note 1(D)(5), 6 and 32(A) to the consolidated financial statements.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of impairment of loans. In particular, our procedures include: We examined Board approved policy approving methodologies for computation of ECL that addresses policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates used by the Management. We tested accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2025 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. We tested the appropriateness of EAD, PD and LGD on sample basis. We assessed the adequacy and appropriateness of disclosures in compliance with Ind AS 107 in relation to ECL.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures (the "report"), but does not include the consolidated financial statements, standalone financial statements and our Auditors' report thereon. The report is expected to be made available to us after the date of this Auditors' report.

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

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

When we read the report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities Relating to Other Information'.

Independent Auditors' Report (Contd.)

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The Board of Directors of the respective companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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 Directors of the Parent, as aforesaid.

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

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

Auditors' Responsibility 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 auditors' 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 financial controls 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 Parent has adequate internal financial controls with reference to consolidated 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 the 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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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

Independent Auditors' Report (Contd.)

up to the date of our Auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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 financial controls that we identify during our audit.

We also provide those charged with governance of the Parent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 5.46 lakh as at 31 March 2025, total revenues of Rs. 2.84 lakh and net cash outflows amounting to Rs. 2.31 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

The consolidated financial statements of the Parent for the year ended 31 March 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 7 May 2024.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report other auditor on the separate financial statements of the subsidiary referred to in the Other Matters section above we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

Independent Auditors' Report (Contd.)

- b. In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Parent Company and taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31 March 2025 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the Auditors' reports of subsidiary companies, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31 March 2025 - Refer Note 38 to the consolidated financial statements;
 - 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;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies.
 - iv. (a) The respective management of the Parent and its subsidiaries whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that to the best of their knowledge and belief, other than as disclosed in the note 46(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 Parent 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent 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 Parent and its subsidiaries, which are companies incorporated

Independent Auditors' Report (Contd.)

in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that to the best of their knowledge and belief, other than as disclosed in the note 46(vii) to the consolidated financial statements, no funds have been received by the Parent 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 Parent or any of such subsidiaries shall, 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, nothing has come to our or other Auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 1/1(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Parent Company and its subsidiaries, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi. Based on our examination which included test checks and that performed by the respective auditor of the subsidiaries and based on the other auditor report of its subsidiary company whose financial statements have been audited under the Act, the Parent and its subsidiary companies have used an accounting software for maintaining their respective books of account for the year ended 31 March 2025 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 other auditor, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with.

The audit trail has been preserved by the Company and above referred subsidiaries as per the statutory requirements for record retention.

2. According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report except for the following:

No.	Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
1	InCred Financial Services Limited	U67190MH1995PLC360817	Parent	Clause 3(vii)(a)
2	Incred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited)	U72900MH2016PTC273211	Subsidiary	Clause 3(vii)(a)

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

G. K. Subramaniam
Partner

Place: Mumbai
Date: May 7, 2025

(Membership No. 109839)
UDIN: 25109839BMOFVO1190

Annexure “A” To The Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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 the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of **InCred Financial Services Limited** (hereinafter referred to as the “Parent”) and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements of its subsidiaries, as of that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Board of Directors of the Parent, its respective subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (the “Guidance Note”). 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 auditors’ 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 of the subsidiary companies, 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 of the Parent, its subsidiary companies, which are companies incorporated in India.

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.

Annexure “A” To The Independent Auditors’ Report (Contd.)

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 control 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, which are incorporated in India, have, in all material respects, an 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 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid 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 insofar as it relates to one subsidiary, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 117365W)

G. K. Subramaniam

Partner
(Membership No. 109839)
UDIN: 25109839BMOFVO1190

Place: Mumbai

Date: May 7, 2025

Consolidated Financial Statements

Consolidated Balance Sheet as at March 31, 2025

(INR in lakh)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024
ASSETS			
1) Financial assets			
(a) Cash and cash equivalents	2	64,191.98	8,164.01
(b) Bank balance other than cash and cash equivalents	3	17,234.70	8,323.96
(c) Derivative financial instruments	4	884.14	878.92
(d) Trade receivables	5	1,680.80	-
(e) Loans	6	10,48,702.05	7,25,877.44
(f) Investments	7	51,024.26	58,182.22
(g) Other financial assets	8	12,107.45	10,614.66
Total financial assets		11,95,825.38	8,12,041.21
2) Non-financial assets			
(a) Current tax assets (Net of provision for tax)		1,138.05	2,242.28
(b) Deferred tax assets (Net of deferred tax)	9	25,776.23	37,613.41
(c) Property, plant and equipment	10A	5,506.31	5,030.60
(d) Capital work-in-progress	10B	230.18	336.65
(e) Goodwill	42	6,645.58	6,645.58
(f) Other intangible assets	11	189.94	393.40
(g) Other non-financial assets	12	6,070.00	3,534.15
Total non-financial assets		45,556.29	55,796.07
Total assets		12,41,381.67	8,67,837.28
LIABILITIES AND EQUITY			
LIABILITIES			
1) Financial liabilities			
(a) Derivative financial liabilities	4	2,145.27	2,265.96
(b) Payables	13		
(i) Trade Payables			
(ii) total outstanding dues of micro enterprises and small enterprises		1.79	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises		321.33	271.89
(c) Debt securities	14	1,77,399.33	96,989.55
(d) Borrowings (other than debt securities)	15	6,58,251.41	4,04,365.93
(e) Other financial liabilities	16	28,936.75	29,061.30
Total financial liabilities		8,67,055.88	5,32,954.63
2) Non-financial liabilities			
(a) Provisions	17	1,056.30	812.65
(b) Other non-financial liabilities	18	1,087.49	1,589.68
Total non-financial liabilities		2,143.79	2,402.33
EQUITY			
(a) Equity share capital	19	48,831.01	48,831.01
(b) Other equity	20	3,23,350.99	2,83,649.31
Total equity		3,72,182.00	3,32,480.32
Total liabilities and equity		12,41,381.67	8,67,837.28

Significant 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 **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No.: 117365W

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

G.K. Subramaniam
Partner
Membership No: 109839

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Gaurav Maheshwari
Whole Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Place: Mumbai
Date: May 7, 2025

Place: Mumbai
Date: May 7, 2025

Consolidated Financial Statements

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(INR in lakh)			
Particulars	Note No	Year ended March 31, 2025	Year ended March 31, 2024
REVENUE FROM OPERATIONS			
(i) Interest income	21	1,69,157.50	1,19,346.14
(ii) Dividend income		49.90	50.10
(iii) Fees and commission income	22	13,722.61	3,308.47
(iv) Net (loss)/gain on fair value changes	23	2,396.10	1,073.47
(v) Net gain on derecognition of financial instruments under amortised cost category		1,871.56	3,218.45
(I) Total revenue from operations		1,87,197.67	1,26,996.63
(II) Other income	24	1,064.26	2,313.50
(III) Total income (I + II)		1,88,261.93	1,29,310.13
Expenses			
(i) Finance costs	25	62,761.94	45,484.42
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	3,765.18
(iii) Impairment on financial instruments (net of recoveries)	26	18,776.74	(1,946.88)
(iv) Employee benefit expenses	27	33,676.65	26,138.60
(v) Depreciation and amortization expenses	10A & 11	1,832.07	1,869.16
(vi) Other expenses	28	21,066.78	11,824.99
(IV) Total expenses		1,38,114.18	87,135.47
(V) Profit before exceptional items and tax (V - VI)		50,147.75	42,174.66
(VI) Exceptional item		-	210.53
(VII) Profit before tax (VII - VIII)		50,147.75	41,964.13
Tax Expense:			
(i) Current Tax		682.70	717.80
(ii) Deferred Tax		12,066.30	9,610.81
(VIII) Total Tax Expense	29	12,749.00	10,328.61
(IX) Profit for the year (IX - X)		37,398.75	31,635.52
(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		(62.78)	(123.54)
(ii) Income tax relating to items that will not be reclassified to profit or loss		15.81	31.16
Subtotal (A)		(46.97)	(92.38)
(B) Items that will be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		(80.98)	24.84
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(766.48)	(234.40)
(ii) Income tax relating to items that will be reclassified to profit or loss		213.31	52.75
Subtotal (B)		(634.15)	(156.81)
Other comprehensive income (A + B)		(681.12)	(249.19)
(XI) Total comprehensive income for the year (XI + XII)		36,717.63	31,386.33
Profit is attributable to:			
Owners of the Group		37,398.75	31,635.52
Non controlling interests		-	-
Other Comprehensive Income is attributable to:			
Owners of the Group		(681.12)	(249.19)
Non controlling interests		-	-
Total Comprehensive Income is attributable to:			
Owners of the Group		36,717.63	31,386.33
Non controlling interests		-	-
(XII) Earnings per equity share (Face Value : INR. 10 per share)	30		
Basic (INR.)		7.66	6.76
Diluted (INR.)		7.66	6.76

Significant 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 **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No.: 117365W

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

G.K. Subramaniam
Partner
Membership No: 109839

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Gaurav Maheshwari
Whole Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Place: Mumbai
Date: May 7, 2025

Place: Mumbai
Date: May 7, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

Particulars	(INR in lakh)	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	48,831.01	46,022.65
Changes in equity share capital during the year	-	2,808.36
Balance as at the end of the year	48,831.01	48,831.01

B. OTHER EQUITY

Particulars	(INR, in lakh)					Total
	Special reserve	Securities premium	Capital contribution from parent	Retained earnings	Merger Reserve	
Balance at March 31, 2023	3,795.09	62,498.29	1,05,842.66	13,953.76	17,030.92	2,02,638.41
Profit for the year	-	-	-	31,635.52	-	31,635.52
Other comprehensive income for the year	-	-	-	(92.38)	-	(249.19)
Total comprehensive income for the year (net of tax)	-	-	-	31,543.14	-	31,386.33
Transfer / utilisations						
Additions during the year (cash premium)	-	47,191.64	-	-	-	47,191.64
Additions during the year (non-cash premium)	-	-	-	-	-	-
Purchase consideration towards business combination (Refer Note No 41)	-	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-
Transfer towards loss of control	-	-	-	(616.81)	-	616.81
Transferred to special reserve from retained earnings	6,297.91	-	-	(6,297.91)	-	-
Share based payment expense	-	-	2,432.93	-	-	2,432.93
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-
Transfer of business (Refer Note No 41)	-	-	-	-	-	-
Balance at March 31, 2024	10,093.00	1,09,689.93	1,08,275.59	38,582.18	17,030.92	2,83,649.31

Consolidated Statement of Changes in Equity for the year ended March 31, 2025 (Contd.)

B. OTHER EQUITY

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	Retained earnings	Merger Reserve					
Profit for the year				37,398.75						37,398.75
Other comprehensive income for the year				(46.97)		(60.60)	(573.56)			(681.13)
Total comprehensive income for the year (net of tax)	-	-	-	37,351.78	-	(60.60)	(573.56)		-	36,717.62
Transfer / utilisations										
Additions during the year (cash premium)	-	-	-	-	-	-	-	-	-	-
Additions during the year (non-cash premium)	-	-	-	-	-	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-	-	-	-	-
Transfer towards loss of control	-	-	-	-	-	-	-	-	-	-
Transferred to special reserve from retained earnings	7,443.39	-	-	(7,443.39)	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	2,984.06	-	-	-	-	-	-	2,984.06
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 41)	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2025	17,536.39	1,09,689.93	1,11,259.65	68,490.57	17,030.92	(97.74)	(574.06)	15.36	-	3,23,350.99

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

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No.: 117365W

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

G.K. Subramaniam
Partner
Membership No: 109839

Gaurav Maheshwari
Whole Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318
Place: Mumbai
Date: May 7, 2025

Consolidated Cash Flow Statement

for the year ended March 31, 2025

(INR in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from operating activities		
Profit / (Loss) before tax	50,147.75	41,964.13
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities		
Depreciation, amortization and impairment	1,832.07	1,869.16
Loss on sale of property, plant and equipment	71.26	96.60
Net (gain) on fair value changes	(2,396.10)	(1,073.47)
Impairment of Goodwill	-	133.16
Net Loss/(gain) on derecognition of financial instruments	(1,871.56)	546.73
Interest Income	(1,69,157.50)	(1,19,346.14)
Finance Cost	62,259.42	45,113.84
Impairment on financial instruments	18,776.74	(1,946.88)
Retirement Benefit expenses	242.20	171.13
Share based payment to employees	2,983.98	2,432.94
Dividend income	(49.90)	(50.10)
Provision for diminution on investment	66.04	(1.33)
	(37,095.60)	(30,090.23)
Interest received on loans	1,61,883.66	1,16,642.49
Interest paid on borrowings and debt	(64,073.66)	(44,872.28)
Cash generated from operation before working capital changes	60,714.40	41,679.98
Working capital adjustments		
(Increase) / decrease in other trade receivables	(1,687.55)	2.45
(Increase) in loans	(3,36,331.93)	(1,82,988.73)
(Increase) in other financial assets	371.96	(1,582.64)
(Increase) in other non financial assets	(2,535.85)	(1,338.43)
(Decrease) / Increase in trade payables	51.23	99.44
Increase in other financial liabilities	517.91	4,321.51
Increase in provisions	(61.33)	2,507.95
Increase in other non financial liabilities	(502.19)	(199.90)
	(3,40,177.75)	(1,79,178.35)
Income taxes paid	421.53	(1,542.17)
Net cash (used in) / generated from operating activities	(2,79,041.82)	(1,39,040.55)
Cash flow generated from investing activities		
(Purchase) / Sale of property, plant and equipment	(2,157.92)	(1,959.52)
(Purchase) / Sale of intangibles assets	(17.66)	(111.93)
(Addition) / Deletion of Capital work-in-progress	106.47	(174.86)
Purchase of investments	(2,96,61,614.16)	(10,38,616.74)
Proceeds from sale of investments	2,96,70,109.24	9,90,583.48
Interest income from investing activities	2,087.45	2,703.65
Investment in term deposits	(4,55,841.07)	(1,90,240.61)
Proceeds from maturity of term deposits with banks	4,46,930.33	1,86,712.08
Net cash (used in) / generated from investing activities	(397.32)	(51,104.45)
Cash flow generated from financing activities		
Issue of equity shares (including securities premium)	-	50,000.00
Payment of Lease liability	(845.92)	(837.26)
Proceeds of borrowings (other than debt securities)	4,82,843.12	2,63,413.85
Proceeds of debt securities	1,24,300.00	79,946.24
Repayment of borrowings (other than debt securities)	(2,22,112.40)	(1,35,809.40)
Redemption of debt securities	(41,690.83)	(98,146.77)
Net cash (used in) / generated from financing activities	3,42,493.97	1,58,566.66
Net increase / (decrease) in cash and cash equivalents	63,054.83	(31,578.34)
Cash and cash equivalents at the beginning of the year	1,137.15	32,715.49
Cash and cash equivalents at the end of the year	64,191.98	1,137.15

Significant accounting policies and key accounting estimates and judgements 1

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

Consolidated Cash Flow Statement for the year ended March 31, 2025 (Contd.)

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

(INR in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	-
Balances with banks		
- Current Accounts	63,190.59	8,164.01
Deposit with bank with maturity less than 3 months	1,001.39	-
Cash and cash equivalents (Refer note 2)	64,191.98	8,164.01
Less: Bank overdraft and cash credit (Refer note 15)	-	(7,026.86)
Cash and cash equivalents of as per statement of cash flows	64,191.98	1,137.15

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

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants
ICAI Firm Registration No.: 117365W

For and on behalf of the Board of Directors of
InCred Financial Services Limited
CIN: U67190MH1995PLC360817

G.K. Subramaniam
Partner
Membership No: 109839

Bhupinder Singh
Whole Time Director and CEO
DIN: 07342318

Gaurav Maheshwari
Whole Time Director and CFO
DIN: 07639132

Gajendra Thakur
Company Secretary
Membership No: A19285

Place: Mumbai
Date: May 7, 2025

Place: Mumbai
Date: May 7, 2025

Notes to the Consolidated Financial Statements

1. Material Accounting Policies and Other Explanatory Information

A. Corporate Information

InCred Financial Services Limited ("Parent") (CIN: U67190MH1995PLC360817) incorporated in India on February 3, 1995, 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 has received a Certificate of Registration from the Reserve Bank of India ('RBI'), on October 25, 2000 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Parent qualifies as NBFC Middle layer NBFC under the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

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 Parents's Board of Directors on May 7, 2025.

B. Basis of preparation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the RBI Master Directions and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. 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 derivatives that are measured at fair value and
- b. Net defined benefit asset / liability – plan assets are measured at fair value less present value of defined benefit obligation.

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 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:

- i. Business model assessment
- ii. Fair value of financial instruments
- iii. Impairment of financial assets

Notes to the Consolidated Financial Statements (Contd.)

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. 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.

c. 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.

Notes to the Consolidated Financial Statements (Contd.)

The excess of:

- Consideration transferred
- Any amount of non-controlling interest in the acquired entity and
- 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 Act 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.
- *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).

Notes to the Consolidated Financial Statements (Contd.)

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

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

Notes to the Consolidated Financial Statements (Contd.)

- 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 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 in the statement of profit and loss.

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

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

Notes to the Consolidated Financial Statements (Contd.)

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.

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.

Notes to the Consolidated Financial Statements (Contd.)

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.

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. Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment if any in the consolidated financial statements.

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 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 a 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:

Notes to the Consolidated Financial Statements (Contd.)

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:

- 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 parent reviews macro-economic developments occurring in the economy and market it operates in. On annual basis, the parent 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.

Notes to the Consolidated Financial Statements (Contd.)

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

The Parent also uses a model in unsecured personal Loan portfolio as part of its Probability of Default (PD) estimation within the Expected Credit Loss (ECL) framework. The model is derived using internal data elements such as credit history, repayment behavior, and borrower demographics, enabling to build a comprehensive borrower risk profile. This scoring mechanism is integrated to assess the credit quality of individual exposures and assign risk grades, which are then mapped to corresponding PD values.

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.

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:

Notes to the Consolidated Financial Statements (Contd.)

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.

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 employee share options are granted and settled through equity instruments issued by the Holding Company, InCred Holdings Limited.
- b. 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.
- c. 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.
- d. 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 Statement of Profit and Loss.
- e. 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.

Notes to the Consolidated Financial Statements (Contd.)

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 leases.

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 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

Income tax comprises of current tax and deferred tax. Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears. Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled. The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 'Income Taxes'.

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,

Notes to the Consolidated Financial Statements (Contd.)

- 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. 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).

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.

Notes to the Consolidated Financial Statements (Contd.)

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.

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 these 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.

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.

Processing fees earned on origination of loan, adjusted for cost, are amortized on effective interest rate over the life of the loan.

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.

Notes to the Consolidated Financial Statements (Contd.)

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 calculated using the EIR on respective financial instruments and borrowings including foreign currency borrowings measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. All other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

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 Employees' State Insurance Corporation (ESIC)

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

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.

Notes to the Consolidated Financial Statements (Contd.)

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.

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 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.

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

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.

Notes to the Consolidated Financial Statements (Contd.)

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(INR. in lakh)

2. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts	63,190.59	8,164.01
Fixed Deposit with banks with original maturity of less than 3 months	1,001.39	-
Total	64,191.98	8,164.01

3. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed deposit with bank with original maturity of more than 3 months*	17,234.70	8,323.96
Total	17,234.70	8,323.96

*Includes lien marked fixed deposits for borrowings amounting to INR. 12,998.67 lakh (PY INR. 6,104.07 lakh)

4. DERIVATIVE FINANCIAL INSTRUMENTS

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Derivative financial assets at fair value		
(i) Cross Currency Interest Rate Swaps		
Cash flow hedge (Notional amount (INR in lakh): 72,207.23, PY : 5,811.40)*	514.67	25.74
(ii) Equity Linked Derivatives Embedded Derivatives, Options and futures		
(Notional amount (INR in lakh) : 992.89, PY : 2,724.25 (Refer note 14)	369.47	853.18
Total	884.14	878.92
(B) Derivative financial liabilities at fair value		
Embedded Derivatives on Market Linked Debentures and Forwards (Notional amount(INR in lakh) : 35,908.09 , PY : 11,790.00) (Refer Note 14)	2,145.27	2,265.96
Total	2,145.27	2,265.96

*Derivative transactions comprise of currency, forwards and interest rate swaps. The Company undertakes such transactions for hedging borrowings in foreign currency.

5. TRADE RECEIVABLES

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
Considered good – Secured		
Considered good – Unsecured	511.36	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
Unbilled Trade Receivables	1,176.19	
Total before impairment	1,687.55	
Less: Impairment loss allowance	(6.75)	
Total	1,680.80	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Particulars	Not due	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	1,176.19	511.36	-	-	-	-	1,687.55
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed	-	-	-	-	-	-	-	-

6. LOANS

(INR. in lakh)

Particulars	As at March 31, 2025 Amortised cost	As at March 31, 2024 Amortised cost
(A) (i) Term loans*	10,77,795.34	7,44,924.17
(ii) Loans repayable on demand	-	-
Total - Gross (A)	10,77,795.34	7,44,924.17
Less: Impairment loss allowance	(29,093.29)	(19,046.73)
Total - Net of impairment loss allowance (A)	10,48,702.05	7,25,877.44
(B) (i) Secured by tangible assets**	2,62,823.33	2,26,693.04
(ii) Covered by Bank and Government guarantees	14,355.74	15,552.93
(iii) Unsecured	8,00,616.27	5,02,678.20
Total - Gross (B)	10,77,795.34	7,44,924.17
Less: Impairment loss allowance	(29,093.29)	(19,046.73)
Total - Net of impairment loss allowance (B)	10,48,702.05	7,25,877.44
(C) Loans in India		
(i) Public sectors	-	-
(ii) Others	10,77,795.34	7,44,924.17
Total - Gross (C)	10,77,795.34	7,44,924.17
Less: Impairment loss allowance	(29,093.29)	(19,046.73)
Total - Net of impairment loss allowance (C)	10,48,702.05	7,25,877.44

* Does not include outstanding of INR. 1,80,712.05 lakh (PY : 1,58,950.12 lakh) derecognised on account of Co-Lending transaction.

**Secured by charge on immovable properties, vehicles, inventories and receivables.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

7. INVESTMENTS

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) At Amortised Cost		
- Debt securities	4,892.11	36,860.88
Less: Allowance for impairment loss on amortised cost	(19.57)	-
Net at Amortised Cost (A)	4,872.54	36,860.88
(B) At Fair Value Through Other Comprehensive Income (FVOCI)		
- Debt securities	16,278.03	20,157.02
Less: Allowance for impairment loss FVOCI	(72.75)	(6.71)
Net At Fair Value Through Other Comprehensive Income (FVOCI) (B)	16,205.28	20,150.31
(C) At Fair Value Through Profit or Loss (FVTPL)		
- Mutual Funds	28,045.17	125.69
- Debt Securities and Liquid funds	1,891.60	1,035.67
Less: Allowance for impairment loss FVTPL	-	-
Net At Fair Value Through Profit or Loss (FVTPL) (C)	29,936.77	1,161.36
(D) Others (At cost less impairment, if any)		
Equity instruments		
- Convertible Preference Shares	9.67	9.67
Total (D)	9.67	9.67
'Less: Allowance for impairment loss others#		
Net Others (D)	9.67	9.67
Total - Gross (A+B+C+D)	51,116.58	58,188.93
Investments in India	51,116.58	58,188.93
Total - Allowance for Impairment	(92.32)	(6.71)
Total - Net (A+B+C+D)	51,024.26	58,182.22

8. OTHER FINANCIAL ASSETS

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
Security Deposits	778.49	577.46
Retained interest on Loans derecognised	10,458.49	8,042.78
Receivables from related parties (Refer Note 34)	63.81	76.08
Balances with Partners	411.44	594.57
Receivable from assigned portfolio	41.56	27.94
Others (includes ECLGS receivable, collection receivables)	360.47	1,295.83
Sub Total	12,114.26	10,614.66
Less: Allowance for impairment loss	(6.81)	-
Total	12,107.45	10,614.66

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

9. DEFERRED TAX

The major components of Deferred Tax Assets ('DTA') / Deferred Tax Liabilities ('DTL') arising on account of timing differences are as follows:

(INR. in lakh)						
Particulars	As at April 1, 2024	Merger Adjustment	Demerger Adjustment	Recognised in profit and loss	Recognised in OCI	As at March 31, 2025
Deferred tax assets						
Provision for impairment loss on financial instruments	11,521.37	-	-	2,267.15	-	13,788.52
Provision for employee benefit plans	1,466.03	-	-	(1,238.52)	15.81	243.32
Disallowance of merger expenses	161.09	-	-	(53.70)	-	107.39
Lease liability	94.77	-	-	(4.80)	-	89.97
Fair value change on financial instruments	65.11	-	-	(82.37)	-	(17.26)
Unabsorbed business loss/capital loss	23,651.18	-	-	(12,086.25)	-	11,564.93
Difference between written down value of property plant and equipment and Intangible assets as per the books of accounts and income tax	122.34	-	-	48.33	-	170.67
Fair value change of investment valued at Fair value through OCI	8.10	-	-	(180.82)	213.31	40.59
Provision for expenses	1,118.93	-	-	465.63	-	1,584.56
Others	151.88	-	-	-	-	151.88
Total (A)	38,360.81	-	-	(10,865.36)	229.12	27,724.57
Deferred tax liabilities						
EIR impact on financial instruments	(747.40)	-	-	(1,862.66)	-	(2,610.06)
Others	-	-	-	661.72	-	661.72
Total (B)	(747.40)	-	-	(1,200.94)	-	(1,948.34)
Deferred tax assets (net) (A+B)	37,613.41	-	-	(12,066.30)	229.12	25,776.23

Note - The group is earning profits and expects to utilise deferred tax asset in coming years.

The major components of Deferred Tax Assets ('DTA') / Deferred Tax Liabilities ('DTL') arising on account of timing differences are as follows:

(INR. in lakh)						
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	12,207.49	-	-	(686.12)	-	11,521.37
Provision for retirement benefit plans	675.55	-	-	759.32	31.16	1,466.03
Disallowance of merger expenses	214.78	-	-	(53.69)	-	161.09
Lease liability	85.52	-	-	9.25	-	94.77
Fair value change on financial instruments	11.86	-	-	53.25	-	65.11
Unabsorbed business loss/capital loss	34,766.70	-	-	(11,115.52)	-	23,651.18
Difference between written down value of property plant and equipment and Intangible assets as per the books of accounts and income tax	87.31	-	-	35.03	-	122.34
Fair value change of investment valued at Fair value through OCI	14.03	-	-	(58.68)	52.75	8.10
Provision for expenses	-	-	-	1,118.93	-	1,118.93
Others	(343.21)	-	-	495.09	-	151.88
Total (A)	47,720.03	-	-	(9,443.13)	83.91	38,360.81
Deferred tax liabilities						
Revaluation of investment valued at Fair value through OCI	-	-	-	-	-	-
EIR impact on financial instruments	(579.72)	-	-	(167.68)	-	(747.40)
Fair valuation of investments in associate	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (B)	(579.72)	-	-	(167.68)	-	(747.40)
Deferred tax assets (net) (A+B) *	47,140.31	-	-	(9,610.81)	83.91	37,613.41

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

10A. PROPERTY, PLANT AND EQUIPMENT

(INR. in lakh)

Particulars	Buildings*	Furniture and fixtures	Leasehold Improvements	Office equipment	Computers & Printers	Vehicles	Right-of-use assets**	Total
Year ended March 31, 2024								
At carrying cost at the beginning of the year	22.71	264.10	1,379.54	321.56	1,580.82	421.30	3,491.98	7,482.01
Additions during the year	-	244.85	783.72	338.30	280.36	315.25	294.02	2,256.50
Sale of subsidiary	-	-	-	-	(19.60)	-	-	(19.60)
Disposals	-	(24.01)	(204.14)	(4.31)	(52.85)	-	(29.88)	(315.19)
Gross carrying value as at March 31, 2024	22.71	484.94	1,959.12	655.55	1,788.73	736.56	3,756.12	9,403.72
Accumulated depreciation as at the beginning of the year	1.92	49.90	435.51	131.09	979.44	216.51	1,309.78	3,124.15
Depreciation for the year	0.38	74.88	211.73	123.82	369.30	71.43	632.44	1,483.98
Sale of subsidiary	-	-	-	-	(18.91)	-	-	(18.91)
Disposals	-	(8.30)	(122.26)	(2.81)	(52.85)	-	(29.88)	(216.10)
Accumulated depreciation as at March 31, 2024	2.30	116.48	524.98	252.10	1,276.98	287.94	1,912.34	4,373.12
Net carrying value as at March 31, 2024	20.41	368.46	1,434.14	403.45	511.75	448.61	1,843.78	5,030.60
Year ended March 31, 2025								
At carrying cost at the beginning of the year	22.71	484.94	1,959.12	655.55	1,788.73	736.56	3,756.12	9,403.73
Additions during the year	-	93.39	691.08	162.61	524.59	501.96	209.94	2,183.57
Sale of subsidiary	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(312.09)	(176.43)	-	(488.52)
Gross carrying value as at March 31, 2025	22.71	578.33	2,650.20	818.16	2,001.23	1,062.09	3,966.06	11,098.78
Accumulated depreciation as at the beginning of the year	2.30	116.48	524.98	252.10	1,276.98	287.94	1,912.34	4,373.12
Depreciation for the year	0.38	50.59	307.95	130.63	376.44	121.49	623.38	1,610.86
Sale of subsidiary	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(311.72)	(79.79)	-	(391.51)
Accumulated depreciation as at March 31, 2025	2.68	167.07	832.93	382.73	1,341.70	329.64	2,535.72	5,592.47
Net carrying value as at March 31, 2025	20.03	411.26	1,817.27	435.43	659.53	732.45	1,430.34	5,506.31

* There is no immovable property where the title deed of such immovable property is not held in the Company's name or jointly held with others.

** Refer Note 37 for recognition of right-of-use assets

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

10B. CAPITAL WORK-IN-PROGRESS

(INR. in lakh)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Opening Balance	Additions	Deletions	Closing Balance	Opening Balance	Additions	Deletions	Closing Balance
Capital work-in-Progress	336.65	678.00	(784.47)	230.18	161.79	1,203.43	(1,028.57)	336.65
Total	336.65	678.00	(784.47)	230.18	161.79	1,203.43	(1,028.57)	336.65

(INR. in lakh)

Particulars	As at March 31, 2025				As at March 31, 2024			
	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
Capital work-in-progress (CWIP)								
Projects in progress	230.18	-	-	-	336.65	-	-	-
Total	230.18	-	-	-	336.65	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

11. OTHER INTANGIBLE ASSETS

(INR. in lakh)	
Particulars	Computer software
Year ended March 31, 2024	
At cost at the beginning of the year	1,853.06
Additions during the year	111.93
Gross carrying value as at March 31, 2024 (A)	1,964.99
Accumulated amortization:	
Accumulated amortization at the beginning of the year	1,186.63
amortization for the year	384.95
Accumulated amortization as at March 31, 2024 (B)	1,571.58
Net carrying value as at March 31, 2024 (A-B)	393.41
Year ended March 31, 2025	
At cost at the beginning of the year	1,964.99
Additions during the year	17.66
Gross carrying value as at March 31, 2025 (C)	1,982.65
Accumulated amortization:	
Accumulated amortization at the beginning of the year	1,571.58
amortization for the year	221.13
Accumulated amortization as at March 31, 2025 (D)	1,792.71
Net carrying value as at March 31, 2025 (C-D)	189.94

12. OTHER NON-FINANCIAL ASSETS

(INR. in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	2,347.05	356.64
Advances to vendors	857.99	879.45
GST receivable	2,864.96	2,298.06
Total	6,070.00	3,534.15

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

13. PAYABLES

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	1.79	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	321.33	271.89
Total	323.12	271.89

Payables ageing schedule as on March 31, 2025:

(INR. in lakh)

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	1.79	-	-	-	1.79
(ii) Others	321.33	-	-	-	321.33
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Payables ageing schedule as on March 31, 2024:

(INR. in lakh)

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	-	-	-	-	-

14. DEBT SECURITIES

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
Debentures (Secured)	1,48,641.53	96,989.55
Commercial Paper (Unsecured)	28,757.80	-
Total	1,77,399.33	96,989.55
Debts securities in India	1,77,399.33	96,989.55
Debt securities outside India	-	-
Total	1,77,399.33	96,989.55

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Terms and conditions

Sr No	Particulars	Nature of security	Terms of repayment	Maturity date	(INR. in lakh)	
					As at March 31, 2025	As at March 31, 2024
1	350, Secured Rated Listed Redeemable Non-Convertible Debentures of INR. 10,00,000 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	1150, Secured Rated Listed Redeemable Non-Convertible Debentures of INR. 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.	27-Jul-24	-	12,366.97
3	17,38,325, Secured Rated Listed Redeemable Non-Convertible issued at INR. 1,000 each		Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid quarterly.	02-May-25	17,620.57	17,480.82
4	2,54,599, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 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	2,583.53	2,563.51
5	1,47,712, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 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	1,485.85	1,476.08
6	1,69,758, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 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	1,708.69	1,696.39
7	4,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 100,000 each		Redeemable at par at the end of 820 days from the date of allotment. Coupon to be paid quarterly.	12-Dec-25	1,334.74	3,103.79
8	5,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 100,000 each		Redeemable at par at the end of 729 days from the date of allotment. Coupon to be paid annually.	21-May-26	5,347.31	-
9	10,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 100,000 each		Redeemable at par at the end of 728 days from the date of allotment. Coupon to be paid annually.	18-Aug-26	10,410.90	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Sr No		Particulars	Nature of security	Terms of repayment	Maturity date	As at March 31, 2025	As at March 31, 2024
(INR. in lakhs)							
10		12,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 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.	Redeemable at par at the end of 729 days from the date of allotment. Coupon to be paid quarterly.	21-Aug-26	12,084.35	-
11		21,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 each		Redeemable at par at the end of 729 days from the date of allotment. Coupon to be paid semi-annually.	18-Sep-26	21,314.16	-
12		5,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 each		Redeemable at par at the end of 730 days from the date of allotment. Coupon to be paid annually.	29-Oct-26	5,132.64	-
13		2,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 each		Redeemable at par at the end of 1092 days from the date of allotment. Principal & Coupon Payment to be paid quarterly	25-Nov-27	2,300.59	-
14		9,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 each		Redeemable at par at the end of 730 days from the date of allotment. Coupon to be paid quarterly.	11-Dec-26	8,948.70	-
15		5,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 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 730 days from the date of allotment. Coupon to be paid annually.	31-Dec-26	5,530.86	-
16		5,500, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 each		Redeemable at par at the end of 910 days from the date of allotment. Coupon to be paid quarterly.	19-Jul-27	5,565.40	-
17		10,000, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,00,000 each		Redeemable at par at the end of 910 days from the date of allotment. Coupon to be paid quarterly.	16-Aug-27	9,988.55	-
18		1,32,867, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 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 547 days from the date of allotment. Coupon to be paid monthly.	10-May-25	1,334.22	1,322.85
19		8,76,454, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1000 each		Redeemable at par at the end of 731 days from the date of allotment. Coupon to be paid quarterly.	10-Nov-25	3,310.23	7,671.34

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Sr No		Particulars	Nature of security	Terms of repayment	Maturity date	As at March 31, 2025	As at March 31, 2024
(INR. in lakh)							
20		1,92,719, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,000 each	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 at par at the end of 731 days from the date of allotment. Coupon to be paid monthly.	10-Nov-25	1,927.40	1,911.46
21		5,72,845, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,000 each		Redeemable at par at the end of 1096 days from the date of allotment. Coupon to be paid annually.	10-Nov-26	3,911.36	5,834.29
22		8,69,739, Secured Rated Listed Redeemable Non-Convertible Debentures issued at INR. 1,000 each		Redeemable at par at the end of 1096 days from the date of allotment. Coupon to be paid monthly.	10-Nov-26	8,615.87	8,544.41
23		139, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 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 115.85% of the initial fixing level then coupon paid out to the clients is NIFTY Performance. In case NIFTY final fixing level is less than 115.85% of the initial fixing level then coupon paid out to the clients is 15.85%.	04-Oct-24	-	1,507.84
24		150, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 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 the initial fixing level then the coupon paid out is 1.3 times NIFTY Performance.	26-Apr-24	-	1,846.26
25		1330, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 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
26		173, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 10,00,000		Redeemable with agreed coupon at the end of 1205 days from the date of allotment. The MLD pays a leveraged participation i.e. 1.25x times the performance of NIFTY . Maximum Return is uncapped.. If NIFTY Final level is less than the initial level then the MLD redeems at par with zero coupon payment.	08-May-25	2,247.15	1,510.31

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(INR. in lakh)						
Sr No	Particulars	Nature of security	Terms of repayment	Maturity date	As at March 31, 2025	As at March 31, 2024
27	117, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 10,00,000		Redeemable with agreed coupon at the end of 1229 days from the date of allotment. The MLD pays a leveraged participation i.e. 1.3x times the performance of NIFTY till a pre-defined cap of NIFTY Performance. Maximum Return is capped at 50%. Cap of NIFTY performance is 38.46% above the initial level of NIFTY. If NIFTY Final level is less than the initial level then the MLD redeems at par with zero coupon payment.	05-Dec-25	1,093.34	1,046.05
28	250, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 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	3,114.01	2,857.27
29	2500, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 1,00,000		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%	06-Dec-24	-	2,496.69
30	2500, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 1,00,000		Redeemable with agreed coupon at the end of 792 days from the date of allotment. The MLD pays a leveraged participation i.e. 1.5x times the performance of NIFTY till a pre-defined cap of NIFTY Performance. Maximum Return is capped at 33%. Cap of NIFTY performance is 22% above the initial level of NIFTY. If NIFTY Final level is less than the initial level then the MLD redeems at par with zero coupon payment.	03-Apr-26	2,278.40	2,095.61

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

		(INR. in lakh)				
Sr No	Particulars	Nature of security	Terms of repayment	Maturity date	As at March 31, 2025	As at March 31, 2024
31	3500, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 1,00,000		Redeemable with agreed coupon at the end of 949 days from the date of allotment. Minimum Return paid out is 10% irrespective of the performance of NIFTY. Additional to this, the MLD gives a leverage participation(1.5x) over NIFTY Performance starting from 6.67% to 25% of NIFTY Performance. So Maximum Return is 37.5%. If NIFTY Performance is above 25% then the MLD gets knocked out and the MLD pays a flat 30% return at maturity. If NIFTY Level is below the Initial Level of NIFTY then the MLD redeems with the 10% minimum return.	12-Oct-26	2,354.11	2,154.72
32	2500, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 1,00,000		Redeemable with agreed coupon at the end of 1250 days from the date of allotment. For NIFTY Performance between 0% to 10%, the MLD pays a 1x participation rate. From 10% to 35% of NIFTY Performance the MLD pays a 2x leveraged participation. So Maximum Return is 60%. If NIFTY performance is more than 35% any of the final observation date then the MLD gets knocked out and pays 40% flat return.	08-Nov-27	2,644.43	-
33	4800, Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR. 1,00,000		Redeemable with agreed annual coupons at the end of 1204 days from the date of allotment. Minimum annual return is 7.5%. Additional bonus payout linked to the annual performance of NIFTY capped at 18%. If NIFTY Annual Performance is greater than 18%, then the MLD gets knocked out in that year and pays flat 7.5%. NIFTY level gets reset every year. After 3 annual returns, principal is paid out at maturity.	12-May-28	4,454.17	-
34	Commercial Paper	Unsecured	Issued at a discount and redeemable at par. The tenure is 60 days to 365 days with an discount rate ranging from 9.10%-9.50%.	NA	28,757.80	-
Total					1,77,399.33	96,989.55

Note: Interest rate ranging from 9.45%-10.30% for debentures.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

15. Borrowings (other than debt securities)

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
	Amortised cost	Amortised cost
(a) Term loans (Secured)		
(i) from banks	5,05,946.34	2,97,812.16
(ii) from other parties	99,996.11	69,565.38
(b) Pass Through Certificates (Secured)	52,308.96	3,311.59
(c) Loans repayable on demand (Net) (Secured)		
(i) from banks	-	33,676.80
Total	6,58,251.41	4,04,365.93
Borrowings in India	5,89,344.79	3,98,527.58
Borrowings outside India (comprises external commercial borrowings)	68,906.62	5,838.35
Total	6,58,251.41	4,04,365.93

Note : The borrowings from banks, financial institutions and others have been used for the specific purpose for which it was borrowed.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Terms and conditions

(INR. in lakh)

Particulars	Nature of security	Terms of repayment	As at March 31, 2025	As at March 31, 2024
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 6 to 78 months and interest ranging from 8.15%-11.48%.	4,43,049.02	2,97,812.16
b) 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 38 months and interest rate ranging from 9.25%-12.10%	93,986.80	63,727.03
b) 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.	Loans are repayable on maturity and annual installments with original tenure upto 60 months and interest rate is linked to SOFR.	68,906.62	5,838.35
c) Pass Through Certificates (Secured)	Secured by an exclusive charge by way of hypothecation/ assignment of specific loan receivables	Facility tenure ranging from 30 to 45 months repayable on monthly basis and interest rate ranging from 9.00%-9.60%	52,308.96	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 with interest rate ranging from 8.70% to 10.40%.	-	33,676.80
Total			6,58,251.41	4,04,365.93

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

16. OTHER FINANCIAL LIABILITIES

(INR. in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability (Refer Note 37)	1,787.82	2,220.34
Collaterals received towards loans	4,833.78	8,497.81
Security deposits	124.47	109.93
Payable on assigned portfolio	6,856.24	3,405.76
Provision for expenses	6,596.60	4,601.97
Advance/Payable from/to the customers	2,006.81	3,547.22
Servicing liability on loans derecognised	1,576.20	1,783.26
Payable to related parties (Refer Note 34)	6.24	-
Payable to employees	4,540.00	4,758.35
Others	608.59	136.66
Total	28,936.75	29,061.30

17. PROVISIONS

(INR. in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Gratuity	1,043.36	803.80
Expected credit loss provision on undrawn loan commitments	12.94	8.85
Total	1,056.30	812.65

18. OTHER NON-FINANCIAL LIABILITIES

(INR. in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	1,087.49	1,589.68
Total	1,087.49	1,589.68

19. EQUITY SHARE CAPITAL

(INR. in lakh)				
Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of INR. 10/- each	50,00,00,000	50,000.00	50,00,00,000	50,000.00
Total	50,00,00,000	50,000.00	50,00,00,000	50,000.00
Issued, subscribed and paid up capital				
Equity Shares of INR. 10/- each fully paid up	48,83,10,114	48,831.01	48,83,10,114	48,831.01
Total	48,83,10,114	48,831.01	48,83,10,114	48,831.01

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Terms/rights attached to equity shares

The Group has only one class of equity shares having par value of INR. 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 holding company

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

(INR. in lakh)

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	Amount	No. of shares held	Amount
InCred Holdings Limited (formerly known as KKR Capital Markets Pvt Ltd)	48,83,10,114	48,831.01	48,83,10,114	48,831.01
Total	48,83,10,114	48,831.01	48,83,10,114	48,831.01

Equity shares held by promoters of the group

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

(INR. in lakh)

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	Amount	No. of shares held	Amount
InCred Holdings Limited (including shares held by Nominee Shareholders)*	48,83,10,114	100.00%	48,83,10,114	100.00%
Total	48,83,10,114	100.00%	48,83,10,114	100.00%

*Includes 395 shares held as registered owner by Mr. Bhupinder Singh, Promoter of the Company and there are 6 other shareholders holding 1 share each.

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	Amount	No. of shares held	Amount
InCred Holdings Limited (including shares held by Nominee Shareholders)	48,83,10,114	100.00%	48,83,10,114	100.00%
Total	48,83,10,114	100.00%	48,83,10,114	100.00%

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 (PY : Nil).

Equity shares reconciliation

(INR. in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
At the beginning of the year	48,83,10,114	48,831.01	46,02,26,538	46,022.65
Add: Shares issued during the year	-	-	2,80,83,576	2,808.36
At the end of the year	48,83,10,114	48,831.01	48,83,10,114	48,831.01

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

20. OTHER EQUITY

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	Retained earnings	Merger Reserve						
Balance at March 31, 2023	3,795.09	62,498.29	1,05,842.66	13,953.76	17,030.92		(55.73)	174.90	15.36	(616.81)	2,02,638.41
Profit for the year	-	-	-	31,635.52	-	-	-	-	-	-	31,635.52
Other comprehensive income for the year	-	-	-	(92.38)	-	-	18.59	(175.40)	-	-	(249.19)
Total comprehensive income for the year (net of tax)	-	-	-	31,543.14	-	-	18.59	(175.40)	-	-	31,386.33
Additions during the year (cash premium)	-	47,191.64	-	-	-	-	-	-	-	-	47,191.64
Additions during the year (non-cash premium)	-	-	-	-	-	-	-	-	-	-	-
Purchase consideration towards business combination (Refer Note No 41)	-	-	-	-	-	-	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-	-	-	-	-	-
Transfer towards loss of control	-	-	-	(616.81)	-	-	-	-	-	616.81	-
Transferred to special reserve from retained earnings	6,297.91	-	-	(6,297.91)	-	-	-	-	-	-	-
Share based payment expense	-	-	2,432.93	-	-	-	-	-	-	-	2,432.93
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 41)	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024	10,093.00	1,09,689.93	1,08,275.59	38,582.18	17,030.92		(37.14)	(0.50)	15.36	-	2,83,649.31
Profit for the year	-	-	-	37,398.75	-	-	-	-	-	-	37,398.75
Other comprehensive income for the year	-	-	-	(46.97)	-	-	(60.60)	(573.56)	-	-	(681.13)
Total comprehensive income for the year (net of tax)	-	-	-	37,351.78	-	-	(60.60)	(573.56)	-	-	36,717.62
Additions during the year (cash premium)	-	-	-	-	-	-	-	-	-	-	-
Additions during the year (non-cash premium)	-	-	-	-	-	-	-	-	-	-	-
Utilized during the year	-	-	-	-	-	-	-	-	-	-	-
Transfer towards loss of control	-	-	-	-	-	-	-	-	-	-	-
Transferred to special reserve from retained earnings	7,443.39	-	-	(7,443.39)	-	-	-	-	-	-	-
Share based payment expense	-	-	2,984.06	-	-	-	-	-	-	-	2,984.06
Transfer from share based payment reserve (Refer Note No 36)	-	-	-	-	-	-	-	-	-	-	-
Transfer of business (Refer Note No 41)	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2025	17,536.39	1,09,689.93	1,11,259.65	68,490.57	17,030.92		(97.74)	(574.06)	15.36	-	3,23,350.99

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Description of nature and purpose of each reserve

- (i) **Special reserve** - As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. Thus, during the years ended 31 March 2025 and 31 March 2024, the Company has transferred to the Statutory Reserve an amount arrived at in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.
- (ii) **Securities premium** - Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- (iii) **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 Finance Private Limited (formerly known as "InCred Financial Services Limited") as a part of purchase consideration in lieu of demerger of identified NBFC business. The reserves also includes share based arrangement where the Holding Company has granted equity settled options to the employees of the company. Refer Note No 36.
- (iv) **Retained earnings** - Retained earnings represents the amount of accumulated earnings of the Company.
- (v) **Merger Reserve** - The "Merger Reserve" is created on account of difference between legal capital of erstwhile InCred Prime Finance Private Limited (formerly, InCred Financial Services Limited) ('erstwhile IFSL') and InCred Financial Services Limited (formerly, KKR India Financial Services Limited) ('new IFSL') along with capital contribution from parent. The Demerger was executed in FY 2022-23 through the NCLT order. (Refer Note 41)
- (vi) **Other comprehensive income:**
 - (a) **Debt instruments through other comprehensive income** - The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.
 - (b) **Equity instruments through other comprehensive income** - The Company has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.
 - (c) **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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

21. INTEREST INCOME

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On Financial Assets measured at amortised cost:		
-Interest on loans	1,67,070.05	1,16,642.49
-Interest income from investments	574.94	1,201.42
-Interest on deposits with banks	1,032.17	696.67
On Financial Assets measured at fair value through profit or loss:		
-Interest on loans	-	-
On Financial Assets measured at fair value through Other Comprehensive Income:		
-Interest income from investments	480.34	805.56
Total	1,69,157.50	1,19,346.14

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 2025 and 31 March 2024.

22. FEES AND COMMISSION INCOME

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Service and administration charges	13,722.61	3,308.47
Total	13,722.61	3,308.47
Geographical Markets		
Within India	13,722.61	3,308.47
Outside India	-	-
Total	13,722.61	3,308.47
Timing of revenue recognition		
Services transferred at a point in time	13,722.61	3,308.47
Services transferred over time	-	-
Total	13,722.61	3,308.47

Note: For receivable balances against the income, refer note no 5

23. NET (LOSS)/ GAIN ON FAIR VALUE CHANGES

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net (loss)/ gain on financial instruments at fair value through profit or loss		
- Investments	1,530.53	1,376.96
- Derivatives	865.57	(303.49)
Total	2,396.10	1,073.47
Fair value changes:		
- Realised	1,262.47	1,490.60
- Unrealised	1,133.63	(417.13)

24. OTHER INCOME

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Marketing income	565.20	1,963.10
Business support charges	127.50	243.97
Other income	371.56	106.43
Total	1,064.26	2,313.50

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

25. FINANCE COSTS

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial liabilities measured at amortised cost:		
(i) Interest on borrowings	46,734.34	33,035.84
(ii) Discount on Commercial Paper	1,802.75	933.88
(iii) Interest on Debentures	11,625.52	9,949.48
(iv) Interest on Inter Corporate Debts ("ICD")	237.57	558.85
(v) Interest on Pass Through Certificate	1,655.78	394.23
(vi) Interest on lease liability (Refer Note 37)	203.46	241.56
(vii) Other finance cost	502.52	370.58
Total	62,761.94	45,484.42

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS (NET OF RECOVERIES)

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On Financial instruments measured at amortised cost		
- Loans (including amount written off, net of recovery)	18,743.61	(2,458.59)
- Investments	19.57	-
- Others	13.56	511.71
Total	18,776.74	(1,946.88)

*Of the above INR. 10,513.23 lakh pertains to write-off during current year (PY : INR. 4,852.85 lakh)

27. EMPLOYEE BENEFIT EXPENSES

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	28,914.90	22,240.71
Contribution to provident and other funds	751.44	548.24
Share based payment to employees (Refer Note 36)	2,983.98	2,432.70
Staff welfare expenses	784.13	745.82
Retirement Benefit expenses (Refer Note 35)	242.20	171.13
Total	33,676.65	26,138.60

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

28. OTHER EXPENSES

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Information Technology expenses	3,810.12	2,563.55
Collection expenses	6,789.57	3,479.62
Legal, professional and consultancy charges	4,760.49	1,674.07
Office Expenses	1,258.80	1,086.32
Travelling and conveyance	851.30	744.51
Advertisement, publicity and sales promotion expenses	1,244.47	678.04
Rating fees	279.53	226.79
Payment to auditors	173.09	151.41
Directors' sitting fees (Refer Note 34)	156.96	86.84
Stamp Duty & Filing fees	68.30	77.81
Bank charges	42.96	43.30
Repairs and maintenance	40.75	25.07
Corporate Social responsibility	295.61	-
Rent (Refer Note 37)	400.01	210.50
Membership and Subscription	18.59	15.51
Miscellaneous expenses	876.23	761.65
Total	21,066.78	11,824.99

29. TAX EXPENSE

(a) Amounts recognised in profit and loss

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax expense		
Current year	682.70	717.80
Current tax expense	682.70	717.80
Deferred tax expense		
Origination and reversal of temporary differences	12,066.30	9,610.81
Current tax expense	12,066.30	9,610.81
Tax expense for the year	12,749.00	10,328.61

(b) Amounts recognised in other comprehensive income

(INR. in lakh)

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	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)	(62.78)	15.81	(46.97)	(123.54)	31.16	(92.38)
Items that will be reclassified to profit or loss						
(a) Debt instruments through other comprehensive income	(80.98)	20.39	(60.59)	24.84	(6.25)	18.59
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(766.48)	192.92	(573.56)	(234.40)	59.00	(175.40)
Total	(910.24)	229.12	(681.12)	(333.10)	83.91	(249.19)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(c) Amounts recognised directly in equity

There are no temporary difference recognised directly in equity for the year ended March 31, 2025 (PY : Nil)

(d) Reconciliation of effective tax rate

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit before tax as per Statement of profit and loss	50,147.75	41,964.13
Statutory tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	12,622.19	10,562.37
Tax effect of:		
Tax effect of amounts which are not deductible in calculating taxable income	74.40	(483.89)
Effect of income exempt from income tax	-	-
Tax pertaining to prior year	206.85	213.61
Other adjustments	(154.43)	(48.54)
Total income tax expense	12,749.00	10,243.55
Effective tax rate	25.42%	24.41%

30. 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:

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit attributable to equity holders of the Company used in calculating basic earnings per share	37,398.75	31,635.52
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	37,398.75	31,635.52

ii. Weighted average number of ordinary shares

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	48,83,10,114	46,79,20,668
Add: Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	48,83,10,114	46,79,20,668
Basic earnings per share	7.66	6.76
Diluted earnings per share	7.66	6.76

Refer Note No 41 - Composite Scheme of Arrangement

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

31. 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 :

Particulars	As at March 31, 2025				As at March 31, 2024		
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost
Financial assets							
Cash and cash equivalents	-	-	64,191.98	64,191.98	-	-	8,164.01
Bank balance other than cash and cash equivalents	-	-	17,234.70	17,234.70	-	-	8,323.96
Derivative financial instruments	369.47	514.67	-	884.14	853.18	25.74	-
Trade receivables	-	-	1,680.80	1,680.80	-	-	-
Loans	-	-	10,48,702.05	10,48,702.05	-	-	7,25,877.44
Investments							
- Mutual funds	28,045.17	-	-	28,045.17	125.69	-	-
- Debt securities	1,891.60	16,205.28	4,872.54	22,969.42	1,035.67	20,150.31	36,860.88
Other financial assets	-	-	12,107.45	12,107.45	-	-	10,614.66
Total financial assets	30,306.24	16,719.95	11,48,789.52	11,95,815.71	2,014.54	20,176.05	7,89,840.95
Financial liabilities							
Derivative financial instruments	2,145.27	-	-	2,145.27	2,265.96	-	-
Trade Payable	-	-	323.12	323.12	-	-	271.89
Debt securities	-	-	1,77,399.33	1,77,399.33	-	-	96,989.55
Borrowings (other than debt securities)	-	-	6,58,251.41	6,58,251.41	-	-	4,04,365.93
Other financial liabilities	-	-	28,936.75	28,936.75	-	-	29,061.30
Total financial liabilities	2,145.27	-	8,64,910.61	8,67,055.88	2,265.96	-	5,30,688.67
							5,32,954.63

Note: Convertible preference shares amounting to INR. 9.67 lakh (PY : INR. 9.67 lakh) is carried at cost and does not form part of the above.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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:

(INR. in lakh)

Particulars	Fair value					As at March 31, 2024		
	As at March 31, 2025							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Convertible preference shares	-	-	-	-	-	-	-	-
Investment in mutual funds	28,045.17	-	-	28,045.17	125.69	-	-	125.69
Derivative financial instruments	-	884.14	-	884.14	-	878.92	-	878.92
Investment in debt securities	15,703.82	2,393.07	-	18,096.89	5,381.28	15,804.70	-	21,185.98
Total	43,748.99	3,277.21	-	47,026.20	5,506.97	16,683.62	-	22,190.59
Financial liabilities								
Derivative financial instruments	-	2,145.27	-	2,145.27	-	2,265.96	-	2,265.96
Total	-	2,145.27	-	2,145.27	-	2,265.96	-	2,265.96

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 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 under the accounting standard. An explanation of each level follows underneath table.

(INR. in lakh)

Particulars	Fair value					As at March 31, 2024		
	As at March 31, 2025							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	64,191.98	-	-	64,191.98	8,164.01	-	-	8,164.01
Bank balance other than cash and cash equivalents	17,234.70	-	-	17,234.70	8,323.96	-	-	8,323.96
Trade receivables	-	-	1,680.80	1,680.80	-	-	-	-
Investments								
-Debt securities	-	-	4,872.54	4,872.54	-	-	36,860.88	36,860.88
Loans	-	-	10,89,315.05	10,89,315.05	-	-	7,60,868.19	7,60,868.19
Other financial assets	-	-	12,107.45	12,107.45	-	-	10,614.66	-
Total	81,426.68	-	11,07,975.84	11,89,402.52	16,487.97	-	8,08,343.73	8,14,217.04
Financial Liabilities								
Trade Payable	-	-	323.12	323.12	-	-	271.89	271.89
Debt securities	-	-	1,78,325.40	1,78,325.40	-	-	98,714.07	98,714.07
Borrowings (other than debt securities)	-	-	6,58,011.71	6,58,011.71	-	-	4,04,336.00	4,04,336.00
Other financial liabilities	-	-	28,936.75	28,936.75	-	-	29,061.30	29,061.30
Total	-	-	8,65,596.98	8,65,596.98	-	-	5,32,383.26	5,32,383.26

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(INR. in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	64,191.98	64,191.98	8,164.01	8,164.01
Bank balance other than cash and cash equivalents	17,234.70	17,234.70	8,323.96	8,323.96
Derivative financial instruments	884.14	884.14	878.92	878.92
Trade receivables	1,680.80	1,680.80	-	-
Loans	10,48,702.05	10,89,315.05	7,25,877.44	7,60,868.19
Investments				
- Mutual funds	28,045.17	28,045.17	125.69	125.69
- Debt securities at fair value through profit & loss	1,891.60	1,891.60	1,035.67	1,035.67
- Debt securities at Other comprehensive income	16,205.28	16,205.28	20,150.31	20,150.31
- Debt securities at amortised cost	4,872.54	4,872.54	36,860.88	36,860.88
Other financial assets	12,107.45	12,107.45	10,614.66	10,614.66
Total	11,95,815.71	12,36,428.71	8,12,031.54	8,47,022.29
Financial liabilities				
Derivative financial instruments	2,145.27	2,145.27	2,265.96	2,265.96
Trade Payables	323.12	323.12	271.89	271.89
Debt securities	1,77,399.33	1,78,325.40	96,989.55	98,714.07
Borrowings (other than debt securities)	6,58,251.41	6,58,011.71	4,04,365.93	4,04,336.00
Other financial liabilities	28,936.75	28,936.75	29,061.30	29,061.30
Total	8,67,055.88	8,67,742.25	5,32,954.63	5,34,649.22

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 for the year ended March 31, 2025 (Contd.)

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. The carrying value of Stage 3 loans are considered as fair value.

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, 2025 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 funds:

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 yield 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 among 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, 2025 and March 31, 2024.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

D. Sensitivity analysis of financial instruments at Level 3

Particulars		As at March 31, 2025		As at March 31, 2024	
		Delta effect of		Delta effect of	
		+ 1% change	- 1% change	+ 1% change	- 1% change
Input name					
Financial Assets:					
Loans	Discount rate	(8,413.74)	8,598.69	(4,613.00)	4,710.06
Investment in debt securities	Gsec / FIMMDA rate	-	-	(12.56)	13.29
Financial Liabilities:					
Debt securities	Discount rate	(719.56)	725.08	(292.15)	293.98
Borrowings (other than debt securities)	Discount rate	(2,159.07)	2,212.96	(428.83)	434.49

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, 2025 and March 31, 2024

		(INR. in lakh)
Particulars		Debt instruments
As at March 31, 2023		4,617.81
Acquisitions/(Disposal)		(4,642.65)
Gains/(Loss) recognised in other comprehensive income		24.84
As at March 31, 2024		-
Acquisitions/(Disposal)		-
Gains/(Loss) recognised in other comprehensive income		-
As at March 31, 2025		-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

32. 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 Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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 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 Company's key objective is to maintain a strong culture of responsible lending, and robust risk policies and control frameworks. The Company 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. To mitigate this risk, the Company has a robust system of credit line management for various transactions, including over-withdrawals, loan approvals, account inactivity, etc. These measures are also audited by Internal Audit to ensure adequacy of risk controls on an ongoing basis.

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 Company 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.
- Risk Management of unsecured exposure : The Group periodically monitors sectoral limits for consumer credit in line with the extant regulations. Also, there is a Board approved framework in place for periodic review and monitoring of sub-sectoral limits and adherence to the exposure limits on an ongoing basis by the Risk Management Committee of the Board. The Company has data analytics led early warning process to check stress build up of portfolio in certain pockets and is always vigilant to mitigate the risks through timely policy changes and other sourcing related actions to maintain the portfolio quality . Also, effective collection strategies, proactive communication, and building robust collection capacities are essential measures to mitigate risks and ensure sustainable growth. By focusing on these areas, the Company enhances its resilience and better manage the challenges associated with loan collections. The Company 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Measurement of Expected Credit Losses ('ECL')

The Group has segmented its outstanding portfolio 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 Company 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 Company 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 Company does the assessment of significant increase in credit risk at a borrower level. Based on the above, the Company 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 Company 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 Company's internally developed statistical models and other historical data. In addition, the Company 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 company consider economic span of base case, plus upside and downside scenario.

The Group also uses an internally developed model in unsecured personal Loan portfolio as part of its Probability of Default (PD) estimation within the Expected Credit Loss (ECL) framework. The internally developed model is a proprietary Machine Learning based scoring system designed to evaluate the risk level of loan accounts and combines various data points as per the Credit Bureau of the borrower. The model is derived using internal data elements such as credit history, repayment behaviour, and borrower demographics, enabling the Company to build a comprehensive borrower risk profile. This scoring mechanism is integrated to assess the credit quality of individual exposures and assign risk grades, which are then mapped to corresponding PD values. The use case of this model in ECL computation is to further break down a portfolio segment by grouping the borrowers exhibiting similar risk characteristics.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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)	As per empirical data
	Student Loans						Considered 65% for unsecured portfolio as per regulatory guidelines
	Supply Chain Finance						
	Escrow Backed Unsecured Business Loan						As per empirical data
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)	Considered 50% for secured portfolio as per regulatory guidelines
	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, 2025

Particulars	Asset group	Gross carrying amount	Expected credit losses	(INR. in lakh)
				Net carrying amount
Stage 1	Term Loans*	10,41,117.54	11,213.18	10,29,904.36
	Loan commitments	39,082.62	12.94	39,069.68
Stage 2	Term Loans	15,738.63	4,683.64	11,054.99
Stage 3	Term Loans	20,939.17	13,196.47	7,742.70

* Out of the above GCA of INR. 10,41,117.54 lakh from 3,95,117 loan accounts, 3,83,721 loan accounts with GCA of INR. 10,03,641.70 lakh are zero days past due.

As at March 31, 2024

Particulars	Asset group	Gross carrying amount	Expected credit losses	(INR. in lakh)
				Net carrying amount
Stage 1	Term Loans*	7,16,171.95	5,989.37	7,10,182.58
	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 INR. 7,16,171.95 lakh from 3,50,445 loan accounts, 3,36,152 loan accounts with GCA of INR. 7,02,072.62 lakh 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:

- First/Subservient charge on the Land and/or Building of the project or other projects
- First/Subservient charge on the fixed and current assets of the borrower
- Hypothecation over receivables from funded project or other projects of the borrower
- 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 overdue 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(ii) Reconciliation of Loan exposure and Loan loss allowance

For Loan exposure

The below table signifies movement of gross carrying amount:

(INR. in lakh)

Reconciliation of Loan exposure	Stage 1	Stage 2	Stage 3
Loan exposure on March 31, 2023	5,17,664.54	26,125.43	11,441.58
Change in opening credit exposure	(2,96,375.57)	(19,886.86)	(7,509.70)
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	-	-	(4,852.85)
Loan exposure on March 31, 2024	7,16,171.95	12,815.87	15,936.35
Change in opening credit exposure	(3,40,891.64)	(7,973.80)	(7,913.01)
New credit exposures during the year, net of repayment*	6,91,326.12	4,228.50	4,608.24
Transferred to 12-month ECL	1,518.75	(1,425.12)	(93.63)
Transferred to Lifetime ECL not credit impaired	(11,086.03)	11,187.71	(101.68)
Transferred to Lifetime ECL credit impaired	(15,921.61)	(3,094.53)	19,016.13
Write – offs	-	-	(10,513.23)
Loan exposure on March 31, 2025	10,41,117.54	15,738.63	20,939.17

*represents outstanding balance of loan exposures originated during the year as at reporting date.

For Loan loss allowance:

(INR. in lakh)

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on March 31, 2023	2,959.88	5,463.35	6,428.30
Transfer of credit exposure due demerger			
Loss allowance on Apr 01, 2023			
Change in opening credit exposure	(2,400.19)	(2,776.78)	6,552.91
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	-	-	(4,852.85)
Loss allowance on March 31, 2024	5,989.37	3,382.05	9,675.31
Change in opening credit exposure	(2,312.88)	1,299.18	10,111.03
New credit exposures during the year, net of repayment*	7,434.85	1,296.29	2,731.33
Transferred to 12-month ECL	459.51	(410.07)	(49.44)
Transferred to Lifetime ECL not credit impaired	(103.50)	156.76	(53.26)
Transferred to Lifetime ECL credit impaired	(254.17)	(1,040.57)	1,294.73
Write – offs	-	-	(10,513.23)
Loss allowance on March 31, 2025	11,213.18	4,683.64	13,196.47

*represents outstanding balance of loss allowance on loan exposures originated during the year as at reporting date.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

For investments

(INR. in lakh)

Reconciliation of loss allowance	Stage 1
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
Changes in loss allowances due to Assets used or released	85.61
Loss allowance on March 31, 2025	92.32

The company has assessed the impairment allowance on trade receivables and other financial assets and has taken the impairment loss of INR. 13.56 lakh for current year (PY : Nil). Investments at amortised cost and FVOCI are all classified as Stage I

For loan commitments

(INR. in lakh)

Reconciliation of loss allowance	Stage 1
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
Changes in loss allowances due to Assets used or released	4.09
Loss allowance on 31 March 2025	12.94

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

32. 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 the following uncancellable undrawn credit lines available as at the end of the reporting period:

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Expiring within one year	91,600.00	9,873.00
Total	91,600.00	9,873.00

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, 2025

(INR. in lakh)

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	2,145.27	(2,145.27)	(620.34)	(1,358.99)	(165.94)	-
Trade Payables	13	323.12	(323.12)	(323.12)	-	-	-
Debt securities	14	1,77,399.33	(2,01,088.44)	(78,781.66)	(1,16,910.80)	(5,395.97)	-
Borrowings	15	6,58,251.41	(7,80,016.86)	(3,10,978.25)	(3,43,793.16)	(1,20,881.69)	(4,363.76)
Other financial liabilities	16	28,936.75	(28,936.75)	(19,175.52)	-	(1,188.80)	(8,572.42)
Commitments	38	39,439.80	(39,439.79)	(14,638.42)	(24,801.37)	-	-
Total		9,06,495.68	(10,51,950.23)	(4,24,517.31)	(4,86,864.32)	(1,27,632.40)	(12,936.18)

As at March 31, 2024

(INR. in lakh)

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	13	271.89	(271.89)	(271.89)	-	-	-
Debt securities	14	96,989.55	(1,09,199.43)	(42,913.39)	(66,286.04)	-	-
Borrowings	15	4,04,365.93	(4,49,172.49)	(2,39,107.19)	(1,79,988.54)	(30,076.76)	-
Other financial liabilities	16	29,061.30	(29,061.30)	(17,706.95)	(1,614.25)	(676.03)	(9,064.07)
Commitments	38	49,998.24	(49,998.24)	(17,743.96)	(32,254.28)	-	-
Total		5,82,952.87	(6,39,969.31)	(3,18,634.75)	(2,81,517.70)	(30,752.79)	(9,064.07)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

The following table details the Groups'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 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, 2025

(InR. in lakh)

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	64,191.98	64,194.96	64,194.96	-	-	-
Bank balance other than cash and cash equivalents	3	17,234.70	17,949.16	14,849.40	3,099.76	-	-
Derivative financial instruments	4	884.14	884.14	884.14	-	-	-
Trade receivables	5	1,680.80	1,680.80	1,680.80	-	-	-
Loans	6	10,48,702.05	17,59,486.85	5,36,501.35	5,43,341.64	2,09,915.75	4,69,728.11
Investments (other than investments at cost)	7	51,024.26	56,179.51	39,352.44	9,614.59	2,326.93	4,885.55
Other financial assets	8	12,107.45	12,107.45	885.30	-	-	11,222.15
Total		11,95,825.38	19,12,482.87	6,58,348.39	5,56,055.99	2,12,242.68	4,85,835.81

As at March 31, 2024

(InR. in lakh)

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	8,164.01	8,164.01	8,164.01	-	-	-
Bank balance other than cash and cash equivalents	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	7,25,877.44	14,07,972.83	4,30,495.17	4,04,545.66	1,63,819.30	4,09,112.70
Investments (other than investments at cost)	7	58,188.93	59,650.82	52,687.88	6,467.16	-	495.78
Other financial assets	8	10,614.66	10,614.65	4,819.83	2,308.07	820.95	2,665.80
Total		8,12,047.92	14,95,860.71	5,05,625.29	4,13,320.89	1,64,640.25	4,12,274.28

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

32. 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.

(INR. in lakh)

Particulars	Nominal amount	
	As at March 31, 2025	As at March 31, 2024
Loans		
- Fixed rate loans	7,20,982.01	4,52,042.47
- Variable rate loans	3,31,932.28	2,84,567.94
Fixed rate bank deposits	18,236.09	8,323.96
Fixed rate investments in debt securities at amortised cost	4,892.11	36,860.88
Fixed rate investments in debt securities at other comprehensive income	16,278.03	20,157.02
Total	10,92,320.52	8,01,952.27
Debt and Borrowings		
Fixed rate Debt and Borrowings	(3,89,379.38)	(1,87,368.20)
Variable rate Debt and Borrowings	(4,49,935.92)	(3,10,269.92)
Total	(8,39,315.30)	(4,97,638.12)

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 1% 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, 2025 and March 31, 2024 would increase/ (decrease) by the following amounts:

(INR. in lakh)

Particulars	Profit or (loss) before tax		Equity (before tax)	
	+ 1% Change	- 1% Change	+ 1% Change	- 1% Change
March 31, 2025				
Variable-rate instruments	(1,180.04)	1,180.04	(1,180.04)	1,180.04
Cash flow sensitivity (net)	(1,180.04)	1,180.04	(1,180.04)	1,180.04
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

The risk estimates provided assume a parallel shift of 1% 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

D. Price risk

The Group is currently exposed to the price risk arising from investments classified in the Balance Sheet at fair value through Other Comprehensive Income. If the market price of the investment had been higher/lower by 1% from the market price existing as at March 31, 2025, profit or loss(pre-tax) for the year ended March 31, 2025 would increase/decrease by INR. 154.97 lakh (PY : 106.36 lakh) with a corresponding increase /decrease in the Total Equity of the Company as at March 31, 2025.

E. Foreign Currency Risk

The Group is exposed to foreign currency fluctuation risk for its external currency borrowing (ECB) of the parent . The Parent'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 Parent hedges its entire ECB exposure for the full tenure of the ECB as per Board approved policy. The Parent for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Parent is following hedge accounting. The Parent manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved policy.

33. CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES

A. Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flows')

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

B. Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

Company's interest rate risk arises majorly from borrowings, loans and investments. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(INR. in lakh)

Particulars	As at April 01, 2024	Cash flows	Change in fair value	Other	As at March 31, 2025
Debt securities	96,989.56	82,609.17	-	(2,199.40)	1,77,399.33
Borrowings other than debt securities	4,04,365.93	2,60,730.63	-	(6,845.15)	6,58,251.41
Total	5,01,355.49	3,43,339.80	-	(9,044.55)	8,35,650.74

(INR. in lakh)

Particulars	As at April 01, 2023	Cash flows	Change in fair value	Other	As at March 31, 2024
Debt securities	1,15,190.09	(18,200.53)	-	-	96,989.56
Borrowings other than debt securities	2,76,105.88	1,22,745.46	-	5,514.59	4,04,365.93
Total	3,91,295.97	1,04,544.93	-	5,514.59	5,01,355.49

(i) Other includes interest accrued but not paid on borrowing, amortization of processing fees etc.

(ii) Total Liabilities comprises of Debt securities and Borrowings (other than debt securities)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

34. RELATED PARTY DISCLOSURES**A. Names of related parties and nature of relationship:****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	Resignation	03.10.2024
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
Dr. Sankaran Nair Rajagopal	Independent Director	Appointment	30.03.2023
Ms. Sunita Gupta	Independent Director	Appointment	30.03.2023
Ms. Ambika Bisla	Independent Director	Appointment	30.03.2023
Mr. Rohan Suri	Non-Executive Director	Appointment	30.03.2023
Mr. Anil Nagu	Non-Executive Director	Appointment	14.09.2023
Mr. Gaurav Maheshwari	CFO/Wholetime Director	Appointment	16.12.2024/27.01.2025

Enterprises where key management personnel exercises control

1. InCred Capital Financial Services Limited
2. InCred Asset Management Private Limited
3. InCred Wealth and Investments Services 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
10. Alpha Fintech Private Limited
11. InCred TechInvest Private Limited (Formerly known as "Booth Fintech Private Limited")
12. InCred Premier Distribution Private Limited (Formerly known as "mValu Technology Services Private Limited")
13. InCred Global Wealth Limited (Dubai)

Fellow subsidiaries:

1. InCred Prime Finance Private Limited (Formerly known as InCred Financial Services Limited) (upto September 02, 2024)

A. Names of related parties and nature of relationship

Holding Company	Country of Incorporation	Proportion of ownership interest (% holding)	
		As at March 31, 2025	As at March 31, 2024
InCred Holdings Limited	India	100.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Direct subsidiaries:

Name of subsidiaries	Country of Incorporation	Principal place of business	Proportion of ownership interest (% holding)	
			As at March 31, 2025	As at March 31, 2024
Incred Finserv Private Limited (formerly known as InCred Management and Technology Services Private Limited)	India	Mumbai	100.00%	100.00%
Incred.AI Limited	India	Mumbai	100.00%	100.00%

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

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employee benefit expenses	1,718.10	1,663.20
Directors' sitting fees	156.96	86.84

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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:

Nature of transactions	(INR. in lakh)							
	Holding Company		KMP/ KMP exercising influence/ close member of KMP		Enterprises owned or controlled by KMP		Fellow subsidiary	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance Sheet transactions								
Investment in equity shares from Holding company	-	50,000.00	-	-	-	-	-	-
Inter Corporate Deposits ("ICD") taken	-	3,100.00	-	-	15,000.00	4,000.00	-	-
Repayment of ICD taken (including interest)	-	3,142.71	-	-	15,157.79	4,001.07	-	-
ICD given	-	-	-	-	40,000.00	17,915.00	-	-
Repayment of ICD given (including interest)	-	1,505.47	-	-	38,859.60	219.41	-	-
Proceeds from sale of Fixed Assets	-	-	-	-	-	-	-	-
Issue of Debentures	-	-	-	-	18,380.00	6,650.00	-	-
Subscription to Debentures	-	-	-	-	493.00	1,150.00	-	-
Proceeds from sale of subsidiary	-	-	-	-	-	1,735.01	-	-
Purchase of investments	-	-	-	-	-	4,375.23	-	-
Proceeds from sale of investments	-	-	-	-	4,147.72	7,955.17	-	-
Transfer out / (in) of gratuity liability	-	3.18	-	-0.11	-12.94	2.61	-	15.97
Income transactions								
Interest on ICD	-	5.47	-	-	959.60	204.41	-	-
Expense transactions								
Interest on ICD	-	42.71	-	-	157.79	1.07	-	-
Fee and commission	278.44	131.78	-	-	231.30	108.89	-	-

Note: The above does not include reimbursement related transactions.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

34. RELATED PARTY DISCLOSURES (CONTINUED)

Summary of balance receivable from / payable to the above related are as follows:

(INR. in lakh)

Sr. No.	Balance outstanding	Holding Company		KMP/ KMP exercising influence/ close member of KMP		Enterprises owned or controlled by Key Managerial Personnel		Fellow Subsidiary	
		For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Advances/Receivables	2.99	55.64	-	0.11	105.62	20.76	-	-
2	Investments (at cost)	-	-	-	-	-	-	-	-
3	Investments in debentures	-	-	-	-	1,373.00	1,150.00	-	-
4	Other Payables	120.00	1.60	-	-	6.24	-	-	1.08
5	Outstanding debenture payable	-	-	-	-	809.09	1,622.51	-	-
6	ICD Receivable	-	-	-	-	20,000.00	17,900.00	-	-

Notes:

For terms and conditions of ICD payable to related parties, refer Note No 15

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

35. EMPLOYEE BENEFITS

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

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provident fund	751.44	548.24

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

(INR. in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	803.80	547.96
Interest cost	57.39	39.45
Acquisition of subsidiary (Refer Note 43)	-	-
Current Service cost	184.80	125.77
Liability Transferred In/ Acquisitions	21.34	6.32
Liability Transferred Out/ Divestments	(10.20)	(27.98)
Past Service cost - incurred during the period	-	-
Benefit Paid Directly by the Employer	(76.56)	(11.26)
Actuarial (Gains) / Loss on Obligations - Due to Change in Demographic Assumptions	19.34	26.89
Actuarial (Gains) / Loss on Obligations - Due to Change in Financial Assumptions	(21.06)	28.33
Actuarial (Gains) / Loss on Obligations - Due to Experience	64.50	68.33
Liability at the end of the year	1,043.35	803.80

Note:-Actuarial Losses on Obligations - Due to Experience : FY 23- INR 86.14 lakh, FY 22- 95.82 lakh , FY 21- 21.32 lakh

Amount recognized in the Balance Sheet

(INR. in lakh)		
Particulars	As at March 31, 2024	As at March 31, 2024
Present value of benefit obligation at the end of the year	(1,043.35)	(803.80)
Fair value of plan assets at the end of the year		
Funded Status (Deficit)	(1,043.35)	(803.80)
Net (Liability) Recognized in the Balance Sheet	(1,043.35)	(803.80)

Expenses recognized in the Statement of Profit and Loss

(INR. in lakh)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost*	184.80	125.77
Interest cost	57.39	39.45
Past Service cost - incurred during the period	-	-
Expenses recognised	242.19	165.22

*Above does not include the movement of opening gratuity liability on account of business combination

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Expenses recognized in the Other comprehensive income (OCI)

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial (Gains) on obligation for the year	62.78	123.54
Net (Income) for the year recognized in OCI	62.78	123.54

The actuarial assumptions used to determine benefit obligations as at March 31, 2025 and March 31, 2024 are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Discount Rate	6.55%	7.14%
Salary escalation rate	8.00%	9.00%
Expected Rate of return on Plan Assets	N.A	N.A
Rate of Employee Turnover	28.00%	30%
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

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening net liability	803.80	547.41
Expenses recognized in Statement of Profit and Loss	242.19	165.22
Expenses recognized in OCI	62.78	123.54
Net Liability/(Asset) Transfer In	21.34	6.87
Net (Liability)/Asset Transfer Out	(10.20)	(27.98)
Benefit Paid Directly by the Employer	(76.56)	(11.26)
Net liability recognized in the Balance Sheet	1,043.35	803.80

Maturity analysis of the benefit payments: from the employer

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st following year	216.65	186.49
2nd following year	189.72	157.06
3rd following year	173.17	134.99
4th following year	153.36	118.17
5th following year	131.11	98.84
Sum of years 6 To 10	328.85	236.90
Sum of years 11 and above	105.94	68.47

Sensitivity analysis

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Projected benefit obligation on current assumptions	1,043.35	803.80
Delta effect of +1% change in rate of discounting	(29.45)	(20.69)
Delta effect of -1% change in rate of discounting	31.51	22.07
Delta effect of +1% change in rate of salary increase	39.95	28.42
Delta effect of -1% change in rate of salary increase	(37.98)	(27.13)
Delta effect of +1% change in rate of employee turnover	(9.32)	(6.83)
Delta effect of -1% change in rate of employee turnover	9.64	7.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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.

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 (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, 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 Company is compensated by way of capital contribution by Holding Company in the Company.

The Group 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	Year ended March 31, 2025	Year ended March 31, 2024
Fair value as on grant date (weighted average)	68.48 to 110.70	26.68 to 99.78
Share prices during the year , on grant dates	134.99 to 136.07	67.02 to 134.98
Exercise price	40 to 90	40 to 60
Expected volatility (weighted average volatility)	40.00%	40%
Rate of Employee Turnover	18.00%	20%
Expected life (expected weighted average life)	4.12 years	4.61 years
Risk- free interest rate (based on government bonds)	6.77% to 7.19%	7.22% to 7.55%
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same industry.	

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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, 2025	As at March 31, 2024
Opening balance	41.80	2,81,00,429.00	3,19,57,654
Add: Options granted during the year	85.94	50,27,250.00	60,92,850
Less: Options exercised during the year	41.19	(56,99,869.00)	(95,45,137)
Less: Options lapsed during the year	63.47	(6,66,937.00)	(4,04,938)
Options outstanding as at the year end	50.84	2,67,60,873.00	2,81,00,429
Option exercisable of the above	-	1,44,65,798.00	1,27,54,746

Weighted average remaining contractual life of options outstanding at end of the year: 4.12 years

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):

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,843.78	2,182.21
Addition during the year	209.94	294.01
Disposals during the year	-	-
Depreciation for the year	(623.39)	(632.44)
Balance as at the end of the year	1,430.33	1,843.78

ii. The following is the movement in lease liabilities:

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,220.34	2,522.02
Addition during the year	209.94	294.02
Finance cost accrued during the year	203.46	241.56
Payment of Lease liabilities made during the year	(845.92)	(837.26)
Balance as at the end of the year	1,787.82	2,220.34

iii. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	714.95	809.69
Between one and five years	1,326.36	1,822.59
More than five years	35.22	-
Total	2,076.53	2,632.28

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

iv. Maturity Analysis of carrying value of lease liability

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Within 12 months	567.85	623.84
After 12 months	1,219.97	1,596.50
Total	1,787.82	2,220.34

v. Expenses recognised in the statement of Profit and Loss

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense on right-of-use assets (Refer Note 10A)	623.38	632.44
Interest expense on lease liabilities (Refer Note 25)	203.46	241.56
Expense relating to short-term leases (Refer Note 28)	400.01	210.50
Expense relating to leases of low value assets	-	-

The Group 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

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Commitments		
Undrawn committed credit lines*	39,082.62	49,641.06
Obligation on investments in partly paid up preference shares	357.18	357.18
Total	39,439.80	49,998.24

*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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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:

(INR. in lakh)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	64,191.98	-	64,191.98	8,164.01	-	8,164.01
Bank Balance other than cash and cash equivalents	14,366.21	2,868.49	17,234.70	8,323.96	-	8,323.96
Derivatives financial instruments	884.14	-	884.14	878.92	-	878.92
Receivables	1,680.80	-	1,680.80	-	-	-
Loans	3,64,614.10	6,84,087.95	10,48,702.05	2,58,192.84	4,67,684.60	7,25,877.44
Investments	37,725.28	13,298.98	51,024.26	50,733.65	7,448.57	58,182.22
Other Financial assets	939.15	11,168.30	12,107.45	4,823.93	5,790.73	10,614.66
Sub total	4,84,401.66	7,11,423.72	11,95,825.38	3,31,117.31	4,80,923.90	8,12,041.21
Non-financial assets						
Current Tax assets (Net)	-	1,138.05	1,138.05	10.33	2,231.93	2,242.26
Deferred Tax assets (Net)	-	25,776.23	25,776.23	-	37,613.41	37,613.41
Property, plant and equipment	33.74	5,472.57	5,506.31	69.90	4,960.71	5,030.61
Capital work-in-progress	-	230.18	230.18	-	336.65	336.65
Goodwill	-	6,645.58	6,645.58	-	6,645.58	6,645.58
Other intangible assets	-	189.94	189.94	-	393.40	393.40
Other non-financial assets	3,724.56	2,345.44	6,070.00	3,525.77	8.38	3,534.15
Sub total	3,758.30	41,797.99	45,556.29	3,606.00	52,190.06	55,796.06
Total assets	4,88,159.96	7,53,221.71	12,41,381.67	3,34,723.31	5,33,113.96	8,67,837.27
LIABILITIES						
Financial liabilities						
Derivatives financial instruments	620.34	1,524.93	2,145.27	891.37	1,374.59	2,265.96
Trade payables	323.12	-	323.12	271.89	-	271.89
Debt securities	67,123.56	1,10,275.77	1,77,399.33	41,821.90	55,167.65	96,989.55
Borrowings (Other than Debt Securities)	2,39,491.59	4,18,759.82	6,58,251.41	1,86,620.22	2,17,745.71	4,04,365.93
Other Financial liabilities	19,225.55	9,711.20	28,936.75	17,711.29	11,350.01	29,061.30
Sub total	3,26,784.16	5,40,271.72	8,67,055.88	2,47,316.67	2,85,637.96	5,32,954.63
Non-Financial liabilities						
Provisions	219.42	836.88	1,056.30	189.61	623.04	812.65
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	1,087.49	-	1,087.49	1,589.68	-	1,589.68
Sub total	1,306.91	836.88	2,143.79	1,779.29	623.04	2,402.33
Total liabilities	3,28,091.07	5,41,108.60	8,69,199.67	2,49,095.96	2,86,261.00	5,35,356.96

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

40. FOREIGN CURRENCY TRANSACTIONS

(INR. in lakh)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Expenditure in foreign currency		
Legal, professional and consultancy charges	620.48	827.66
Information Technology expenses	146.88	42.68
Advance to vendor	-	24.80
Membership and subscription	98.42	-
Miscellaneous expenses	4.01	14.07
Interest on External Commercial Borrowings	2,971.73	610.72
Purchase of Software	-	81.74
Bank Charges	0.45	-
Total	3,841.97	1,601.67

41. COMPOSITE SCHEME OF ARRANGEMENT

Under the Composite Scheme of Arrangement (the 'Scheme') effective from April 01, 2022, the identified NBFC business of InCred Prime Finance Private Limited (erstwhile InCred Financial Services Limited) has been demerged with InCred Financial Services Limited (formerly, KKR India Financial Services Limited).

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 IFSL. Accordingly, the net assets of INR. 1,077.31 lakh pertaining to the remaining NBFC business will continue to remain in the erstwhile IFSL.

The deemed purchase consideration, represented by the equity instruments to be issued in accordance with Ind AS 103 pursuant to the reverse merger, has been compared with the net assets recognized under the Scheme. The resulting difference has been accounted for as goodwill.

42. GOODWILL

The carrying amount of goodwill acquired in business combination as follows:

Particulars	As at March 31 2025	As at March 31 2024
Balance at the beginning of the year	6,645.58	6,778.74
Goodwill arising on account of business combination	-	-
Impaired during the year	-	(133.16)
Balance at the end of Period	6,645.58	6,645.58

Of the above, goodwill amounting to INR. 6,126.09 lakh pertains to parent entity which arises due to difference between purchase consideration and the net asset acquired on account of composite scheme referred in note 41. The goodwill is supported by the potential realisation of the sale of the underlying security (land). During the current year, there have been legal proceedings (by the Regulatory Authority) resulting in attachment of the said security. The Company is in the process of contesting the proceedings. As of the date of reporting, the management, based on the opinion received from the external legal counsel and internal assessment, has not made any adjustment to the carrying value of the goodwill.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

43. CAPITAL MANAGEMENT

The Parent maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As a NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Group ensures to maintain a healthy CRAR at all the times.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

(INR. in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Common Equity Tier 1 (CET1) capital	2,99,132.56	2,62,163.33
Other Tier 2 capital	5,239.96	5,359.01
Total capital	3,04,372.52	2,67,522.34

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit and loss. Certain adjustments are made to Ind AS-based results and reserves.

44. FRAUD REPORTED DURING THE YEAR

INR. in Lakh

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of cases	INR. in Lakh	No. of cases	
Amount involved is greater than or equal to 1 lakh	60.00	103.51	13.00	37.35
Amount involved is less than 1 lakh	93.00	50.19	-	-
Total	153.00	153.70	13.00	37.35

45. FEES/ REMUNERATION RECEIVED FROM BANCASSURANCE

The Group has earned INR. 5,162.55 lakh from bancassurance business (Income from selling life insurance policies) during year ended March 31, 2025 (PY : INR. 165.12).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

46 . OTHER STATUTORY INFORMATION**During the current year and previous year:**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off as on the reporting date i.e. March 31, 2025.
- (iii) The Group does 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.
- (vi) Funding Transactions:

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 company (Ultimate Beneficiaries) or
 - (II) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) 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 Company 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.
 - (x) The Group, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India as a systematically important NBFC, the provisions of sec 2(87) read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.
 - (xi) The Group has not been declared as wilful 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

47. 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, 2025:

Name of the entity	% of equity stake	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		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	NA	3,71,650.88	99.86%	38,810.06	103.77%	(681.16)	100.01%	38,128.90	103.85%
Subsidiaries**									
Incred Management and Technology Services Private Limited	100%	526.35	0.14%	(1,411.56)	-3.77%	0.04	-0.01%	(1,411.52)	-3.84%
Booth Fintech Private Limited	NA	-	-	-	-	-	-	-	-
InCred.AI Limited	100%	4.77	0.00%	0.25	0.00%	-	0.00%	0.25	0.00%
mValu Technologies Services Private Limited*	NA	-	-	-	-	-	-	-	-
Total		3,72,182.00	100.00%	37,398.75	100.00%	(681.12)	100.00%	36,717.63	100.00%

**Note - All companies are incorporated in India

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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	% of equity stake	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As a % of consolidated net assets		As a % of consolidated profit or loss		As a % of consolidated profit or loss		As a % of consolidated profit or loss	
		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	NA	3,34,400.76	100.58%	31,812.24	100.56%	(249.44)	100.10%	31,562.80	100.56%
Subsidiaries**									
Incred Management and Technology Services Private Limited	100%	(1,920.23)	-0.58%	(218.76)	-0.69%	0.25	-0.10%	(218.51)	-0.70%
Booth Fintech Private Limited	NA	-	0.00%	(1.96)	-0.01%	-	0.00%	(1.96)	-0.01%
InCred.AI Limited	100%	(0.21)	0.00%	(1.23)	0.00%	-	0.00%	(1.23)	0.00%
mValu Technologies Services Private Limited*	NA	-	0.00%	45.23	0.14%	-	0.00%	45.23	0.14%
Total		3,32,480.32	100.00%	31,635.52	100.00%	(249.19)	100.00%	31,386.33	100.00%

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

**Note - All companies are incorporated in India

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

48. BACKUP OF BOOKS OF ACCOUNTS AND AUDIT TRAIL

The Company has used an accounting software for maintaining its books of account for the year ended 31 March 2025 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. These Audit trail has been preserved by the Company as per the statutory requirements for record retention.

49. Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors of

InCred Financial Services Limited

CIN: U67190MH1995PLC360817

Bhupinder Singh

Whole Time Director and CEO

DIN: 07342318

Gaurav Maheshwari

Whole Time Director and CFO

DIN: 07639132

Gajendra Thakur

Company Secretary

Membership No: A19285

Place: Mumbai

Date: May 7, 2025

Notes

[illegible]

Notes

[illegible]



InCred Financial Services Limited

(Formerly known as KKR India Financial Services Limited)

Unit No. 1203, 12th floor, B Wing, The Capital,
Plot No. C - 70, G Block, Bandra - Kurla Complex,
Mumbai-400051, Maharashtra