



Annual Report

FOR THE YEAR ENDED MARCH 31, 2025

Dear Stakeholders,

It is with cautious optimism that I address you through this annual report, reflecting on the year that Lendingkart experienced during the fiscal year ended March 31, 2025. As we look back on the challenges faced, the strategic responses implemented, and the renewed focus on quality, profitability, and growth, I am confident that we have positioned ourselves to navigate a complex and ever evolving financial landscape.

Challenges Faced During the Year

This year was marked by a series of external and internal challenges that tested our resilience and operational agility. However, through decisive actions and a robust strategy, we have emerged stronger and more focused on our long-term objectives.

1. **Change in Capital Adequacy Norms:** The regulatory shift in capital adequacy requirements particularly in the context of First Loss Default Guarantee provided for Co-lending arrangements placed considerable pressure on the company's capital structure, resulting in a temporary depletion of our capital adequacy ratio. This created an immediate need for strategic capital infusion.
2. **Deterioration in the Unsecured Credit Environment:** The broader economic climate saw a continued deterioration in the unsecured credit environment particularly for smaller ticket unsecured business loans, leading to higher risk and tighter credit conditions affecting customer demand and loan origination.
3. **Need for agile risk and collections infrastructure:** To respond to the deterioration in credit performance, Lendingkart needed to improve and adapt its risk and collections framework to the demands of the changing lending landscape.
4. **Reduction in Liquidity for Unsecured Lending:** The tightening of liquidity across the financial sector, including that of our co-lenders, particularly for entities engaged in Unsecured Business Lending made it more difficult to secure the required funding to maintain our growth trajectory.

Our Response to These Challenges

In response to these headwinds, Lendingkart's leadership team implemented a series of targeted actions aimed at stabilizing our operations. These actions were designed to address immediate concerns while laying a stronger foundation for sustainable long-term growth.

1. **Capital Infusion by Fullerton Financial Private Limited (Fullerton):** Recognizing the importance of strengthening our capital base, Fullerton, an existing shareholder with 38% equity, stepped up by increasing its stake in

Lendingkart to 56%, infusing INR 252 crores into the company. This infusion has been critical in restoring our capital adequacy ratio and positioning us for future growth.

2. **Enhanced Risk Management and Credit Policies:** We introduced dynamic changes to our risk management and credit policies, sharpening our focus on improving credit assessments and loan quality. In parallel, we took proactive steps to bolster collections with a view to mitigating risks arising from unfavorable unsecured lending environment.
3. **Change in Leadership at the Top Management Level:** A strategic reshuffle at the CEO and senior management levels was undertaken to bring in fresh leadership with a deep understanding of the evolving financial landscape.
4. **Operational Cost Optimization:** Recognizing the need for operational efficiency, we implemented cost-optimization measures that allowed us to control operating deficit. Continued focus on streamlining of operations are expected to pave the way for future scalability and agility.
5. **Review of Co-lending Partnerships:** We conducted an extensive review of our co-lending partnerships, and moving forward, our focus will be on pursuing only those opportunities that are accretive and align with Lendingkart's long-term strategic objectives. This will ensure that we maintain strong, profitable relationships and enhance our balance sheet strength.

Renewed Focus on Quality, Profitability, and Growth

In FY 2024-2025, Lendingkart made a clear pivot towards focusing on the pillars of **quality, profitability, and growth**. While growth remains important part of our business model, we recognize the need to build more resilient and sustainable practices that will drive profitability and ensure long-term success.

- **Shift from Off-book to On-book Model:** In line with our renewed focus on quality and profitability, we are shifting from an off-book to an on-book business model. This strategic change allows us to have greater control over our portfolio, reduce risks associated with off-balance-sheet transactions, and generate more predictable revenue streams. We recognize that this shift entails much higher capital demand in the future to meet our growth aspirations. Equally, orderly run-down of co-lending portfolios over the next several months will demand operational resilience on our part.
- **Strengthening Capital and Risk Management Practices:** As part of our ongoing commitment to strengthening Lendingkart's foundation, we are focused on raising additional capital and further fortifying our risk management practices. These measures will safeguard our business against macroeconomic volatility and ensure that we can continue to lend responsibly. Having said this, risk costs emanating from our existing loan portfolio will continue to strain our financials over the next 18 months or so.

- **Sustainable Profitability:** In the coming years, our relentless pursuit of sustainable profitability will be supported by our ongoing focus on optimizing our cost structure, improving loan recoveries, and investing in technology-driven solutions. This approach will help us scale efficiently while maintaining the highest standards of governance and risk management.

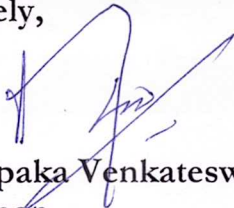
Looking Ahead: The Road to Future Growth

As we look to the future, Lendingkart is uniquely positioned to capture growth opportunities within India's rapidly evolving lending landscape. Our focus remains on:

- **Broadening product basket:** We continue to diversify our loan offerings and expect to build secured lending business focused on micro, small, and medium enterprises (MSMEs). Over medium term, we expect this initiative to lend stability to our earnings and portfolio quality.
- **Expansion of Digital Infrastructure:** With increasing demand for seamless digital lending solutions, we are committed to further investing in AI and machine learning technologies to refine our risk models and enhance customer experiences. In pursuit of this objective, we are undertaking an exercise to enhance our technology platform over the next 12-15 months to make it scalable, versatile and efficient.
- **Long-term Capital Strategy:** With Fullerton's majority stake, we will continue to focus on building a more robust capital structure, ensuring that we remain well-positioned to grow and capitalize on opportunities.

As such, I expect the next 18-24-month period to be one of consolidation-resetting our priorities, carrying out structural changes to our risk and technology architecture, fortifying our foundation with additional capital and working back our way to profitability. I remain excited about the future of Lendingkart, as we continue to adapt to an evolving market and execute our strategy of sustainable, profitable growth. I would like to take this opportunity to express my gratitude to our stakeholders, employees, partners, and customers for their unwavering support as we continue this exciting journey.

Sincerely,



Thallapaka Venkateswara Rao
Chairman
Lendingkart Finance Limited

DIRECTORS' REPORT

To,
The Members,
Lendingkart Finance Limited (the 'Company').

The Directors are pleased to present their 28th Report along with the Annual Audited financial statement of the Company for the financial year ended March 31, 2025.

FINANCIAL PERFORMANCE

The Company's financial performance for the financial year ended March 31, 2025, is summarized below:

(Amount - ₹ in Lakh)		
Particulars	March 31, 2025	March 31, 2024 ¹
Total income	86,698.94	114,644.81
Less: Expenditure	74,005.19	80,981.97
Less: Impairment of financial instruments	52,345.57	25,631.49
Profit/ (Loss) before Tax	(39,651.82)	8,031.35
Tax ²	(10,817.86)	2,023.80
Net Profit/ (Loss) after Tax	(28,833.96)	6,007.55
Other comprehensive income, net of tax	(1.62)	(24.57)
Total comprehensive income	(28,835.58)	5,982.98

Notes:

¹Previous year's figures have been regrouped based on the current year's classification.

²Net of deferred tax.

BUSINESS AND PERFORMANCE OVERVIEW

During the period under review, the Company disbursed loans amounting to ₹ 1,85,499.44 Lakh. Revenue from operations decreased by 24.50% from ₹ 1,14,195.10 Lakh in the financial year 2023-24 to ₹86,219.46 Lakh in the financial year 2024-25.

LENDINGKART FINANCE LIMITED

CIN: U65910MH1996PLC258722

Registered Office: Office 3 Connekt, 401/B, 4th Floor, Silver Utopia, Cardinal Gracious Road, Andheri East, Mumbai Suburban - 400099, Maharashtra, India

Corporate Office: 401, 4th Floor, Iconic Shyamal, Nr. Shyamal Cross-Roads, Ahmedabad, 380 015, Gujarat, India.

Phone: +91-79-4913 2800 Email: lendingkartfinance@lendingkart.com Website: www.lendingkartfinance.com

The Company was qualified as "High Value Debt Listed Entity", effective June 5, 2024, having an outstanding value of non-convertible debt securities of ₹500 Crore and above. However, pursuant to SEBI circular dated March 27, 2025, the threshold for outstanding listed non-convertible debt securities to qualify as a High Value Debt Listed Entity has been revised to ₹1,000 Crore and above, to be tested as on March 31, 2025, irrespective of date of issuance of notification by the SEBI. Since the Company does not hold outstanding listed non-convertible debt securities amounting to ₹1,000 Crore or more as of March 31, 2025, the Company is no longer classified as a High Value Debt Listed Entity.

During the year under review, on April 10, 2024, the Company purchased and acquired the business undertaking of Upwards Capital Private Limited ("Upwards"), on a slump sale basis. Key terms of the said acquisition and necessary disclosures are provided in Note no. 68 to the financial statement. However, your Company has decided to pursue the strategic priorities in the space of unsecured business loan and discontinue the Upwards business.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, financial performance, risk management, and outlook, among others, is provided in the 'Management Discussion and Analysis' enclosed as **Annexure-A** to this Report.

CHANGE IN THE NATURE OF BUSINESS

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

VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR DIRECTORS' REPORT

There have been no revisions in the financial statements or Directors' Report as approved by the shareholders of the Company and published in the annual report during the financial year under review.

MATERIAL CHANGES AND COMMITMENTS

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

Pursuant to the Share Subscription Agreement dated October 18, 2024, executed inter alia between Lendingkart Technologies Private Limited ("LTPL"), holding company of the Company and Fullerton Financial Private Limited ("Fullerton"), a company incorporated under the laws of Singapore, Fullerton acquired, on March 27, 2025, more than 50% of the shareholding and control of LTPL on a fully diluted basis, thereby resulting in the indirect acquisition of control over the Company.

SHARE CAPITAL

During the financial year under review, changes have taken place in the share capital of the Company, as mentioned below:

Authorised Share Capital

During the year under review, the Members of the Company granted their approval to increase and re-classification of the authorized share capital at the Extraordinary General Meeting held on October 22, 2024 from ₹50,72,76,000 to ₹240,72,76,000. As on March 31, 2025, the authorized share capital of the Company stood at ₹240,72,76,000 dividend into:

- a. ₹50,72,76,000 divided into 5,07,27,600 equity shares of ₹10 each; and
- b. ₹190,00,00,000 divided into 1,90,00,000 Series A Compulsorily Convertible Preference shares of ₹ 100 each.

Paid up Equity Share Capital

As on March 31, 2025, the paid-up equity share capital of the Company stood at ₹44,18,79,310 consisting of 4,41,87,931 equity shares of ₹10 each.

Paid up Preference Share Capital

During the under review, the Company allotted 0.0001% Series A Compulsorily Convertible Preference Shares ("CCPS") to Lendingkart Technologies Private Limited in two tranches as stated herein:

No. of Securities	Amount (Issue Price per Security) (In ₹)	Total Consideration (In ₹)
56,01,509	121.98	68,32,72,068
93,75,000	128	120,00,00,000

Consequent to the issue of the CCPS as above, the issued, subscribed and paid up Preference Share Capital of the Company as on 31 March 2025 stood at ₹149,76,50,900 consisting of 1,49,76,509 CCPS of face value ₹100 each.

DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company is a wholly owned subsidiary of Lendingkart Technologies Private Limited. The Company does not have any subsidiary, joint venture, or associate company. Accordingly, Form AOC-1 is not required to be attached to the financial statements.

CAPITAL ADEQUACY

As on March 31, 2025, the overall capital adequacy stood at 35.65%, which is higher than the RBI's requirement of 15% reflecting our confidence in investing and growing the business. Similarly, the Tier 1 Capital is comfortable at 33.46%, compared to the requirement of 10% as laid by RBI.

CREDIT RATINGS

The overall long-term/Bank Loan rating of the Company by ICRA Limited, Infomerics Valuation & Rating Private Limited and India Ratings & Research Private Limited is, [ICRA] BBB+/[ICRA] A2; Placed on Rating Watch with Positive Implications, IVR BBB+/ RWPI (Rating Watch with positive implications), India Ratings BBB+ (Outlook: Stable) respectively. The short-term rating of the Company by ICRA Limited and India Ratings & Research Private Limited is ICRA A2 and IND A2 respectively. Furthermore, the Company has obtained rating in respect of securitization/PTC transactions, Non-Convertible Debentures, Market Linked Debentures and Commercial Papers. The ratings obtained for the said transactions are provided hereunder:

Instrument	31-Mar-25			
	Rating Date	Rating Agency	Current rating assigned	Valid up to
Line of Credit/ Bank lines	02-Jan-25	ICRA Limited	[ICRA] BBB+/[ICRA] A2; Placed on Rating Watch with Positive Implications	01-Jan-26
	28-Feb-25	Infomerics Ratings	IVR BBB+/ RWPI (Rating Watch with positive implications)	27-Feb-26

Instrument	31-Mar-25			
	Rating Date	Rating Agency	Current rating assigned	Valid up to
Non-Convertible Debentures/ Commercial Paper	02-Jan-25	ICRA Limited	[ICRA] BBB+; Placed on Rating Watch with Positive Implications PP-MLD [ICRA] BBB+; Placed on Rating Watch with Positive Implications	01-Jan-26
	28-Feb-25	Infomercials Ratings	IVR BBB+/ RWPI (Rating Watch with positive implications)	27-Feb-26
	16-Jul-24	India Ratings	IND BBB+/ Stable IND PP-MLD BBB+ / Stable IND A2 (Short term rating for Commercial Paper)	15-Jul-25

Further, details of ratings assigned by credit rating agencies and migration of ratings during the year are provided in Notes No. 63 (F) to Accounts included in the Financial Statements section of this Annual Report.

DIVIDEND

The Directors have not recommended any dividend for the financial year 2024-25.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

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

RESERVES

During the year under review, no amount was transferred by the Company to the statutory Reserve Fund. The Company complies with Section 45-IC of the Reserve Bank of India Act, 1934.

DEBT POSITION

Non - Convertible Debentures

During the year under review, the Company raised ₹30,000 Lakh through issuance of non-convertible debentures, on private placement basis; out of which the non-convertible secured debentures amounting to ₹ 22,500 Lakh and unsecured debentures amounting to ₹ 7,500 Lakh are Listed on the Wholesale Debt Market segment of BSE Limited.

As on March 31, 2025, the total borrowings stood at ₹1,67,573.24 Lakh; bank borrowings stood at ₹37,016.16 Lakh; borrowings from financial institutions and others stood at ₹38,653.59 Lakh; non-convertible debentures stood at ₹81,587.82 Lakh; and pass through certificates stood at ₹10,315.67 Lakh.

In relation to the Secured, Listed, Redeemable Non-Convertible Debentures issued by the Company, having ISIN: 1NE090W07667, the Company is required to ensure that at all times during the tenor of the Debentures, the Profit before Tax shall be positive on an annual basis.

For the financial year ended March 31, 2025, the Company incurred a loss before tax. Consequently, the above-mentioned financial covenant has not been complied with, resulting in a breach of covenant. The Company has duly informed the Debenture Trustee of the breach and continues to service the facility in accordance with the terms of the transaction documents. The Company has also made requisite intimations to the stock exchange, Debenture Trustee, etc.

DETAILS OF DEBENTURE TRUSTEES

The details of the entities that acted as the debenture trustees for the debenture holders of the Company during the year under review are provided hereunder:

Sr. No.	Trustee	Contact details
1.	Catalyst Trusteeship Limited	Registered office Address: GDA House Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune - 411038 Phone No.: +91 20 66807200 / 223 / 224

Sr. No.	Trustee	Contact details
		Fax: +91(22) 4922 0505 Email: dt@ctltrustee.com Website: www.catalysttrustee.com
2.	IDBI Trusteeship Services Private Limited	Registered office Address: GR FLR, Universal Insurance Bldg., Sir Phirozshah Mehta Rd., Fort, Bazargate, Mumbai, Maharashtra 400001. Phone: 022-40807000 Fax: 022 - 66311776 Email: itsl@idbitrustee.com Website: www.idbitrustee.com
3.	Orbis Trusteeship Services Private Limited	Registered Office Address: 4A, Ocus Technopolis, Sector 54, Golf Club, Gurgaon 122 002, Haryana, India Phone: +91 124 454 6565 Fax: +91 124 454 6500 Website: www.orbisfinancial.in

PUBLIC DEPOSITS

The Company being a registered 'non-deposit taking NBFC' under the regulations of RBI had not accepted any public deposits during the year under review.

ANNUAL RETURN

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies, Mumbai, and shall also be uploaded on Company's website once the same is finalized.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As the Company is registered as the non-banking financial company with RBI, the provisions of Section 186, except sub-section (1) of the Companies Act, 2013, are not applicable to the Company. The disclosures relating to particulars of loans/guarantee/investments outstanding during the financial year are furnished in Notes to the financial statement.

BOARD OF DIRECTORS AND STATUTORY BOARD COMMITTEES

The brief profile of the Directors is available on the website of the company <https://lendingkartfinance.com/board-of-directors>.

All Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable RBI regulations and they are not disqualified from being appointed/continuing as directors in terms of Section 164(2) of the Companies Act, 2013.

The details on the number of Board and the statutory Board Committee meetings held during the year under review are provided in the Report of the Directors on Corporate Governance, enclosed as **Annexure-B** to this Report.

Nomination and Remuneration Committee

The Company has laid out Policy on remuneration of directors, key managerial personnel and other employees which has been uploaded on the website of the Company at <https://lendingkartfinance.com/policies-codes>.

Corporate Social Responsibility Committee

The Annual Report on CSR activities as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure-C** to this Report.

The CSR Policy highlights the roles and responsibilities of the CSR committee and the monitoring and evaluation process followed by the Company. The CSR Policy can also be accessed at <https://lendingkartfinance.com/corporate-social-responsibility>.

INTERNAL FINANCIAL CONTROLS

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

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

- Adoption of accounting policies in line with applicable accounting standards;
- Proper recording of transactions with internal checks and reporting mechanism; and
- Compliance with applicable statutes, policies, management policies, and procedures.

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

The Statutory Auditors of the Company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 2025.

To strengthen its internal financial controls, the Company also draws upon insights from external assessments, including the report issued by M/s. Price Waterhouse Coopers Services LLP, which evaluated the effectiveness of the Internal Financial Controls framework.

APPOINTMENTS, RE-APPOINTMENTS, CESSATION AND RESIGNATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013, Mr. Hong Ping Yeo (DIN: 08401270), Director of the Company, retire by rotation and being eligible, offers himself for re-appointment at the forthcoming annual general meeting. The Nomination & Remuneration Committee of the Company, at its meeting held on August 4, 2025 recommended his re-appointment after evaluating his track record, integrity, and other fit and proper criteria as laid down under the RBI regulations.

The aforementioned matter forms part of the Notice of 28th Annual General Meeting.

During the year under review, the following changes have taken place:

Board of Directors:

- (i) Ms. Uma Subramaniam (DIN: 07434953) Independent Director passed away on April 26, 2024. She had been on the Board of the Company since March 27, 2021 and had immensely contributed with her valuable guidance during her tenure in the Company.
- (ii) The Board of Directors appointed Ms. Pallavi Kanchan (DIN: 07545615) as the additional Non-executive Independent Director of the Company for a period of 3 (three) years with effect from July 19, 2024. She recused herself from the independent directorship with effect from August 21, 2024.
- (iii) Mr. Pankaj Makkar (DIN: 03442209), Non-executive Director of the Company, tendered his resignation, with effect from July 24, 2024.

- (iv) Mr. Vikram Godse (DIN: 00230548), Non-executive Director of the Company, tendered his resignation, with effect from July 31, 2024.
- (v) Mr. Sreeram Ranganathan Iyer (DIN: 00472961) was appointed as a Non-executive Independent Director of the Company for a period of 3 (three) years with effect from March 29, 2024, at the 27th Annual General Meeting held on September 27, 2024.
- (vi) The Board of Directors of the Company appointed Mr. Thallapaka Venkateswara Rao (DIN: 05273533), Independent Director, as the Chairman of the Board in place of Mr. Harshvardhan Lunia, with effect from December 4, 2024.
- (vii) Ms. Rashmi Sharma (DIN: 08746775) was appointed as a Non-executive Independent Director of the Company to hold office for a term of 3 (three) years with effect from November 19, 2024 at the Extraordinary General Meeting held on February 17, 2025.

Declaration and Undertaking:

During the year under review, the Board obtained necessary annual declarations and undertaking from the Directors in the format prescribed by RBI vide RBI (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as updated from time to time.

Key Managerial Personnel:

- (i) Mr. Gaurav Singhania resigned as the Chief Financial Officer of the Company with effect from close of business hours of June 20, 2024.
- (ii) Mr. Darshil Shah (Membership No.: A55488) resigned as the Company Secretary and Compliance Officer of the Company with effect from close of business hours of July 24, 2024.
- (iii) Mr. Rochak Dhariwal, a qualified company secretary, having ICSI Membership Number: ACS-57383 was appointed as the Company Secretary, with effect from October 21, 2024.
- (iv) Ms. Anisha Seth was appointed as the Chief Financial Officer of the Company with effect from December 12, 2024.

- (v) Mr. Prashant Prakash Joshi was appointed as the Chief Executive Officer, Key Managerial Personnel, of the Company with effect from April 01, 2025.

After the close of the financial year, the following changes have taken place:

- (i) The Board of Directors appointed Mr. Prashant Prakash Joshi as an additional Director; and the Managing Director of the Company and designated him as the Managing Director and Chief Executive Officer of the Company with effect from July 24, 2025, subject to approval of the members of the Company.
- (ii) Mr. Harshvardhan Lunia (DIN: 01189114), Managing Director of the Company, vacated the office of the Managing Director, with effect from June 30, 2025, due to the expiry of the tenure.
- (iii) Mr. Raichand Lunia (DIN: 01188845), non-executive Director of the Company, tendered his resignation with effect from July 31, 2025.

INDEPENDENT DIRECTORS

Declaration of Independence

Your Company has obtained the necessary declarations from the Independent Directors in accordance with Section 149(7) of the Companies Act 2013 that they meet the criteria of independence as laid out in Section 149(6) of the Act.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise, and proficiency required under applicable laws and the policies of the Company.

In terms of the RBI Regulations, the Chairman of the Nomination and Remuneration Committee confirmed the fit and proper status of Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable Indian Accounting Standards and Schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the financial year ended March 31, 2025;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis; and
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company complies with all the applicable secretarial standards.

PARTICULARS OF REMUNERATION

The details as required to be disclosed under Section 197(12) of Companies Act, 2013 are not applicable for the financial year 2024-2025.

INTERNAL COMPLAINTS COMMITTEE

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder. During the period under review, 1 (one) complaint was received by the Internal Complaints Committee established under the Policy for Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace of the Company.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with the following details:

- (a) number of complaints of sexual harassment received in the year; - 1 (one)
- (b) number of complaints disposed off during the year - 1 (one) and
- (c) number of cases pending for more than ninety days. - Nil

RELATED PARTY TRANSACTION

All contracts/ arrangements/ transactions entered into by the Company during the year under review with related parties were on arms' length basis and in the ordinary course of business including the following :

- To facilitate the Company to avail unsecured loan facility(ies) from the Banks in India, Fullerton issued standby letter of credit in Singapore. In connection thereto, the Company executed the Guarantee Fee Letter with Fullerton. It was a short-term arrangement to bridge the gap till the equity capital infusion. The facility has been repaid by the Company and the guarantee arrangement is discharged.

Further, as required under Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, "Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions" is available on website of the Company <https://lendingkartfinance.com/policies-codes> and enclosed the same as **Annexure - D**.

During the year under review there were no materially significant related party transactions. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2024-25. Hence the Form is not attached to this Report.

The disclosures in compliance with the Accounting Standard on "Related Party" required as per point 1 and point 2 of Part A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulation") and disclosures of transactions of the Company with any person or entity belonging to its promoter/ promoter group which hold(s) 10% or more shareholding as per point 2A of Part A of Schedule V of SEBI LODR Regulations have been provided in Note No 41 of Notes to Accounts included in the Financial Statements section of this Annual Report

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

By virtue of being a Non-Banking Financial Company, the Company's activities are not energy intensive. However, the Company has taken adequate measures to ensure conservation of energy, wherever possible.

During the year under review, the Company had no foreign exchange earnings. The foreign exchange outgo was ₹152.76 Lakh towards software expenses and digital marketing and finance cost.

AUDITORS AND THEIR REPORTS

Statutory Auditors

As per the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021 issued by Reserve Bank of India ("RBI Guidelines"), with effect from October 1, 2021, a non-banking financial company is required to appoint a statutory audit firm for a period of three years, and that the same audit firm would not be eligible for re-appointment for next six years after completion of full or part of one term of the audit tenure.

M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No. 101048W), Statutory Auditors of the Company, had been holding the office for a period of three years and vacated the office on the conclusion of the 27th Annual General Meeting.

In line with the RBI requirements, M/s. Mukund M Chitale & Co., Chartered Accountants (Firms Registration No. 106655W), were appointed as the statutory auditors of the Company for a period of 3 (three) years from the conclusion of 27th Annual General Meeting held in 2024 till the conclusion of 30th Annual General Meeting to be held in 2027.

Furthermore, the Statutory Auditors' Report for the financial year 2024-25 does not contain any qualification or reservation, adverse remark or disclaimer.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

the Company had appointed M/s. SKP & Co, Company Secretaries, (C.P. No: 6575) to conduct the Secretarial Audit of the Company for financial year 2024-25. The Secretarial Audit Report for financial year 2024-25 is enclosed as **Annexure-E** to this Report. The Secretarial Audit Report for the financial year 2024-25 does not contain any qualification or reservation or adverse remark or disclaimer.

Fraud Reporting

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013 to the Board of Directors during the year under review.

In terms of Clause 2.7, 7.3 and other applicable clauses of the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024 ("Master Directions on Fraud Risk Management"), the frauds detected and reported during the year under the review amounted to ₹306.47 Lakh (Previous year ₹220.75 Lakh). The Company has constituted a Special Committee of the Board for monitoring and Follow-up on Frauds with powers/ responsibilities in accordance with Master Directions on Fraud Risk Management. The Committees reviews reported cases, root-cause analyses and remediation actions at prescribed intervals.

MAINTENANCE OF COST RECORDS AND COST AUDIT

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

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN CONDUCTED

The Board completed the annual evaluation of its own performance as well as an evaluation of the working of all the Board Committees, and the Independent Directors. The Independent Directors (excluding Chairman of the Board) evaluated the performance of the Chairman; and all the Independent Directors evaluated the performance of the non-independent directors, and the Board. The Nomination and Remuneration Committee evaluated the performance of all individual Directors (excluding independent directors).

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, independent directors of the Company met on July 29, 2024, without the presence of non-independent Directors and members of the management, as required under Schedule IV of the Act (Code for Independent Directors). At their meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole including the Chairman of the Board and also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, there were no pecuniary relationship or transactions of the non-executive directors with the Company except sitting fees being paid to the Independent Directors.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S FUTURE OPERATIONS

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

RISK MANAGEMENT

In line with the RBI regulations, the Company has the Board committee known as the Risk Oversight Committee. The Risk Oversight Committee of the Company, inter alia, oversees the processes of risk assessment and minimization, monitors risk management plans, and carries out such other functions as may be directed by the Board.

The Company has the Board approved Risk Management Framework in place. The Framework, inter alia, provides for a sound and well-defined framework to address all material risks of the Company and the governance structure.

The Directors have not come across any risk which in their opinion may threaten the existence of the Company.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism/ Whistle Blower Policy. The purpose of this mechanism is to provide a framework to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and provide adequate safeguards against victimization of the person availing of this mechanism. The Policy is placed on website of the Company <https://lendingkartfinance.com/policies-codes>. The Policy has been appropriately communicated within the organization and is effectively operational.

The Whistle-Blower Policy comprehensively covers processes for receiving, analyzing, investigating, inquiring, taking corrective action, and reporting of the issues raised.

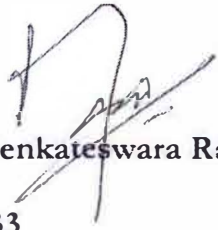
GENERAL DISCLOSURES:

1. The Company has complied with provisions relating to the Maternity Benefits Act, 1961.
2. No disclosures or reporting is required in respect of the following items as introduced by the Companies (Accounts) Amendment Rules, 2021, effective 1st April, 2021, since the same is not applicable to the Company:
 - a) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year ended 31st March 2025.
 - b) the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

ACKNOWLEDGMENT

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

**For and on behalf of the Board of Directors of
Lendingkart Finance Limited**



Thallapaka Venkateswara Rao
Chairman
DIN: 05273533



Prashant Prakash Joshi
Managing Director & CEO
DIN: 06400863

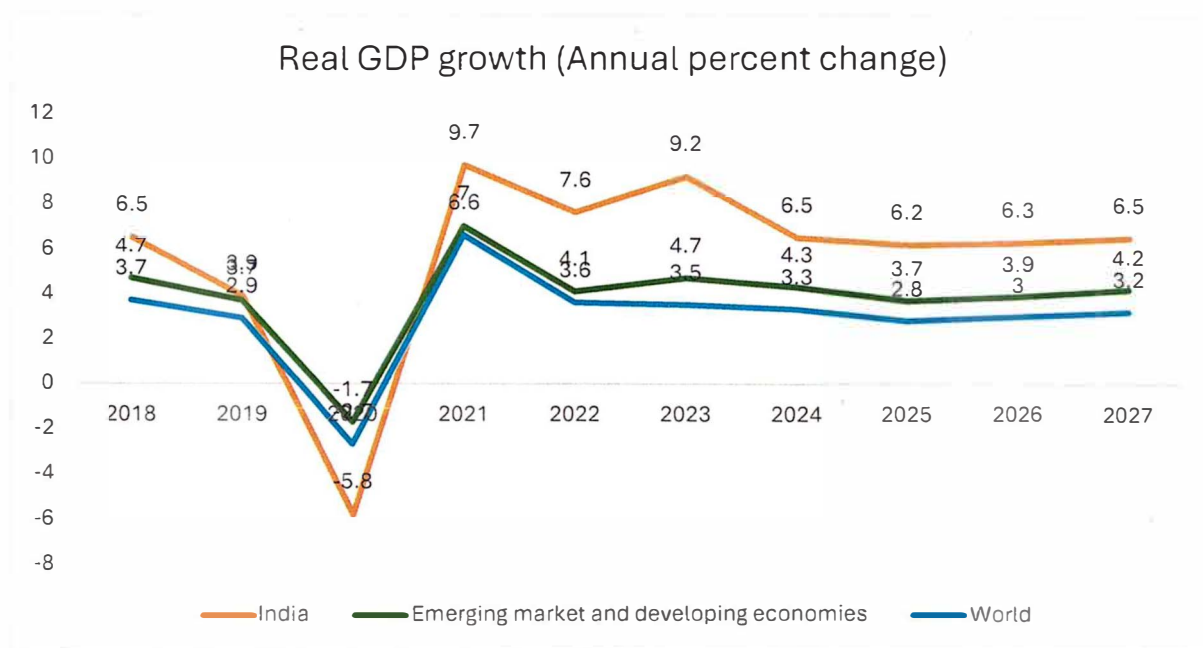
Date: August 13, 2025
Place: Mumbai

Annexure - A

Management Discussion Analysis 2024-25

1. India Economic Outlook 2024-25

India stands out as a resilient performer amid global uncertainty. GDP growth is estimated at 6.4%–6.5% for FY 2025–26 by both IMF and RBI, reflecting strong domestic economic momentum driven by robust consumption and investment trends leading as the world's fastest-growing major economy.



2. NBFC Sector & Outlook

Micro, Small, and Medium Enterprises (MSMEs) are a key part of India's economy, contributing approximately 30% to India's GDP and over 45% to its exports. As on Dec 2024, 5.70 crore MSMEs, with an employment of 24.14 crore are registered on Udyam Registration Portal and Udyam Assist Platform (UAP).

FY25 proved to be particularly challenging for the Unsecured MSME Lending and Retail Lending segments, with a noticeable deterioration in asset quality driven by rising borrower leverage and external economic pressures. High delinquency rates were particularly evident in small-ticket loans of up to ₹ 10 lakhs. In addition, the recent imposition of higher tariffs by the US may significantly impact micro, small and medium enterprises (MSMEs). The textiles, gems and jewellery and seafood industries, which account for ~25% of India's total exports to the US, are likely to be the most affected.

However, despite challenges faced, the overall outlook for the NBFC sector remains positive, with credit growth remaining healthy supported by strong consumer demand, rising capital expenditure, and deepening market penetration. MSME lending is expected to remain a strong focus area, with NBFCs expanding their reach in tier-2 and tier-3 cities. CRISIL projects a 17–19% CAGR in the MSME lending space by FY27.

3. Opportunities & Threats

3.1 Opportunities

- **Massive Credit Gap:** The ₹20-35 lakh crore credit gap in the MSME sector offers a significant opportunity for growth.
- **Supportive Government Policies:** Schemes like CGFMU, CGTMSE and increased budgetary support for MSMEs provide a conducive environment for expanding our lending portfolio and market presence.

3.2 Threats

- **Inherent Credit Risks:** Despite mitigation through credit appraisal models, the high-risk nature of MSME lending persists, particularly in economic downturns.
- **Intense Competition:** Growing competition from banks, fintech and captive finance companies, which could pressure margins and market share in the lending space.

4. Segment Information

The Company (LFL) operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles. There are no separate reportable segments dealing with operating segments.

5. Business Outlook

5.1 Business Model

In FY 2024-2025 and going forward, Lendingkart has made a conscious shift in business model and capitalisation as detailed below:

- **Shift from Off-book to On-book Model:** This strategic change allows us to have greater control over our portfolio, reduce risks associated with off-balance-sheet transactions, and generate more predictable revenue streams.

- **Strengthening Capital and Risk Management Practices:** As part of our ongoing commitment to strengthening Lendingkart's foundation, we are focused on raising additional capital and further fortifying our risk management and collections practices.

5.2 Driving Scalability through Technology

Technology is a critical aspect of Lendingkart operations for financial inclusion of MSMEs. Lendingkart utilizes a hybrid approach of proprietary analytical tools & machine learning based systems for credit underwriting, delivery & collections along with touchpoints for overall assessment. With increasing demand for seamless digital lending solutions, Lendingkart is committed to further invest in AI and machine learning technologies to refine the risk models and enhance customer experiences. In pursuit of this objective, Lendingkart is undertaking an exercise to revamp the technology platform over the next 12-15 months to make it scalable, versatile and efficient.

5.3 Centralised Operations & Customer Service

In order to unify our operations under a single, focussed leadership, centralised Operations & Customer Service is formed for enhanced collaboration across functions through unified processes and priorities, improved resource utilization, consistent performance metrics and governance for operational excellence and faster decision-making and execution, better customer service driven by a common strategic direction.

6. Risk Types and Mitigation Strategies

6.1 Credit Risk

Credit risk arises from potential losses due to borrowers or counterparties failing to meet contractual obligations, primarily from lending activities. In FY25, Lendingkart strengthened its credit monitoring framework by enhancing the credit assessment process of cash flow generations, Risk Gratings of the borrowers, usage of SME credit Scores supplemented with field visits, more involved underwriting along with enhanced touch points with the borrower, KYC Checks & verifications, strengthening collection & recovery infrastructure.

6.2 Market Risk

Market risk involves potential financial losses from adverse changes in market factors like interest rates, credit spreads, foreign exchange rates, etc. impacting earnings and capital. To mitigate this, Lendingkart diversifies not only its Lenders base to include funding from Banks, NBFCs, DFIs, AIF and Retail Investors but also its instrument of fund raising to include borrowings in form of Term Loans, NCD, Commercial Paper, Direct Assignment and Securitisation. Despite the challenges faced during the year, LFL was able to raise INR 869 crores of additional borrowings during FY25.

6.3 Liquidity Risk

Lendingkart's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its obligations including contractual debt repayment. The Company has a Liquidity Risk Management Framework to review and monitor liquidity risk and ensure compliance with the prescribed regulatory requirement.

7. Internal Controls Observations

Lendingkart has an internal audit function for reliability on Financial Statements, compliance & business operations. As part of its endeavour to continually improve quality of its operations, Lendingkart is committed to work on all deficiencies involving process, regulations and business controls. During the financial year under review, no material observation has been received from the Statutory Auditors and the Internal Auditors of the Company on such controls.

8. Review of Operational Performance & Financial Performance

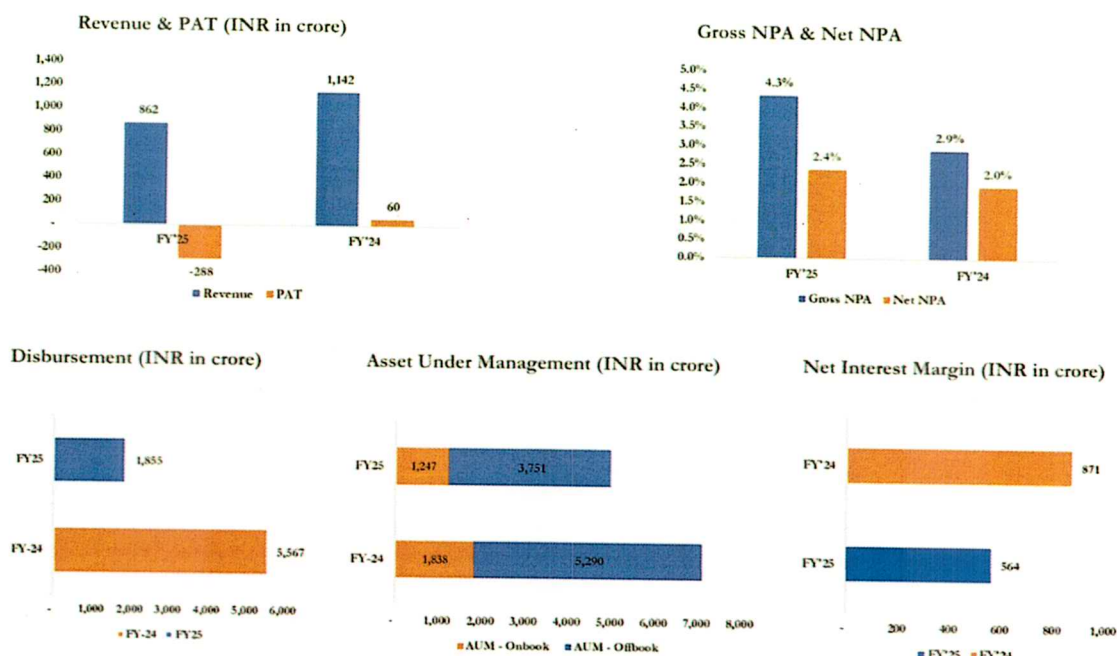
8.1 Assets Under Management (AUM) and Disbursement Trends

As on March-25, Total Assets Under Management (AUM) of Lendingkart stood at ₹5000 crore from ₹7,127 crore as on March-2024. Disbursements during the year stood at ₹1,855 crore against ₹5,567 crore in previous year, primarily due to cautious approach on disbursements, in response to higher delinquencies within its portfolio, impact of RBIs April 2024 FAQs on digital lending guidelines impacting company's capitalisation and challenging environment for unsecured lending. Lendigkart also tightened its credit underwriting model to ensure better credit quality and reduce risk.

8.2 Financial Performance

FINANCIAL HIGHLIGHTS FY-25

LENDINGKART
Simplifying MSME Finance



8.3 Revenue and Profitability

The reduction in disbursement and moderation in AUM including higher proportion of delinquent credit portfolio impacted the total revenue from operations, which stood at ₹862 Crore for the year from ₹1142 Crore in previous year.

Finance costs increased to ₹298 crore in FY25 from ₹271 crore in FY24 on account of higher average debt and increased rate of borrowings owing to elevated interest rate during the year. Lendingkart also adopted several strategic initiatives to improve collections performance in FY25. Credit cost increased to ₹523 crore in FY25 from ₹256 crore in FY24, driven by macro and sectoral stress and more prudent provisioning & write-offs. However, due to cost control measures as well as curtailed disbursements, our OPEX decreased to 442 Cr from 539 Cr in FY24. With the measures undertaken to improve portfolio quality, improve collection framework, reduced operating cost, we expect to create the foundation for an improved, cost effective and sustainable financial performance in the long term.

8.4 CRAR

In April 2024, RBI came out with clarifications (FAQs on digital lending guidelines) on the treatment of outstanding FLDG for the calculation of Capital Adequacy and has guided that outstanding FLDG be reduced from the Capital for the calculation of CRAR. Consequently, CRAR as of March 31, 2024 declined from 31.5% to 21.5%. In response, LFL infused Rs 188 crore of capital during the financial year ended March 31, 2025.

Consequently, the Capital to Risk-Weighted Assets Ratio (CRAR) stood at 35.7%, well above the regulatory mandate of 15%, reflecting a secure and sustainable financial position. This surplus capital ensures compliance with regulatory requirements, creates risk absorption capacity and provides considerable flexibility to expand its loan portfolio.

9. Our People

As of March 2025, Lendingkart Group employees strength stood at 1224 (including 435 offroll employees) from 1604 employees (including 683 offroll employees) in previous year. Our employees are the driving force behind our success in MSME lending. Through various engagement and enablement programs, we actively nurture talent. Our inclusive culture promotes continuous learning, ensures equal opportunities for all genders, and supports unbiased growth enabling us to thrive in a competitive market.

Lendingkart is making a clear pivot towards focusing on the pillars of quality, profitability, and growth. While growth remains an important part of our business model, we recognize the need to build more resilient and sustainable practices that will drive profitability and ensure long-term success.

**For and on behalf of the Board of Directors of
Lendingkart Finance Limited**



Prashant Joshi
Managing Director & CEO
DIN: 06400863
Date: August 13, 2025
Place: Mumbai

Annexure – B

Report of the Directors on Corporate Governance for the Financial Year 2024-25

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to adopt good practices and standards of corporate governance. The principles of corporate governance standards of the Company place strong emphasis on transparency, accountability and integrity.

The Company is not only committed to follow the Corporate Governance practices embodied in various regulatory provisions but also constantly strives to adopt and adhere to the emerging best practices and benchmarks itself against such practices.

2. BOARD OF DIRECTORS

2.1. Composition:

The Board of Directors (“**Board**”) has a mix of Executive, Non-Executive and Independent Directors. The composition of the Board is in conformity with Section 149 and Section 152 of the Act.

As on March 31, 2025, the Board comprised of Eight (8) members, including three (3) Independent Directors, four (4) Non-Executive Non-Independent Directors and one (1) Managing Director. The three (3) Independent Directors includes one (1) woman director.

In the opinion of the Board, the Independent Directors continue to fulfil the criteria prescribed for an Independent Director as stipulated in Section 149(6) of the Companies Act, 2013.

Number of Board Meetings

During the year under review, sixteen (16) Board meetings were convened and held on the following dates:

- i. May 9, 2024
- ii. June 11, 2024
- iii. July 4, 2024
- iv. August 14, 2024
- v. September 24, 2024

- vi. September 26, 2024
- vii. October 7, 2024
- viii. October 21, 2024
- ix. October 29, 2024
- x. November 4, 2024
- xi. November 13, 2024
- xii. December 12, 2024
- xiii. December 20, 2024
- xiv. January 27, 2025
- xv. February 13, 2025
- xvi. March 28, 2025

The time gap between any two meetings was less than 120 days and at least one meeting was held in every quarter.

Details of the Board of Directors, their directorships in other companies along with the remuneration (including sitting fees) paid to them, the number of meetings held during the financial year ended March 31, 2025 and the related attendance of the Board Members at the said meetings, are given below:

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings (During financial year ended March 31, 2025)		Other Directorships as on March 31, 2025	Remuneration in INR (Paid during the financial year ended March 31, 2025)			No. of shares held in and convertible instruments held in the NBFC
					Held/ Entitled to attend	Attended		Salary and other compensation	Sitting Fee for the Board and Statutory Board Committee meetings	Commission	
1.	Mr. Harshvardhan Raichand Lunia	13/05/2015	Executive (Managing Director)	01189114	16	16	1. Lendingkart Technologies Private Limited 2. Lendingkart Account Aggregator Private Limited 3. SRO-FT Development Foundation	-	-	-	*1
2.	Mr. Raichand Sardarmal Lunia	13/05/2015	Non-Executive	01188845	16	15	1. Lendingkart Technologies	-	-	-	*1

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings (During financial year ended March 31, 2025)		Other Directorships as on March 31, 2025	Remuneration in INR (Paid during the financial year ended March 31, 2025)			No. of shares held in and convertible instruments held in the NBFC
					Held/ Entitled to attend	Attended		Salary and other compensation	Sitting Fee for the Board and Statutory Board Committee meetings	Commission	
							1. Private Limited 2. Lendingkart Account Aggregator Private Limited				
3.	Mr. Anindo Mukherjee	05/09/2018	Non-Executive	00019375	16	16	1. Lendingkart Technologies Private Limited	-	-	-	-
4.	Mr. Thallapaka Venkateswara Rao	13/11/2019	Chairman and Independent	05273533	16	16	1.BGSE Financials Limited 2.Easy Home	-	24,25,000	-	-

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings (During financial year ended March 31, 2025)		Other Directorships as on March 31, 2025	Remuneration in INR (Paid during the financial year ended March 31, 2025)			No. of shares held in and convertible instruments held in the NBFC
					Held/ Entitled to attend	Attended		Salary and other compensation	Sitting Fee for the Board and Statutory Board Committee meetings	Commission	
							Finance Limited 3.STCI Primary Dealer Limited 4.Mitcon Credentia Trusteeship Services Limited 5. West End Investment And Finance Consultancy Private Limited				

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings (During financial year ended March 31, 2025)		Other Directorships as on March 31, 2025	Remuneration in INR (Paid during the financial year ended March 31, 2025)			No. of shares held in and convertible instruments held in the NBFC
					Held/ Entitled to attend	Attended		Salary and other compensation	Sitting Fee for the Board and Statutory Board Committee meetings	Commission	
							6.Cupid Limited 7. Alkali Metals Limited 8.Indian Immunologicals Limited 9. Lendingkart Technologies Private Limited				
5.	Mr. Pavan Pal Kaushal	28/12/2022	Non-Executive	07117387	16	15	1.Asset Reconstruction Company (India) Limited	-	-	-	-

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings (During financial year ended March 31, 2025)		Other Directorships as on March 31, 2025	Remuneration in INR (Paid during the financial year ended March 31, 2025)			No. of shares held in and convertible instruments held in the NBFC
					Held/ Entitled to attend	Attended		Salary and other compensation	Sitting Fee for the Board and Statutory Board Committee meetings	Commission	
							2. Innoven Capital India Private Limited 3. PNB Housing Finance Limited 4. Lendingkart Technologies Private Limited				
6.	Mr. Hong Ping Yeo	21/04/2019	Non-Executive	08401270	16	16	1. Lendingkart Technologies Private Limited	-	-	-	-

Sr. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings (During financial year ended March 31, 2025)		Other Directorships as on March 31, 2025	Remuneration in INR (Paid during the financial year ended March 31, 2025)			No. of shares held in and convertible instruments held in the NBFC
					Held/ Entitled to attend	Attended		Salary and other compensation	Sitting Fee for the Board and Statutory Board Committee meetings	Commission	
7.	Mr. Sreeram Ranganathan Iyer	29/03/2024	Independent	00472961	16	12	0	-	16,75,000	-	-
8.	Ms. Rashmi Sharma	19/11/2024	Independent	08746775	5	5	1. Anheuser Busch Inbev India Limited	-	5,25,000	-	-

Notes:

- *As on 31 March 2025, Mr. Harshvardhan Raichand Lunia and Mr. Raichand Sardarmal Lunia were severally holding 1 (One) equity share of the Company as the nominee of Lendingkart Technologies Private Limited. The Board of Lendingkart Finance Limited at its meeting held on 24 July 2025 approved the transfer of 1 equity share held by Mr. Harshvardhan Raichand Lunia to Mr. Prashant Prakash Joshi (presently Managing Director & CEO), as nominee of Lendingkart Technologies Private Limited. The transfer of shareholding of 1 equity share held by Mr. Raichand Sardarmal Lunia was also approved by the Board of Lendingkart Finance Limited on the same date i.e. 24 July 2025.
- Mr. Harshvardhan Lunia, also held the position of Managing Director of Lendingkart Technologies Private Limited, holding company of the Company. During the financial year 2024-25, the gross remuneration of ₹ 3,50,00,000/- was paid by Lendingkart Technologies Private Limited. No additional remuneration was paid to Mr. Lunia by the Company.

3. Ms. Uma Subramaniam (DIN: 07434953) Independent Director passed away on April 26, 2024. She had been on the Board of the Company since March, 2021 and had immensely contributed with her valuable guidance during her tenure as the Director of the Company.
4. The Board of Directors appointed Ms. Pallavi Kanchan (DIN: 07545615) as an additional non-executive Independent Director of the Company for a period of 3 (three) years with effect from July 19, 2024. She recused herself from the independent directorship with effect from August 21, 2024 due to conflict of interest.
5. Mr. Pankaj Makkar (DIN: 03442209), non-executive Director of the Company, tendered his resignation with effect from July 24, 2024.
6. Mr. Vikram Godse (DIN: 00230548), non-executive Director of the Company, tendered his resignation with effect from July 31, 2024.
7. Mr. Sreeram Ranganathan Iyer (DIN: 00472961) was appointed as a non-executive Independent Director of the Company for a period of 3 (three) years effective from March 29, 2024, at the 27th Annual General Meeting held on September 27, 2024.
8. The Board of Directors of the Company appointed Mr. Thallapaka Venkateswara Rao (DIN: 05273533), Independent Director, as the Chairman of the Board with effect from December 4, 2024.
9. Ms. Rashmi Sharma (DIN: 08746775) was appointed as a non-executive Independent Director of the Company to hold office for a term of 3 (three) years with effect from November 19, 2024 at the Extraordinary General Meeting held on February 17, 2025.
10. Mr. Harshvardhan Lunia (DIN: 01189114), Managing Director of the Company, vacated office of the Managing Director with effect from June 30, 2025 due to the expiry of his tenure as the Managing Director.
11. Mr. Raichand Lunia (DIN: 01188845), non-executive Director of the Company, tendered his resignation with effect from July 31, 2025.

2.2. Details of change in composition of the Board during FY 2024-25 and FY 2023-24:

FY 2024-25:

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Resignation, appointment/ Cessation)	Effective date
1.	Ms. Rashmi Sharma	Non-Executive Independent Director	Change in Designation	17/02/2025
2.	Mr. Thallapaka Venkateshwara Rao	Chairman and Independent Director	Appointment as the Chairman	04/12/2024
3.	Mr. Harshvardhan Lunia	Managing Director	Ceased to be the Chairman	04/12/2024
4.	Ms. Rashmi Sharma	Non-Executive Independent Director	Appointment as Additional Director	19/11/2024
5.	Mr. Sreeram Ranganathan Iyer	Non-Executive Independent Director	Change in Designation	27/09/2024
6.	Ms. Pallavi Kanchan	Additional Non-Executive Independent Director	Cessation (recused herself from the Independent Directorship)	21/08/2024
7.	Mr. Vikram Godse	Non-Executive Director	Resignation	31/07/2024
8.	Mr. Pankaj Makkar	Non-Executive Director	Resignation	24/07/2024
9.	Ms. Pallavi Kanchan	Additional Non-Executive Independent Director	Appointment	19/07/2024
10.	Ms. Uma Subramaniam	Independent Director	Cessation (due to demise)	26/04/2024

FY 2023-24:

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Resignation, appointment/ Cessation)	Effective date
1.	Mr. Sreeram Ranganathan Iyer	Non-Executive Independent Director	Appointment as Additional Director	29/03/2024
2.	Ms. Uma Subramaniam	Independent Director	Re-appointment	22/03/2024
3.	Mr. Pavan Pal Kaushal	Non-Executive Director	Change in Designation	27/09/2023

2.3. Details of relationship amongst the directors inter-se:

Apart from Mr. Harshvardhan Raichand Lunia, Managing Director of the Company, being the son of Mr. Raichand Sardarmal Lunia, Non-Executive Director of the Company, there was no inter-se relationship amongst the directors on the Board. There were no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the year other than receipt of sitting fees by Non-Executive, Independent Directors for the meetings of Board and its Committees.

3. KEY MANAGERIAL PERSONNEL

In terms of Section 203 of the Act, following were the Key Managerial Personnel ('KMP') of the Company, as on March 31, 2025:

Key Managerial Personnel	Designation
Mr. Harshvardhan Lunia	Managing Director
Ms. Anisha Seth	Chief Financial Officer
Mr. Rochak Dhariwal	Company Secretary ¹

¹ Company Secretary is also appointed as Compliance Officer in terms of Regulation 6(1) of the SEBI LODR 2015.

Notes:

1. Mr. Gaurav Singhania resigned as the Chief Financial Officer of the Company, with effect from close of business hours of June 20, 2024.

2. Mr. Darshil Shah, having ICSI Membership Number: ACS-55488, resigned as the Company Secretary & Compliance Officer of the Company with effect from close of business hours of July 24, 2024.
3. Mr. Rochak Dhariwal, a qualified company secretary, having ICSI Membership Number: ACS-57383, was appointed as the Company Secretary of the Company, with effect from October 21, 2024.
4. Ms. Anisha Seth was appointed as the Chief Financial Officer of the Company, with effect from December 12, 2024.
5. Mr. Prashant Prakash Joshi was appointed as the Chief Executive Officer of the Company with effect from April 1, 2025 and later he was also appointed as the Managing Director and redesignated as Managing Director & CEO with effect from July 24, 2025.
6. The tenure of the office of Mr. Harshvardhan Lunia as the Managing Director of the Company was till June 29, 2025. Accordingly, he had vacated the office of the Managing Director effective June 30, 2025.

4. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met separately (without the presence of the Management and Non-Executive, Non-Independent Directors) on July 29, 2024 in terms of Section 149(8) read with Schedule IV of the Act.

5. STATUTORY BOARD COMMITTEES AND THEIR COMPOSITION

To enable better and more focused attention on the affairs of the Company and as required under regulatory provisions, the Company has constituted various statutory Board Committees (“**Board Committees/Committees**”), mentioned hereunder and their specific terms of reference. These Committees lay down the groundwork for decision making and report at the subsequent Board meeting.

There have been no instances wherein the Board has not accepted the recommendations of any Committee.

The terms of reference of the Committees are laid down by the Board. Meetings of the Committees are held on a regular basis depending upon the business to be transacted by the Committees. Minutes of the Committee meetings are submitted to the Board on a periodical basis. Matters requiring the Board’s attention/approval are placed before the Board as per the recommendation of the concerned Committee(s).

1. Audit Committee;
2. Nomination and Remuneration Committee;

3. Risk Oversight Committee;
4. IT Strategy Committee;
5. Corporate Social Responsibility Committee;
6. Stakeholders Relationship Committee; and
7. Willful Default Review Committee.

The role and composition of the Board Committees, including the number of meetings held during the financial year ended March 31, 2025 and the related attendance of the Committee Members at the said meetings, are given below.

5.1. Audit Committee

The Audit Committee consists of a majority of Independent Directors. The Chairman of the Committee is an Independent Director. The powers and terms of reference of the Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('RBI Master Directions').

All the members of the Audit Committee have requisite experience and knowledge as prescribed under the Companies Act, 2013.

5.1.1. Composition:

The composition of the Audit Committee as on March 31, 2025, is mentioned hereunder:

Members	Categories
Mr. Thallapaka Venkateswara Rao	Chairman, Independent Director
Mr. Pavan Pal Kaushal	Member, Non-Executive Director
Mr. Sreeram Iyer	Member, Independent Director
Ms. Rashmi Sharma	Member, Independent Director

5.1.2. Brief Terms of Reference (as amended from time to time) - Roles and Responsibilities of the Audit Committee include the following:

- a. To review and make recommendations for appointment and removal, remuneration and terms of appointment, of Internal and external auditors of the company including approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- b. To review and monitor the auditors' independence and performance, and effectiveness of internal and external audit process;
- c. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit and to approve the annual internal audit plans /calendar;

- d. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- e. Review with management, the quarterly financial statements before submission to the Board for their approval;
- f. Reviewing the annual financial statements before submission to the Board, focusing primarily on --
 - Any changes in accounting policies and practices and the reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with listing and legal requirements concerning financial statements.
 - Matters falling under the terms of reference of the committee and to be included under 'Directors' Responsibility statement' of the Board's report.
 - Any related party transactions.
 - Modified opinion(s) in the draft audit report.
- g. Examination of the internal and external auditors' reports, qualifications/reservations/ adverse remarks/observations of the auditors and discuss any related issues with the internal or statutory auditors and the management of the Company;
- h. Review of Compliance Function of the Company to ensure that an appropriate compliance policy is in place to manage compliance risk and ensure that compliance issues are resolved effectively and expeditiously by senior management with the assistance of compliance staff;
- i. Reviewing with the management, external and internal auditors, the adequacy of internal control systems, hold discussions with the auditors periodically about internal control systems, call for the auditors comments, and also review compliance of internal control systems;
- j. Discussion with internal auditors on any significant findings and follow up thereon;
- k. Reviewing the findings of auditors where there is fraud or suspected fraud or irregularity or a failure of internal control systems of a material nature, replying to the letters by auditors on matters of frauds and reporting the matter to the Board;

- l. Ensure that systems are in place for evaluation of the internal financial controls, risk management policies and risk management systems;
- m. To review customer complaints on a quarterly basis and make recommendations to the Board, where necessary with regard to resolving customer complaints and protecting the interest of the customers and perform such other duties as prescribed by RBI in relation to customer complaints;
- n. To review fraud cases committed by the customers, employees, external stakeholders against the company on a quarterly basis and perform such other duties as prescribed by RBI in relation to frauds;
- o. Review the functioning of the whistle blower mechanism;
- p. To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- q. To approve and make suitable recommendations to the Board, where necessary with regard to the transactions of the company with related parties and any subsequent modifications therein;
- r. To conduct scrutiny of inter-corporate loans and investments;
- s. To approve valuation of undertakings or assets of the Company, or net worth of a Company or its liabilities under the provision of the Companies Act wherever it is necessary by such valuer as may be deemed fit;
- t. To oversee establishment of a vigil mechanism for directors and employees, to examine the reports under the vigil mechanism and to take suitable action against complainants including reprimand in case of repeated frivolous complaints;
- u. To approve provision of any other services by auditors apart from audit, except those which are prohibited and advice on the remuneration to be paid for such services;
- v. To review statement of significant related party transactions, submitted by management;
- w. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time;
- x. To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively;

- y. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- z. Reviewing the adequacy of 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;
- aa. Discussion with 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;
- bb. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- cc. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- dd. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- ee. To ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company;
- ff. To approve any adjustments to the model output of ECL model and other related aspects;
- gg. To note the ageing analysis of entries pending reconciliation with outsourced vendors in cases like outsourcing of cash management;
- hh. To monitor the system of internal audit of all outsourced activities;
- ii. To note quarterly audit notes and compliance with respect KYC Policy of the Company;
- jj. To approve the IS Audit policy and to ensure oversight of IS Audit function of the company;

- kk. To review critical issues highlighted related to IT / information security / cyber security and provide appropriate direction and guidance to the Company.
- ll. To review the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection. The review of the Committee shall focus on identifying root causes of wilful default and addressing deficiencies, if any, in the wilful defaulter classification process adopted by the Company.
- mm. Review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - 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 shall be subject to review by the audit committee.

5.1.3. Meetings and Attendance during the year:

The meetings of the Audit Committee were held Twelve (12) times during the year on the following dates:

- i. May 8, 2024
- ii. May 9, 2024
- iii. June 10, 2024
- iv. July 18, 2024
- v. August 12, 2024 (Adjourned and held on August 13, 2024)
- vi. August 14, 2024
- vii. October 7, 2024
- viii. October 21, 2024
- ix. November 13, 2024
- x. December 12, 2024
- xi. January 27, 2025
- xii. February 13, 2025

The details of the attendance of the aforesaid meetings are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
1.	Mr. Thallapaka Venkateswara Rao	13/11/2019	Chairman - Independent	12	12
2.	Mr. Pavan Pal Kaushal	03/02/2023	Member - Non-Executive	12	12
3.	Mr. Sreeram Iyer [Note 1]	28/05/2024	Member - Independent	10	8
4.	Ms. Rashmi Sharma [Note 2]	12/02/2025	Member - Independent	1	1

Notes:

1. Mr. Sreeram Iyer was appointed as a member of the Audit Committee, effective from May 28, 2024; and
2. Ms. Rashmi Sharma was appointed as a member of the Audit Committee, effective from February 12, 2025.

5.2. Nomination and Remuneration Committee

The powers and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('RBI Master Directions').

The Nomination & Remuneration Policy as approved by the Board on recommendation of the Nomination & Remuneration Committee is available on website of the Company at www.lendingkartfinance.com. The Policy, inter alia, provides for:

- Guiding principles for remuneration and other terms of employment;
- Criteria for Determining Qualifications and Positive Attributes of a Director, Key Managerial Personnel and Senior Management Personnel;
- Compensation structure;
- Evaluation process; and
- Disclosure, Approval and Review of Policy.

5.2.1. Composition:

The Composition of the Nomination and Remuneration Committee as on March 31, 2025, is mentioned hereunder: -

Members	Categories
Mr. Sreeram Iyer	Chairman, Independent Director
Mr. Hong Ping Yeo	Member, Non- Executive Director
Mr. Thallapaka Venkateswara Rao	Member, Independent Director

5.2.2. Brief Terms of Reference (as amended from time to time) - Roles and Responsibilities of the Nomination and Remuneration Committee are as follows:

(i) Nomination Functions:

- a. Regularly review the structure, size and composition of the Board, which includes Board diversity, evaluate the balance of skills, knowledge and experience on the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- b. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and maintain an external data bank of such suitable candidates.
- c. Be responsible for identifying and nominating for the approval of the Board, persons who are qualified to become Directors and who are “fit for purpose” as per RBI guidelines and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- d. Ensure that the proposed and existing Directors meet the ‘fit and proper’ criteria as prescribed the RBI.
- e. Ensure that there is no conflict of interest in appointment of Directors on Board of the Company, KMPs and Senior Management.
- f. Carry out evaluation of the Directors’ performance.
- g. Evaluate suitable candidates and approve the appointment of the MD/CEO and the Company’s Senior Management Personnel/ Leadership Team members.
- h. Formulate plans for succession for the MD/ CEO, the Senior Management Personnels and Leadership Team members of the Company.
- i. Re-appoint any non-executive director at the conclusion of his or her specified term of office, especially when he or she has concluded his/ her term in accordance with the provisions under the Companies Act, 2013.
- j. Recommend re-election by shareholders of any director who is retiring by rotation.
- k. Be responsible for any matters relating to the continuation in office as a Director of any existing Director at any time.
- l. For every appointment of an independent director, the NRC 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 a description. For the purpose of identifying suitable candidates, the NRC may:

- i. use the services of an 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.
- m. Formulation of criteria for evaluation of performance of independent directors and the Board.
 - n. Devising a policy on diversity of Board.
 - o. 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.

(ii) Remuneration/ Compensation Functions:

- a. Oversee the framing, review and implementation of Nomination and Remuneration Policy (“Remuneration Policy”) of the Company approved by the Board.
- b. Determine and recommend to the Board, the remuneration payable to the directors and senior management of the Company.
- c. Work in close coordination with the Risk Oversight Committee (RMC) of the Company to achieve an effective alignment between compensation and risks.
- d. Ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on the Internal Capital Adequacy Assessment Process (ICAAP)
- e. Review and recommend compensation for the Key Managerial Personnel, and each of the Senior Management Personnel and Leadership Team members, which will be further approved/ ratified by the Board of the Company.
- f. Conduct annual reviews or with such periodicity as may be determined by the NRC, of the policies framed by the NRC.
- g. Review deployment of key Human Capital strategies and tools specifically in the area of talent acquisition, employee engagement and development and succession planning.

(iii) Others:

Carry out such other functions as may be delegated by the Board from time to time, or as maybe necessary or appropriate for the performance of its duties or mandatory by any statutory notification, amendment or modification.

5.2.3. Meetings and Attendance during the year:

The meetings of the Nomination and Remuneration Committee were held Eight (8) times during the year on the following dates:

- i. May 08, 2024
- ii. August 08, 2024
- iii. October 21, 2024
- iv. November 12, 2024
- v. December 12, 2024
- vi. December 27, 2024
- vii. February 13, 2025
- viii. March 28, 2025

The details of the attendance of the aforesaid meetings are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
1.	Mr. Sreeram Iyer [Note 1]	23/10/2024	Chairman - Independent	5	5
2.	Mr. Hong Ping Yeo	13/11/2019	Member - Non- Executive	8	8
3.	Mr. Thallapaka Venkateswara Rao	13/11/2019	Member - Independent	8	8
4.	Mr. Pankaj Makkar [Note 2]	13/11/2019	Member - Non- Executive	1	0

Notes:

1. Mr. Sreeram Iyer was appointed as the Member (Chairman) of the Committee, effective from October 23, 2024.
2. Mr. Pankaj Makkar ceased to be Member of the Committee due to his resignation as a non-executive Director of the Company with effect from July 24, 2024.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors were determined by the NRC focusing on their involvement, contribution, expertise, integrity, independence, and the guidance provided in their Board roles.

5.3. Risk Oversight Committee

The Risk Oversight Committee is formed in compliance with the provisions of the Reserve Bank of India Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 updated from time to time.

5.3.1. Composition:

The composition of the Risk Oversight Committee as on March 31, 2025 is mentioned hereunder: -

Members	Categories
Mr. Pavan Pal Kaushal	Chairman, Non-Executive Director
Mr. Anindo Mukherjee	Member, Non-Executive Director
Mr. Harshvardhan Lunia	Member, Managing Director
Mr. Thallapaka Venkateswara Rao	Member, Independent Director

The Risk Oversight Committee was reconstituted on July 24, 2025. The revised composition is mentioned hereunder:

Members	Categories
Mr. Pavan Pal Kaushal	Chairman, Non-Executive Director
Mr. Anindo Mukherjee	Member, Non-Executive Director
Mr. Prashant Prakash Joshi	Member, Managing Director & CEO
Mr. Thallapaka Venkateswara Rao	Member, Independent Director

5.3.2. Brief Terms of Reference (as amended from time to time) - The role/duties and responsibilities of the Risk Oversight Committee are inclusive of:

- (i) To evaluate the overall risks faced by the Company including liquidity risk and report the same to the Board of Directors.
- (ii) Approval of Risk Appetite and Strategy
 - a) Review and recommend to the Board:

- Risk Appetite, and risk strategy of the entity. This involves establishing the risk principles and objectives governing the extent to which the entity is willing to assume risk based on the entity's strategic objectives, nature of its business and the ability to absorb losses (risk capacity) in relation to its capital and targeted return
- Targeted levels of capital and liquidity, credit rating
- b) Consider implications from changes in the entity's external macro environment (e.g., regulatory environment, competition and macroeconomic conditions)
- c) Review management actions to de-risk the portfolio in times of stress, and relax criteria in anticipation of recovery, based on a forward-looking view.

(iii) Risk Management Oversight

- a) Review and recommend to the Board for approval of the overall risk management strategy, in line with the entity's risk appetite and strategic objectives.
- b) Review key risk management policies proposed by Management to ensure they are adequate for the effective management of the entity's risk exposures. These include but are not limited to the following:
 - Overall RMF and risk management organization structure and resources as a key part of the Second Line of Defence
 - Scope of risk-taking activities in which the entity is prepared to engage in or is restricted from undertaking and general risk acceptance criteria for taking risk.
 - Credit Policy and Models or Tests
 - Market Risk Policy including - Interest rate risk, Liquidity risk.
- c) Review and recommend to the Board for approval - the general framework of delegation of approval authorities to various levels of Management.
- d) Oversee the establishment and operation of the risk management assurance process and conduct reviews periodically.
- e) MIS and monitoring - Review risk management reports (covering, among others, the entity's credit risk, market risk, operational risk, interest rate risk and liquidity risk) and other information on the entity's material risk exposures and activities periodically and provide guidance to Management where appropriate.
- f) Review the risk management resources of the entity to ensure they are adequate.
- g) Establish a system for the monitoring of compliance with the entity's risk management policies including evaluating the adequacy of risk management systems.
- h) Review and ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- i) Review non-compliance with risk management policies that may result in significant financial and/or reputational loss and implement remedies.
- j) To Formulate, Monitor and oversee the implementation of the various risk related policies such as Credit Risk, Fraud Risk, Operational Risk, Technology risk, Compliance risk, Information Security Risk, Business Continuity Plan,

- Liquidity Risk Policy, ESG Policy, including evaluating the adequacy of the risk management systems and to perform periodic review of the same
- k) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
 - l) To review the Central record of all material outsourcing arrangements by the Company on a half yearly basis.
 - m) To review IT related risks at least on a yearly basis
 - n) To oversee the effectiveness of the framework for Early Warning Signals (EWS) for Detection of Frauds.

5.3.3. Meetings and Attendance during the year:

The meetings of the Risk Oversight Committee were held Four (4) times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

- i. May 8, 2024
- ii. August 12, 2024
- iii. November 12, 2024 (Adjourned and held on the next day i.e. November 13, 2024)
- iv. February 12, 2025 (Adjourned and held on the same day i.e. February 12, 2025)

The details of the attendance of the aforesaid meetings are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
1.	Mr. Pavan Pal Kaushal [Note 1]	28/05/2024	Chairman - Non-Executive	3	3
2.	Mr. Anindo Mukherjee	04/02/2019	Member - Non-Executive	4	4
3.	Mr. Harshvardhan Lunia	04/02/2019	Member - Executive	4	4
4.	Mr. Thallapaka Venkateswara Rao	10/02/2022	Member - Independent	4	3

Note:

1. Mr. Pavan Pal Kaushal was appointed as the Member (Chairman) of the Committee effective May 28, 2024.

5.4. IT Strategy Committee

The IT Strategy Committee was constituted as per the provisions of RBI Master Direction RBI/2023-24/107DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 07, 2023, pertaining to the 'Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices.

5.4.1. Composition:

The composition of the IT Strategy committee as on March 31, 2025 is mentioned hereunder: -

Members	Categories
Mr. Sreeram Iyer	Chairman, Independent Director
Mr. Harshvardhan Lunia	Member, Managing Director
Mr. Pavan Pal Kaushal	Member, Non- Executive Director

The IT Strategy Committee was reconstituted on July 24, 2025. The revised composition is mentioned hereunder:

Members	Categories
Mr. Sreeram Iyer	Chairman, Independent Director
Mr. Prashant Prakash Joshi	Member, Managing Director & CEO
Mr. Pavan Pal Kaushal	Member, Non- Executive Director

5.4.2. Brief Terms of Reference (as amended from time to time) - Role and Responsibilities of IT Strategy Committee are as follows:

- (i) Technology:
 - Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
 - Ascertaining that management has put effective IT strategic planning processes and practices in place which ensures that the IT delivers value to the business.
 - Ensuring IT investments represent a balance of risks and benefits and that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives

- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the company towards accomplishment of its business objectives.
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation.
- 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.
- Ensuring that the company has put in place processes for assessing and managing IT and cybersecurity risks.
- Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.
- To review the assessment of IT capacity requirements and measures taken to address the issues by the company.
- To approve documented standards and procedures for access to information assets of the Company
- To review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements, and any other matter related to IT Governance

(ii) IT Services Outsourcing:

- Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.
- Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing.
- Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements.
- Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements.
- Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board.
- Periodically reviewing the effectiveness of policies and procedures.
- Communicating significant risks in outsourcing to the company's Board on a periodic basis.
- Ensuring an independent review and audit in accordance with approved policies and procedures.
- Ensuring that contingency plans have been developed and tested adequately.
- Ensuring the business continuity preparedness is not adversely compromised on account of outsourcing and seek proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis.

- To review periodic reports on Identification of IT outsourcing risks submitted by senior management.
- To review reports on compliance with the legislations, regulations, Board-approved policy and performance standard submitted by senior management as per the Master Direction on Outsourcing of Information Technology Services.

(iii) Others:

- Constitution and oversight of Information Security Committee of the Company
- To review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management on an annual basis.
- Carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or mandatory by any statutory notification, amendment or modification.

5.4.3. Meetings and Attendance during the year:

The meetings of the IT Strategy Committee were held Four (4) times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

- May 8, 2024
- August 8, 2024
- November 12, 2024
- February 12, 2025

The details of the attendance of the aforesaid meetings are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
1.	Mr. Thallapaka Venkateswara Rao [Note 1]	05/08/2021	Chairman - Independent	1	1
2.	Mr. Sreeram Iyer [Note 2]	10/04/2024	Chairman - Independent	4	4

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
3.	Mr. Harshvardhan Lunia	20/08/2020	Member - Executive Director	4	4
4.	Mr. Pavan Pal Kaushal	03/02/2023	Member - Non-Executive Director	4	4

Notes:

1. Mr. Thallapaka Venkateswara Rao ceased to be the Chairman and the member of Committee with effect from May 28, 2024.
2. Mr. Sreeram Iyer was appointed as the Chairman of the Committee effective from April 10, 2024.

5.5. Corporate Social Responsibility Committee: -

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee.

The Company's Corporate Social Responsibility Policy ("CSR Policy") is available on website of the Company www.lendingkartfinance.com. The CSR Policy gives an overview of the projects or programs that could be undertaken by the Company from time to time.

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

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

5.5.1. Composition:

The composition of the Corporate Social Responsibility committee as on March 31, 2025 is mentioned hereunder: -

Members	Categories
Mr. Thallapaka Venkateswara Rao	Chairman, Independent Director
Mr. Harshvardhan Lunia	Member, Managing Director
Mr. Pavan Pal Kaushal	Member, Non- Executive Director

The Corporate Social Responsibility Committee was reconstituted on July 24, 2025. The revised composition is mentioned hereunder:

Members	Categories
Mr. Thallapaka Venkateswara Rao	Chairman, Non-Executive Director
Mr. Prashant Prakash Joshi	Member, Managing Director & CEO
Mr. Pavan Pal Kaushal	Member, Non- Executive Director

5.5.2. Brief Terms of Reference (as amended from time to time) - Role and Responsibilities of the Corporate Social Responsibility Committee are inclusive of:

- a. To formulate and recommend to the Board the Company's CSR policy, (and modifications thereto from time to time), which shall provide an approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of the annual action plan as per the provisions of the Act, and the rules made thereunder;
- b. Formulate and recommend annual action plan in pursuance of its CSR policy, and any modifications thereof, to the Board comprising of following information
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes;
 - the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and details of need and impact assessment, if any, for the projects undertaken by the company;
 - The Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- c. To review and recommend to the Board, the certificate submitted by Chief Financial Officer or the person responsible for financial management and the impact assessment report, if required to be obtained by the Company from time to time;

- d. To monitor the implementation of the CSR Policy of the Company from time to time, and institute a transparent monitoring mechanism for implementation of the projects/programs/activities including ongoing projects proposed to be undertaken by the company and review the amount spent on CSR;
- e. To review and recommend the Annual Budget for CSR activities/the amount of total expenditure to be incurred on different CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts;
- f. To review synergy or alignment for various CSR activities along with partners as per the sectors identified by the Company for CSR;
- g. To review and finalise the Annual CSR Report reflecting fairly the Company's CSR approach, policies, systems and performance;
- h. To review and recommend the responsibility statement for inclusion in the board's report that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company;
- i. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions;
- j. To do all such acts, deeds and things as deemed necessary to achieve overall CSR objectives of the Company.

5.5.3. Meetings and Attendance during the year:

The meetings of the Corporate Social Responsibility Committee were held two (2) times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

- i. August 12, 2024
- ii. February 12, 2025

The details of the attendance of the aforesaid meetings are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
1.	Mr. Thallapaka Venkateswara Rao	10/02/2022	Chairman - Independent	2	2

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
2.	Mr. Harshvardhan Lunia	13/11/2019	Member – Executive	2	2
3.	Mr. Pavan Pal Kaushal	03/02/2023	Member - Non-Executive	2	0

5.6. Stakeholders Relationship Committee: -

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Company has constituted a Stakeholder Relationship Committee.

5.6.1. Composition:

The composition of the Stakeholder Relationship Committee as on March 31, 2025 is mentioned hereunder: -

Members	Categories
Mr. Thallapaka Venkateswara Rao	Chairman, Independent Director
Mr. Harshvardhan Lunia	Member, Managing Director
Mr. Sreeram Iyer	Member, Independent Director

The Stakeholders Relationship Committee was reconstituted on July 24, 2025. The revised composition is mentioned hereunder:

Members	Categories
Mr. Thallapaka Venkateswara Rao	Chairman, Independent Director
Mr. Prashant Prakash Joshi	Member, Managing Director & CEO
Mr. Sreeram Iyer	Member, Independent Director

5.6.2. Brief Terms of Reference (as amended from time to time) - Role and Responsibilities of the Stakeholders Relationship committee are inclusive of:

- Consider and resolve grievances of security holders (including shareholders, debenture holders or any other security holder) of the Company, including complaints related to transfer/transmission of shares/debentures/other securities,

- non-receipt of annual report, non-receipt of declared dividends, payment of interest/principal amount, issue of new/duplicate certificates, general meetings, etc.;
- b. Review of measures taken for the effective exercise of voting rights by shareholders/debentureholders/other security holders
 - c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
 - d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends/interest/principal and ensuring timely receipt of dividend/interest/principal warrants/annual reports/statutory notices by the shareholders/debentureholders/other security holders of the Company.
 - e. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders/debentureholders/other security holders from time to time;
 - f. Ensure proper and timely attendance and redressal of investor queries and grievances;
 - g. Consider and review the grievances/ complaints received from the customers of the Company;
 - h. Review of the various measures and initiatives taken by the Company for reducing the quantum of customer complaints; and
 - i. Ensure proper and timely attendance and redressal of Complaints received from customers of the Company.

Others:

The SRC shall carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or mandatory by any statutory notification, amendment or modification.

5.6.3. Meetings and Attendance during the year:

The meetings of the Stakeholder Relationship Committee were held two (2) times during the year on the following dates, wherein the necessary quorum was present throughout the meetings:

- i. December 20, 2024
- ii. March 26, 2025

The details of the attendance of the aforesaid meetings are as under:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee	
				Held/Entitled to attend	Attended
1.	Mr. Thallapaka Venkateswara Rao	06/02/2024	Chairman - Independent	2	2
2.	Mr. Harshvardhan Lunia	06/02/2024	Member - Executive	2	2
3.	Mr. Sreeram Iyer	28/05/2024	Member - Independent	2	2

Notes:

1. Mr. Sreeram Iyer was appointed as a member of the Committee effective from May 28, 2024.

Details of Investor Complaints

During the FY 2024-25, no complaints were received from the debenture holders/other investors (including through the Stock Exchange/SEBI SCORES platform/Online Dispute Resolution platform), detailed as under:

No. of Complaints pending as on April 1, 2024	No. of Complaints received during the period from April 1, 2024 to March 31, 2025	No. of Complaints disposed off during the period from April 1, 2024 to March 31, 2025	No. of Complaints pending as on March 31, 2025
NIL	NIL	NIL	NIL

5.7. Wilful Default Review Committee: -

In terms of Reserve Bank of India - Master Direction on Treatment of Wilful Defaulters and Large Defaulters vide Circular dated July 30, 2024, and on recommendation of the

Audit Committee, Wilful Default Review Committee of the Company was constituted with effect from January 21, 2025.

The Audit Committee at its meeting held on July 24, 2025 had renamed the Review Committee to the “Wilful Default Review Committee”.

5.7.1. Composition:

The Composition of the Review Committee as on March 31, 2025 is mentioned hereunder: -

Members	Categories
Mr. Harshvardhan Lunia	Chairman, Managing Director
Mr. Thallapaka Venkateswara Rao	Member, Independent Director
Mr. Anindo Mukherjee	Member, Non-Executive Director

The Wilful Default Review Committee was reconstituted on July 24, 2025. The revised composition is mentioned hereunder:

Members	Categories
Mr. Prashant Prakash Joshi	Chairman, Managing Director & CEO
Mr. Thallapaka Venkateswara Rao	Member, Independent Director
Mr. Anindo Mukherjee	Member, Non-Executive Director

5.7.2. Brief Terms of Reference (as amended from time to time) - Role and Responsibilities of the Wilful Default Review Committee (hereinafter “the Review Committee) are inclusive of:

1. Review of Classification:
 - Assessment of Cases: The Review Committee is responsible for reviewing the decisions made by the Identification Committee regarding the classification of borrowers as wilful or large defaulters. This involves examining the evidence and justification provided for the classification.
 - Dispute Resolution: It handles disputes or appeals from borrowers who contest their classification as wilful or large defaulters. The committee reviews these cases to ensure fairness and accuracy in the classification process.
2. Validation and Confirmation:
 - Confirmation of Findings: The Review Committee validates the findings of the Identification Committee to ensure that the classification process follows RBI guidelines and is supported by adequate evidence.
 - Consistency Check: It ensures consistency in the application of criteria and processes for classifying defaulters across different cases and institutions.
3. Oversight of Recovery Actions:

- Review Recovery Measures: The Committee oversees the recovery actions recommended by the Identification Committee to ensure they are appropriate and effective.
 - Evaluate Effectiveness: It evaluates the effectiveness of recovery measures and suggests adjustments or alternative actions if necessary. The Review Committee is required to consider both the proposal from the Identification Committee and the written representation submitted by the concerned parties. The Review Committee must also provide an opportunity for a personal hearing to the affected parties.
4. Transparency and Reporting:
- Transparency: The Review Committee ensures transparency in the review process and decisions, maintaining clear documentation and communication with relevant stakeholders. The Review Committee will make a decision regarding the proposal to classify the parties as wilful defaulters post proper assessment. The Review Committee shall pass a reasoned order and the same shall be communicated to the wilful defaulter
 - Reporting to RBI: It is responsible for ensuring the regulatory reporting requirements to the RBI is adhered to.

Review Committee will also include as part of their objectives, quarterly review which will cover:

1. The Review Committee shall provide an opportunity:
 - for a personal hearing also to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity. However, if the opportunity is not availed or if the personal hearing is not attended by the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity, the Review Committee shall, after assessing the facts or material on record, including written representation, if any, consider the proposal of the Identification Committee and take a decision.
 - Review of the written representation made by the borrower/guarantor/promoter/Director for making a written representation within 15 days of such a proposal from Identification Committee. The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee.
2. The Review Committee shall pass a reasoned order and the same shall be communicated to the wilful defaulter.
3. Review the proposals shared by Identification Committee classification as a wilful defaulter by explaining the reasons in writing.

4. The Review committee shall make a decision regarding the proposal to classify the parties as wilful defaulters.

5.7.3. Meetings and Attendance during the year:

No meetings of the Review Committee were held during the financial year 2024–25.

6. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Board approved Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons as well as a Code of Fair Disclosure in accordance with aforesaid Regulations. All the Directors on the Board and Management Team and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code. The Fair disclosure code referred above can be accessed, at the website of the Company at its weblink i.e. <https://lendingkartfinance.com/policies-codes>.

7. GENERAL BODY MEETINGS

The details of the Annual General Meeting held during the financial year ended March 31, 2025:

Sl. No.	Type of Meeting	Date and Place	Special resolutions passed
1.	27 th Annual General Meeting	Date: September 27, 2024 Place: Through Video Conferencing	- Appointment of Mr. Sreeram Iyer as Independent Director of the Company. - Continuation of the appointment of Mr. Raichand Lunia as the non-executive Director of the Company as he crossed the age of 75 years.

The details of the Extra-ordinary General Meeting held during the financial year ended March 31, 2025:

Sl. No.	Type of Meeting	Date and Place	Special resolutions passed
	1 st Extra-ordinary General Meeting	Date: October 22, 2024 Place: Through Video Conferencing	- Amendment of the existing Articles of the Association of the Company

Sl. No.	Type of Meeting	Date and Place	Special resolutions passed
			- Increase and reclassification of the authorized share capital and alteration of the memorandum of the association of the Company.
	2 nd Extra-ordinary General Meeting	Date: February 17, 2025 Place: Through Video Conferencing	- Appointment of Ms. Rashmi Sharma as Independent Director

8. MEANS OF COMMUNICATION

- Quarterly, half-yearly and annual financial results of the Company are approved by the Board and submitted to the Stock Exchange, in accordance with Regulation 52 of the SEBI LODR 2015 and are also uploaded on the website of the Company at <https://lendingkartfinance.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation.com> pursuant to Regulation 62 of SEBI LODR 2015.
- Quarterly, half-yearly and annual financial results of the Company are published in Financial Express newspaper having nationwide circulation.

9. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting is scheduled to be held on September 25, 2025 at 12:00 noon through two-way video conferencing.
- Dividend Payment Date: The Board of Directors of the Company have not recommended any dividend for the financial year ended March 31, 2025.
- Listing on Stock Exchange: The non-convertible debt securities of the Company are listed on the Wholesale debt market segment of BSE Limited.
- Payment of Annual Listing fees: The Company has paid the annual listing fees for the FY 2025-26.
- Registrar & Share Transfer Agents: The Company has appointed Kfin Technologies Limited as the Registrar & Share Transfer Agent (RTA). The details of the RTA are given as under:

Address: 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400070, Maharashtra, India

Email: compliance.corp@kfintech.com

Website: www.kfintech.com
Contact No.: +022 4617 0911

f) Distribution of shareholding:

Shareholding pattern of the Company as on March 31, 2025:

Name of the Shareholders	No. of Shares held (on fully diluted basis)	Percentage % (on fully diluted basis)
Lendingkart Technologies Private Limited ("LTPL")*	5,91,64,440	100
Total	5,91,64,440	100

* Includes 6 shares held by Nominee shareholders of LTPL

g) No listed debentures were suspended for trading during FY 2024-25.

10. DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013

None.

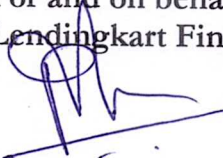
Further, the Company has complied with the applicable Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 and rules made thereunder. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

The Company has also complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

11. DETAILS OF PENALTIES AND STRICTURE IMPOSED BY THE RESERVE BANK OR ANY OTHER STATUTORY AUTHORITY.

No penalties and strictures imposed by the Reserve Bank or any other statutory authority.

For and on behalf of the Board of Directors of
Lendingkart Finance Limited


Prashant Prakash Joshi
Managing Director & CEO
DIN: 06400863

Date: August 13, 2025
Place: Mumbai

Annexure - C

Annual Report on CSR Activities for the Financial Year 2024-25

1. Brief outline on CSR Policy of the Company.

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

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Thallapaka Venkateswara Rao*	Chairperson	2	2
2	Mr. Harshvardhan Lunia@	Member	2	2
3	Mr. Pavan Pal Kaushal	Member	2	0
4	Mr. Prashant Prakash Joshi\$	Member	Not Applicable	

* Mr. Thallapaka Venkateswara Rao appointed as Chairman of the Committee with effect from May 28, 2024.

@ Mr. Harshvardhan Lunia ceased to be Member of the Committee with effective from June 30, 2025

\$ Mr. Prashant Prakash Joshi was appointed as Member with effect from July 24, 2025

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

Composition of CSR Committee	<u>Lendingkart Composition of CSR Committee</u> https://www.lendingkartfinance.com/committee-members
CSR Policy	<u>Lendingkart CSR Policy</u> https://lendingkartfinance.com/corporate-social-responsibility
CSR projects approved by the board	<u>Lendingkart CSR projects approved by the board</u> https://lendingkartfinance.com/csr-activities-of-lendingkart

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable for the financial year under review.

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

The average **net loss** incurred by the Company as per section 135(5) is ₹ 21,59,90,501

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

Not Applicable

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

Not Applicable

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

Not Applicable

- (e) Total CSR obligation for the financial year (5b+5c-5d).

Not Applicable

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

Nil

- (b) Amount spent in Administrative Overheads.

Nil

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

Not Applicable

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

₹ Nil

- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

- (f) Excess amount for set off, if any:

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135.	Not Applicable
(ii)	Total amount spent for the Financial Year	Not Applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

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

Sl. No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per subsection (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.).	Date of transfer.		
1.	2021-22	₹ 33,60,000	Nil	₹ 27,18,300	Nil	Not Applicable	Nil	Nil
2.	2022-23	₹ 41,44,700	Nil	₹ 40,00,000	Nil	Not Applicable	Nil	Nil
3.	2023-24	Nil	Nil	₹ 44,58,342	Nil	Not Applicable	Nil	Nil

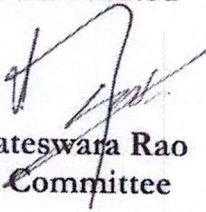
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No


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

Not Applicable

For and on behalf of the Board of Directors of
Lendingkart Finance Limited



Thallapaka Venkateswara Rao
Chairman of CSR Committee
DIN: 05273533



Prashant Prakash Joshi
Managing Director & CEO
DIN: 06400863

Date: August 13, 2025
Place: Mumbai

Annexure - D

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

Contents

1. Background.....	3
2. Definitions	3
3. Policy Exclusion.....	6
4. Identification of Related Parties and maintenance of list of Related Parties	7
5. Manner of dealing with Related Party Transactions	7
I. Transactions requiring prior approval of Audit Committee	7
II. Transactions requiring prior approval of the Board of Directors	8
III. Transactions requiring prior approval of Shareholders	8
IV. Omnibus Approval	8
V. Restrictions in voting	9
VI. Review of Related Party Transaction	9
6. Additional compliances in case of transactions with Associated Entities and Senior Officers.....	10
6.1 Loans, advances or awarding of Contracts to Associated Entities	10
6.2 Loans, advances or awarding of Contracts to Senior Officer or their Relatives	10
6.3 General requirement	10
7. Information to be submitted for obtaining prior approval of Audit Committee/Board/Shareholders.....	11
8. Roles and Responsibility	12
9. Disclosure.....	13

1. Background

Lendingkart Finance Limited (“**Company**”) recognizes that related party transactions may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Company’s & its shareholders’ best interest and in compliance to the provisions of the Companies Act, 2013 (“**Act**”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), Master Direction – Non Banking Financial Company – Systemically Important Non- Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (“**Directions**”), Indian Accounting Standards, (**IND AS**), IRDA (Registration of Corporate Agents) Regulations, 2015 (“**IRDAI Regulations**”) and Framework for Scale Based Regulation for Non-Banking Financial Companies and guidelines issued thereunder from time to time to the extent applicable to loans and advances to related parties (collectively referred to as the “**RBI Guidelines**”).

Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors of the Company based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Definitions

Unless the context otherwise requires, the following terms shall have the meaning as assigned below, and cognate expressions shall be construed accordingly:

Annual Consolidated Turnover	means Turnover as per the last audited Consolidated Financial Statements
Annual Standalone Turnover	means Turnover as per the last audited Standalone Financial Statements.
Associated Entities	Means the following: (i) directors (including the Chairman/ Managing Director) or relatives of directors; (ii) any firm in which any of the directors of the Company or their relatives, is interested as a partner, manager, employee or guarantor; (iii) any company in which any of the directors of the Company, or their relatives is interested as a Major Shareholder, director, manager, employee or guarantor.
Key Managerial Personnel (KMPs)	The KMPs shall mean and include, i. Chief Executive Officer or the Managing Director or the Manager; ii. Company Secretary; iii. the Whole-time Director; iv. the Chief Financial Officer;

	v. such other officer as may be prescribed under the Companies Act 2013;
Listing Regulations	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
Major Shareholder	means a person holding 10% or more of the paid-up share capital or rupees five crore in paid-up shares, whichever is lower.
Material Modification	in relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modifications shall mean any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 5% of transaction value, in each case from the approved limits.
Material Related Party Transaction	Material Related Party Transaction shall have the same meaning as stated in Annexure 1 of this policy.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Potential Conflict of Interest	Means conflict of interest either by being a party to an RPT or in case of an RPT with another body corporate, holding more than 2% of the paid-up share capital of the other body corporate.

Related Party	<p>Related Party with reference to a company, shall include:</p> <ul style="list-style-type: none"> (i) director or his relative; (ii) key managerial personnel or his relative; (iii) firm, in which a director, manager or his relative is a partner; (iv) private company in which a director or manager or his relative is a member or director; (v) public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager excluding person giving directions or instructions in a professional capacity; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity excluding person giving directions or instructions in a professional capacity; (viii) any body corporate which is: <ul style="list-style-type: none"> (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (C) an investing company or the venturer of the company; (ix) a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to the company. <p>Related Party is further defined as per Reg. 2 (zb) of the Listing Regulations and applicable accounting standards. Please refer to Annexure 1 for Related Party Definition as per Listing Regulations and Accounting Standard.</p>
Related Party Transaction' or 'RPT'	<p>Shall mean a contract or arrangement with a Related Party as provided under the Act and the Rules made thereunder, as amended from time to time.</p>
Relative	<p>For an individual, 'Relative' shall mean and include:</p> <ul style="list-style-type: none"> • Members of Hindu undivided family; • Husband or wife; • Father (including step-father) and Mother (including step-mother); • Daughter and Daughter's husband; • Son (including step-son) and Son's wife; • Brother (including step-brother) and Sister (including step-sister); • Domestic partner of any of the said persons, children and dependants of such domestic partner or spouse (IND AS-24).

Senior Officers (SOs)/ Senior Management/ Leadership Team	Means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management, one level below the Chief Executive Officer & Managing Director, including the functional heads.
Holding Company	shall mean Lendingkart Technologies Private Limited.
Turnover	The gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company as per its last audited financial accounts.

Note: All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Companies Act, 2013 and Rules framed thereunder or any other applicable law.

3. Policy Exclusion

Following transactions shall not be considered as a related party transaction, in terms of this Policy [however disclosure in the financial statement as per SEBI LODR shall be made by the Company]:

- (a) Reimbursement of expenses incurred by/ for a Related Party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a Related Party, provided there is no specific benefit passed on to either party.
- (b) Any transaction in which the Related Party's interest arises solely by way of ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party, or other pro rata interest of a Related Party included in a transaction involving generic interest of stakeholders involving one or more Related Parties as well as other parties.
- (c) Any transaction that involves providing of compensation to a director or Key Managerial Personnel, in accordance with the provisions of Companies Act, 2013, in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (d) Recurring transactions flowing out of a principal transaction or arrangement for which the Audit Committee has granted its omnibus approval;
- (e) Requirement under Para 6 will not apply to loans and advances granted to directors, Associated Entities and Senior Officers against the following:
 - (i) Government securities
 - (ii) Life insurance policies
 - (iii) Fixed deposits
 - (iv) Stocks and shares
 - (v) Housing loans, car advances, etc. granted to an employee/director of the Company, under any scheme applicable generally to employees/directors of the Company,

provided that the Company's interest/ lien is appropriately marked with legal enforceability.

- (f) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.

4. Identification of Related Parties and maintenance of list of Related Parties

- (a) Secretarial department shall coordinate with the concerned stakeholders viz. Shareholders, Directors, Key Managerial Personnel, Senior Officers, to collate the relevant information and maintain the database of Company's Related Parties in the format as per **Annexure 2**.
- (b) Each Director and KMPs of the Company shall, within seven days of his/her appointment and as at 31 March every, year disclose list of relatives and his/her interest in all the Companies or Firms or Body Corporate or any Association of Individuals on, in form MBP-1, which shall be placed before the Audit Committee and the Board at their first meeting held in the succeeding financial year.
- (c) Each SOs shall disclose list of their Relatives and/or Associated Entities, within seven days of his/her appointment and as at 31 March every year.
- (d) Any change in the aforesaid disclosure by the Directors, KMPs and SOs shall be disclosed by them within 7days of such change.
- (e) The database of Related Parties shall be updated based on inputs/ disclosures received from the Related Parties and other concerned stakeholders by the Secretarial Department and circulated to all the departments of the Company, in case of any change, or on a quarterly basis, whichever is earlier.
- (f) The said database of Related Parties shall be reviewed by the Secretarial team, on a quarterly basis.
- (g) The Company shall share the list of its Related Parties with its Subsidiary(ies) and obtain a similar list from its subsidiary, in case of any change or on a quarterly basis, whichever is earlier.

5. Manner of dealing with Related Party Transactions

RPTs undertaken by the Company is subject to obtaining prior approval of Audit Committee, Board and/ or the Shareholders, depending on its nature and if it exceeds the prescribed threshold limit. Situations under which said approval of Audit Committee and/or Board and/ or Shareholders, will be required, are as under:

I. Transactions requiring prior approval of Audit Committee

- a) AllRPTs including Material RPTs and subsequent Material Modifications thereof shall be subject to the prior approval of the Audit Committee. In the event any RPT is not approved and/or recommended by the Audit Committee, the RPT may be placed before

the Board of Directors for approval in accordance with the provisions of the Companies Act.

- b) Only those members of the Audit Committee of the Company, who are independent directors, shall be eligible to consider and approve RPTs. However, non-independent directors are entitled to, and may voice their opinion at the Audit Committee meeting seeking approval of the proposed RPTs and this process including the opinions (including any dissent or objection) shall be recorded in writing in the minutes of the meeting. Arm's length pricing report after external validation will be submitted before the Audit Committee for approval of any RPTs.
- c) in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorized by any other director, the director concerned shall indemnify the company against any loss incurred by it.

II. Transactions requiring prior approval of the Board of Directors

- a) Transaction covered under Section 188 of the Companies Act, 2013 (**Annexure – 3**) which are not in the ordinary course of business of the Company or not on an arm's length basis.
- b) Material Related Party Transactions and Material Modifications, requiring the approval of the shareholders, shall be approved by the Board.
- c) Related Party Transactions where Audit Committee of the Company is of the opinion that the same should be brought before the Board of Directors or if the Board of Directors suo-moto decides to review any such transaction.
- d) Any transaction not approved or recommended by the Audit Committee.

III. Transactions requiring prior approval of Shareholders

- a) Material Related Party Transactions as defined herein shall require a prior approval by way of an ordinary resolution unless otherwise provided under the applicable law.
- b) The RPTs between insurance intermediaries that are not on arm's length or in the ordinary course of business shall be further approved by the shareholders of the insurance intermediaries in the general meeting.

IV. Omnibus Approval

- a) Audit Committee shall lay down the criteria for granting the omnibus approval and grant the approval in line with this Policy and such approval shall be applicable in respect of RPTs, which are repetitive in nature, detailed as under. Such criteria shall be recommended for the approval of the Board.
 - 1. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - 2. the maximum value per transaction which can be allowed;
 - 3. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

4. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
 5. transactions which cannot be subject to the omnibus approval by the Audit Committee. Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: –
 1. repetitiveness of the transactions (in past or in future);
 2. justification for the need of omnibus approval.
- b) Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval would be in the interest of the Company.
 - c) Audit Committee shall review details of RPTs entered into by the Company pursuant to omnibus approval so granted, at its meeting, on a quarterly basis.
 - d) Such omnibus approval will be valid for a period of one financial year and shall require fresh approval after the expiry of the year. Audit Committee may review the maximum value of the transactions during the year, if it is found that the value as approved earlier by Audit Committee is not sufficient.
 - e) Only those members of the Audit Committee who are independent directors, shall be entitled to approve RPTs. The omnibus approval shall specify the following:
 - o name of the Related Parties;
 - o nature and duration of the transaction;
 - o maximum amount of transaction that can be entered into;
 - o the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - o any other information relevant or important for the Audit Committee to take a decision on the proposed transaction and the minimum information as stated under para 7 herein.
 - f) The Audit Committee may grant omnibus approval for unforeseen RPTs subject to their value not exceeding INR 50 lakhs , per transaction.

V. Restrictions in voting

- a) Any member of the Audit Committee/Board of the Company who has a potential conflict of interest in respect of any RPT/Material RPT and to any subsequent Material Modification thereto, shall restrain themselves from participating or voting at the meeting of the Audit Committee/Board, as the case may be.

VI. Review of Related Party Transaction

- a) Audit Committee and the Board shall review the list of RPTs, on a quarterly basis pursuant to omnibus approval/other approvals granted by it, as per requirements above, including RPTs with insurance intermediaries.
- b) Audit Committee and the Board shall review the status of long-term (more than one year) and/or recurring RPTs, on an annual basis.
- c) The statutory auditors of insurance intermediaries shall independently review the RPTs between insurance intermediaries on an annual basis and issue a certificate confirming compliance with the provisions of Sec 188 of the Companies Act. The certificate shall be submitted to IRDA by September 30 of the subsequent financial year.

6. Additional compliances in case of transactions with Associated Entities and Senior Officers

6.1 Loans, advances or awarding of Contracts to Associated Entities

- Approval of the Audit Committees shall be required for granting of any loans, advances or awarding of Contracts aggregating to INR 5 crore and above to Associated Entities.
- Above shall not apply for any loans, advances or awarding of contracts by the Company to its holding or subsidiary Companies unless Directors of the Company or their relatives is/are a Major Shareholder or has control over the said holding or subsidiary Company.
- Directors, interested in any proposals for any loans, advances or awarding of contracts placed before the Audit Committee meeting for approval, shall disclose the nature of interest and shall recuse from the meeting and shall not vote on such proposals. However, such interested Director shall be allowed to attend the meeting with the permission of Chairman.
- Any loans, advances or awarding of Contracts to the above borrowers less than INR 5 crore shall be in pursuance of the provisions of the Companies Act, 2013 read with applicable Rules and Regulations thereof and shall be approved as per the loan approval matrix of the Company. Any such loans, advances or awarding of Contracts shall be reported to the Audit Committee and the Board in the immediate next meeting.
- Company shall obtain details of all live loans, advances or Contracts (with the company) taken by an individual or their Relatives prior to becoming Director in the Company and the same shall be reported to the Board at the time of appointment.

Any loans to firms and entities where individual or their Relatives are interested prior to becoming Director in the Company, shall be assessed at the time of appointment and approvals of the Audit Committee meeting as per this policy shall be obtained after the appointment as the Directors in the Company.

6.2 Loans, advances or awarding of Contracts to Senior Officer or their Relatives

- Any loans, advances or awarding of Contracts by the Company to its Senior Officers or their relatives shall be reported to the Audit Committee and to the Board.
- Further, any Senior Officer or any committee where senior officer is a member shall not approve any loans to his/her relatives. Such loan shall be approved by the next higher sanctioning authority under the loan approval matrix of the Company.

6.3 General requirement

- Company shall obtain declaration form the borrower giving details of the relationship of the borrower to its Directors/ Senior officers for availing loans and advances aggregating INR 5 Crore and above from the Company. Loans to borrower shall be recalled if any false declaration is given by the borrower.

- Company shall disclose in the Annual Report, any loans, advances or Contracts made to Associated entities/ Senior Officer or relatives of Senior Officer in addition to disclosure w.r.t. related party transactions as mandated under RBI circular dated April 19, 2022 covering disclosure in financial statements notes to accounts of NBFCs. Disclosure shall be made in the format mentioned in **Annexure 4** of this Policy.

7. Information to be submitted for obtaining prior approval of Audit Committee/Board/Shareholders

Below is the list of minimum information/documents to be placed before the Audit Committee, Board or the shareholders of the Company, as the case may be, for approval of the RPTs/ material RPTs and to any subsequent material modification thereto.

- (a) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- (b) Type, material terms and particulars of the proposed transaction;
- (c) Tenure of the proposed transaction (particular tenure shall be specified);
- (d) Value of the proposed transaction;
- (e) The percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- (f) any advance paid or received, if any;
- (g) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (h) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (i) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- (j) Summary of the information and justification as to why the RPTs/ material RPTs and to any subsequent material modification thereto is in the interest of the Company, as placed before the Audit Committee and/ Board;

- (k) A copy of the valuation or other external party arm's length pricing report, if any such report has been relied upon and submitted by the Company, as aforesaid;
- (l) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs/ material RPTs and to any subsequent material modification thereto, on a voluntary basis;
- (m) Any other information that may be relevant.

8. Roles and Responsibility

Stakeholders	Roles and Responsibilities
Secretarial Team	<ul style="list-style-type: none"> • To obtain relevant details from directors and key managerial personnel of the Company as per Clause 4 of this Policy; • To obtain relevant details of other Related Parties; • To identify and prepare list of Related Parties; • To prepared and maintain data base of Related Party Transactions; • To send the list of Related Parties, including changes thereto, to all the concerned departments of the Company; • To ensure disclosures as per this Policy; • To upload the Policy on Related Party Transactions, as may be amended, from time to time on the website of the Company; • To place before the Audit Committee/ Board, details of existing loans and advances and contracts of directors proposed to be appointed.
Finance Team	<ul style="list-style-type: none"> • Based on updated list of related parties, updated by the Secretarial department, from time to time. • Provide details of RPTs/ material RPTs and any subsequent material amendment(s) thereto, including details of existing loans and advances and other contracts entered into with directors who are proposed to be appointed. • Ensure disclosure of details of RPTs in the Financial Statement of the Company as set out in this Policy and as per IND AS 24; • Make disclosure in the Financial Statement of the Company, in respect of any loans, advances and contracts with directors amounting to INR 5 crore and above. • Arrange for arm's length report in respect of Related Party Transactions proposed to be entered into by

	the Company, after external validation, and to place the same before the Audit Committee for their review.
Human Resource Team	<ul style="list-style-type: none"> • To obtain list of Relatives from the SOs of the Company, in terms of Clause 6 of this Policy; • To update database of SOs pursuant to any change in the details of previous disclosed by the SOs.
All Departmental Heads	<ul style="list-style-type: none"> • To obtain relevant information from the person with whom the Company proposes to enter into with any transaction, so as to establish whether or not such person is to be considered as a related party under the extant related party norms. Such information is to be shared promptly with the Secretarial Department. • Based on the said information, the Secretarial Department to review whether the transaction proposed to be entered with such person, is a related party in terms of the extant related party norms. • Secretarial Department to review and confirm, whether the proposed transaction comes within the purview of related party norms, then such customer/ vendor/ person shall be categorized as a related party and database updated, to facilitate compliances in terms of this Policy. • To co-ordinate and provide relevant information in respect of any RPT/ material RPT or any subsequent material amendment thereto entered/ to be entered into by the Company to the Secretarial/ Finance Department, for seeking the requisite approval of the Audit Committee/ Board/ Shareholders of the Company, as applicable.

9. Disclosure

- (a) This Policy shall be uploaded on the website of the Company and reproduce RPT Policy in the Corporate Governance Report, which forms part of the Annual Report.
- (b) Policy on Related Party Transaction shall be appropriately disclosed in the Directors Report of the Company;
- (c) The particulars of RPTs would form part of the Board's Report prepared in compliance and requirement of section 134(3) (h) of the Act in Form AOC-2.
- (d) The Company shall disclose particulars of RPTs in prescribed Form MBP-4 Part A and Part B, as applicable.
- (e) In the event of applicability of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall disclose details of

RPTs along with its standalone financial results, on a half yearly basis, in terms of Chapter VIII of SEBI Operational Circular dated July 29, 2022 and upload the same on its website.

- (f) Details of RPTs shall be disclosed as per disclosure norms under the Listing Regulations and other applicable Guidelines that may be issued by RBI.

Annexure 1

Definition Clause

Material Related Party Transaction	<p>Material Related Party Transaction under the Companies Act, 2013</p> <p>Following transactions with Related Parties, which are not in the ordinary course of business or not on an arm's length basis. It shall include:</p> <ul style="list-style-type: none"> (i) sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company; (ii) selling or otherwise disposing of, or buying, property of any kind amounting to 10% or more of net worth of the Company; (iii) leasing of property of any kind amounting to 10% or more of the turnover of the Company; (iv) availing or rendering of any services amounting to 10% or more of the turnover of the Company; (v) appointment of any agent for purchase or sale of goods, materials, services or property amounting to 10% or more of the turnover of the Company; (vi) Appointment to any office or place of profit in the company, subsidiary company or associate company with monthly remuneration exceeding two and a half lakh rupees; (vii) For remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1 % of the net worth. <p>Note:</p> <ul style="list-style-type: none"> i) The Limits specified in (i) to (v) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year. ii) The Turnover or Net Worth shall be computed on the basis of the Audited Financial Statement of the preceding financial year. <p>Material Related Party Transaction under Listing Regulations:</p> <ul style="list-style-type: none"> (i) Means a transaction with a Related Party where the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 crore or 10 (ten) percent of the Annual Consolidated Turnover of the Company, as per the last audited financial statement of the Company, whichever is lower. (ii) However, transaction involving payments made to a Related Party for brand usage or brand royalty, shall be considered material, if it individually or taken together with previous transactions, during a financial year, exceed 5% of the Annual
---	---

	<p>Consolidated Turnover of the Company, as per the last audited financial statement.</p>
--	---

	<p>It is clarified that the threshold for transaction(s) of similar nature, shall be computed considering all previous transaction(s), entered into during a financial year.</p>
--	--

Related Party	<p>As per Reg. 2 (zb) of the Listing Regulations</p> <p>Related Party means a related party as defined under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.</p> <p>Provided that:</p> <ul style="list-style-type: none"> (a) any person or entity forming a part of the promoter or promoter group of the Company; or (b) any person or any entity, holding equity shares: <ul style="list-style-type: none"> (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023; in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediately preceding financial year; shall be deemed to be a related party. <p>Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)</p> <p>As per IND AS 24 [Relevant for seeking approval of Audit Committee/ Board/ Shareholders and disclosure in the Annual Report]</p> <p>A related party is a person or entity that is related to the Company</p> <ul style="list-style-type: none"> (a) A person or a close member of that person's family is related to the Company, if that person: <ul style="list-style-type: none"> (i) has control or joint control over the Company; (ii) has significant influence over the Company; or (iii) is a member of the key management personnel of the Company or of a parent of the Company. (b) An entity shall be deemed to be related to the Company, if any of the following conditions applies: <ul style="list-style-type: none"> (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of the Company or an entity related to the Company. If the Company itself is such a plan, the
----------------------	---

	<p>sponsoring employers are also related to the reporting entity.</p> <p>(vi) The entity is controlled or jointly controlled by a person identified in clause (a) above.</p> <p>(vii) A person identified in (a)(i) above, who has significant influence over the Company or is a key management personnel of the Company or its holding company.</p> <p>(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.</p> <p>(c) Whilst determining a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.</p> <p>It is clarified that:</p> <ul style="list-style-type: none"> • Close members of the family of a person are those who fall within the meaning of the term ‘relative’ under the Companies Act 2013 and that includes a person’s spouse or domestic partner, brother, sister, parents, children and dependants of that person’s spouse or domestic partner. • Compensation includes all employee benefits (as defined in Ind AS 19 Employee Benefits) including employee benefits to which Ind AS 102 Sharebased Payments applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. • Compensation includes: <ul style="list-style-type: none"> (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;
--	---

- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- (d) termination benefits; and
- (e) share-based payment.

- An investor shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee if and only if the investor has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns [IND AS 110]

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.
- Government refers to government, government agencies and similar bodies whether local, national or international. A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government.
- Whilst identifying each possible related party relationship, focus shall be on the substance of the relationship and not merely the legal form.

	<p>However, the following shall not be considered as related parties:</p>
--	---

- | | |
|--|--|
| | <ul style="list-style-type: none">a) two entities simply because they have common director or key management personnel or because a key management personnel of the Company has significant influence over the other entity.b) two venturers, simply because they share joint control over a joint venture.<ul style="list-style-type: none">a) providers of finance, (ii) trade unions, (iii) public utilities, and (iv) departments and agencies of a government that does not control, jointly control or significantly influence the Company, simply by virtue of their normal dealings with the Company (even though they may affect the freedom of action of the Company or participate in its decision-making process).b) a customer, supplier, franchisor, distributor or general agent with whom the Company transacts a significant volume of business, simply by virtue of the resulting economic dependence. |
|--|--|

Annexure 2

Sr. No.	Disclosure received from	Name of Related Parties	Nature of interest

Annexure 3

List of related party transactions, under Section 188 of the Companies Act, 2013:

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions exceeding such sums, as defined under 'material RPTs' herein, shall be entered into except with the prior approval of the company by a resolution.

No member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party. Provided that this shall not apply to the company if ninety per cent. or more members, in number, are relatives of the promoters or are related parties.

However, the above stated provisions shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

The requirement of passing the resolution by shareholders shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

For the purpose of this clause,

- (a) the expression "office or place of profit" means any office or place—
 - (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rentfree accommodation, or otherwise;
 - (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

- (b) the expression “arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Annexure 4

Disclosure as Loans to Directors, Senior Officers and relatives of Directors

(Amount in crores)

Particular	Current Year	Previous Year
Directors and their relatives		
Entities associated with directors and their relatives		
Senior Officers and their relatives		

Related Party Disclosure as per Guidelines on Disclosure requirements under Scale Based Regulation for NBFCs

Items	Related Party		Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
	Curr ent	Prev ious	Curr ent	Prev ious	Curr ent	Prev ious	Curr ent	Prev ious	Curr ent	Prev ious	Curr ent	Prev ious	Curr ent	Prev ious	Curr ent	Prev ious
	year	year	year	year	year	year	year	year	year	year	year	year	year	year	year	year
Borrowings#																
Deposits#																
Placement of deposits#																
Advances#																
Investments#																
Purchase of fixed/other assets																
Sale of fixed/other assets																
Interest paid																
Interest Received																
Others*																

@ Disclosures for directors and relatives of directors should be made separately in separate columns from the KMPs and relatives of other KMPs.

The outstanding at the year end and the maximum during the year are to be disclosed.

* Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.

SKP & CO.
Company Secretaries

SECRETARIAL AUDIT REPORT

LENDINGKART FINANCE LIMITED
F.Y.2024-25

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

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

To,

The Members,

Lendingkart Finance Limited

CIN: U65910MH1996PLC258722

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Lendingkart Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 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 hereinafter:



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

1. The Companies Act, 2013 ("the Act") and the rules made there under, as applicable;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), wherever applicable :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure



Requirements) Regulations, 2015 and;

- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

6. The Reserve Bank of India Act, 1934, Rules and Regulations made and Directions, Circulars and Notifications issued hereunder.

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 Agreement entered into by the Company with BSE 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 at least seven days in advance except wherever a meeting was duly called on shorter notice as per the prescribed procedure, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



We further report that during the audit period, the Company has issued and allotted Non-Convertible Debentures of INR 300 Crores (Indian Rupees Three Hundred Crores) in aggregate, which have been listed on BSE Limited ("BSE"). During the audit period, the Company has issued and allotted 1,49,76,509 (One Crore Forty-Nine Lakh Seventy-Six Thousand Five Hundred Nine) Series A Compulsorily Convertible Preference Shares of face value INR 100 (Indian Rupees Hundred) each on right issue basis to Lendingkart Technologies Private Limited, holding company of the Company. However, the Company has not undertaken such events as public, preferential issue of shares, or sweat equity; buy-back of securities; major decision by the Members in pursuance to Section 180 of the Companies Act, 2013; merger, amalgamation or reconstruction; Foreign Technical Collaboration or any other like event(s)/action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, et cetera.

For **SKP & Co.**

Company Secretaries



(CS Sundeep K. Parashar)

M. No. : F6136

C.P. No. : 6575

PR No. : 1323/2021

UDIN : F006136G000991791

Place: Vaishali

Date: 13.08.2025

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report. The figures reported hereinabove have been rounded off to the nearest crore of rupees.

Annexure-A

Our Secretarial Audit Report of even date issued to M/s Lendingkart Finance Limited (CIN: U65910MH1996PLC258722) 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 our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial record and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date:13.08.2025

Place: Vaishali



For SKP & Co.
Company Secretaries

(CS Sundeep K. Parashar)

M. No. : F6136

PR No. : 1323/2021

C.P. No. : 6575

UDIN: F006136G000991791

INDEPENDENT AUDITORS' REPORT

**To the Members of
Lendingkart Finance Limited**

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS Financial Statements of **Lendingkart Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Ind AS Financial Statements gives a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss [including other comprehensive income], the statement of changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current year. These matters were addressed in the context of our audit of the Ind AS 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 matters described below to be the key audit matters to be communicated in our report.

2

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Expected Credit Loss (ECL) on Loans and Advances</p> <p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans and Advances ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>As at March 31, 2025, the carrying value of loan assets measured at amortized cost, aggregated Rs. 138, 235.30 Lakhs (net of allowance of ECL Rs. 8359.22 Lakhs) constituting 52.82 % of the Company's total assets.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <p>a) Data inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to apply assumptions in the model.</p> <p>b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD") considering impact of infrequent past events on future probability of default and forward - looking macro – economic factors. The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most</p>	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Evaluating the Company's policy, as approved by the Board of Directors, for impairment of carrying value of loans and advances and assessing appropriateness of the Company's impairment methodologies as required under Ind AS 109.</p> <p>b) Obtained an understanding of the ECL model adopted by the Company including the key inputs and assumptions including management overlays.</p> <p>c) Testing the design and effectiveness of internal controls over the following:</p> <ul style="list-style-type: none"> ➤ key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. ➤ key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. ➤ management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. <p>d) Also, for a sample of ECL allowance on loan assets tested:</p> <ul style="list-style-type: none"> ➤ Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, model assumptions applied, and make inquiries with management. ➤ We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. ➤ we evaluated reasonableness of LGD estimates by comparing actual recoveries

9

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>significant judgmental aspect of the Company's modelling approach.</p> <p>c) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default' particularly for corporate portfolio, wherein Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures is reviewed and accounted on a case- by -case basis.</p> <p>d) Qualitative and quantitative factors used in staging the loan and estimation of behavioural life for the loan assets measured at amortized cost.</p> <p>e) Adjustments to model driven ECL results to address emerging trends.</p> <p>Refer Note 3(vii) and Note 58(C) of the Ind AS Financial Statements.</p>	<p>post the loan asset becoming credit impaired with estimates of LGD.</p> <ul style="list-style-type: none"> ➤ tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. ➤ we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. <p>e) We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee.</p> <p>f) Testing management's controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI.</p> <p>g) Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used.</p> <p>h) We also made management enquiries with respect to the overlay quantum.</p> <p>i) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</p> <p>j) Discussed with the management, the approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals.</p> <p>k) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the</p>

Sr. No.	Key audit matters	How our audit addressed the key audit matter
		requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.

4. Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion and Analysis, but does not include the Ind AS Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

5. Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial 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 the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- i. Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. 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 an adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 Company to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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.

- v. Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ind AS 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.

7. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit 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 purpose 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 except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.;
 - e. On the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 the Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report.

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, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197(16) 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 (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 the financial position in its Ind AS financial statements - Refer Note 50 to the Ind AS Financial Statements.
- (ii) The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025;
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 59(iv) to Ind AS financial statements);

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 59(v) to Ind AS financial statements); and

2

(c) Based on audit procedures 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.

(vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 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, except in respect of one accounting software (LMS), the audit trail feature was not enabled at the database level to log any direct data changes up to January 27, 2025.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention except for the software mentioned above regarding with the audit trail till January 27, 2025.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm registration No. 106655W



Abhay V. Kamat
Partner
Membership No. 039585
UDIN: 25039585BMIWBQ2414
Place: Mumbai
Date: May 29, 2025

Annexure A to the Independent Auditors' Report of even date on the Ind AS financial statements of Lendingkart Finance Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

- (i) In respect of the Company's Property, Plant and Equipment, Right of Use Assets and Intangible Assets:
 - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. and relevant details of Right-of-Use Assets.

B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
 - b) As per information and explanations given to us the Property, Plant and Equipment and Right-of-Use Assets have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and on the basis of explanations received no material discrepancies were noticed during the verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have ownership of any immovable property.
 - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
 - e) According to the information and explanations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
 - a) The Company does not have any inventory and hence reporting under clause 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 or financial institutions on the basis of security of loans (assets). Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the Company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company.



- (iii) a) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- b) Considering that the Company is a Non – Banking Finance Company, the investments made, guarantees provided, security given and the terms and conditions of all loans and advances granted in the nature of loans are not prima facie prejudicial to the Company's interest.
- c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. Note 3(vii) to the Ind AS Financial Statements sets out the Company's accounting policy for the impairment of financial assets, including loans. In accordance with this policy, as at 31 March 2025, loans with aggregate outstanding balances of ₹6,348.83 lakhs were categorised as credit-impaired ("Stage 3"), and loans with aggregate outstanding balances of ₹6,125.18 lakhs were categorised as having a significant increase in credit risk since initial recognition ("Stage 2"). Relevant disclosures in respect of these loans have been made in Note 65 to the Ind AS Financial Statements. Given the nature of the Company's business and the volume of loans involved, it is not practicable to provide a borrower-wise schedule of loans where repayment of principal and/or interest is in arrears.
- d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for the following cases as on March 31, 2025:

(Rs. In Lakhs)			
Number of Cases	Principal Amount	Interest Amount	Total Amount
2,865	5795.64	553.19	6,348.83

Further, basis discussions with the management we understand that the reasonable steps have been taken by the Company for recovery of the principal and interest.

- e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.
- f) Basis the information and explanations provided to us, during the year, we did not come across any loans or advances in the nature of loans that were either repayable on demand or without specified terms of repayment, except for a loan of Rs. 1,762.57 lakhs given to the holding company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable, and hence not commented upon.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder hence reporting under paragraph 3(v) of the Order is not applicable to the Company.

9

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of Statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities except for payment of provident fund dues where there has been delay for two cases. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.
- b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of provident fund, employees' state insurance and goods and services tax that have not been deposited on account of any dispute except, in case of following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Disputed Amount (Rs. in Lakhs)	Amount Paid / Adjusted	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax, 2017	Goods and Services Tax	13.93	-	2019-20	Assistant Commissioner (Appeal to Appellate Authority)
		07.12	-	2020-21	
	Total	21.00	-		

(Note : The above balance do not include amounts of interest and penalty.)

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and to the best of our knowledge and belief, 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.

9

- d) On an overall examination of the Ind AS financial statements of the Company, funds raised on short-term basis do not seem to have been used during the year for long-term purposes.
- e) According to the information and explanations given to us and based on the audit procedures performed by us, the company does not have any subsidiaries, joint ventures or associates companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- f) According to the information and explanations given to us and based on the audit procedures performed by us, the company does not have any subsidiaries, joint ventures or associates companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable.
- b) The company has made preferential allotment of Compulsory Convertible Preference Shares during the year and the requirements of Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xi) a) According to the information and explanations given to us, no material fraud by the company or on the Company has been noticed or reported during the year, other than instances of frauds noticed and reported by the management in terms of regulatory provisions applicable to the Company amounting to Rs.306.47 Lakhs.
- b) According to the information and explanations given to us and 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 up to the date of this report.
- c) According to information and explanation given to us, the Company has not received any whistle blower complaints during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

2

- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable.
- (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) According to the information and explanations given to us and based on audit procedures performed by us, the company has not conducted any Non-Banking Financial Activities during the year without a valid certificate of registration (CoR) from the RBI. Further as represented by the Management, the company has not engaged in Housing Finance Activities.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, there is no CIC in the Group and hence reporting under paragraph 3 (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses in the current year of Rs. 2,200.47 Lakhs. (FY 2023-24 Nil).
- (xviii) There has been no resignation of statutory auditors during the year and hence reporting under paragraph 3 (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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 Ind AS 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 the 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.

2

- (xx) a) According to the information and explanations given to us and based on audit procedures performed by us, the Company does not meet the criteria for Corporate Social Responsibility (CSR) under Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and based on audit procedures performed by us, the Company *did not have any ongoing project* in terms of Section 135 of the Act during the year. Accordingly, provision of sub section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W



Abhay V. Kamat
Partner
Membership No. 039585
UDIN:25039585BMIWBQ2414

Place: Mumbai
Date: May 29, 2025

Annexure B to the Independent Auditors' Report of even date on the Ind AS financial statements of Lendingkart Finance Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. We have audited the internal financial controls over financial reporting with reference to the Ind AS Financial Statements of Lendingkart Finance Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

4. A Company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. 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 system over financial reporting and such controls were operating effectively as at March 31, 2025 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Registration No. 106655W



Abhay V. Kamat

Partner

Membership No. 039585

UDIN: 25039585BMIWBQ2414

Place: Mumbai

Date: May 29, 2025

Lendingkart Finance Limited
Balance Sheet as at March 31 2025

(₹ in lakhs unless otherwise stated)

Particulars	Notes	March 31 2025	March 31 2024
Assets			
Financial assets			
Cash and cash equivalents	6	23,719.66	37,086.60
Bank balances other than cash and cash equivalents	7	33,255.52	34,204.94
Trade receivables	8	157.63	898.05
Loans	9	1,38,235.30	2,13,008.22
Investments	10	1,987.83	-
Other financial assets	11	43,855.04	59,371.41
		2,41,210.98	3,44,569.22
Non-financial assets			
Current tax assets (Net)	12	2,178.74	4,507.45
Deferred tax asset (Net)	13	14,446.00	3,593.49
Property, plant and equipment	14	290.82	538.06
Intangible assets	15	24.98	52.00
Intangible assets under development	16	52.12	-
Goodwill	17	589.23	-
Right-of-use assets	14	2,566.06	2,984.28
Other non-financial assets	18	352.79	416.58
		20,500.74	12,091.86
Total assets		2,61,711.72	3,56,661.08
Liabilities and Equity			
Liabilities			
Financial liabilities			
Trade Payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		14.84	91.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		824.08	653.97
Debt Securities	20	81,587.82	1,00,345.81
Borrowings (Other than debt securities)	21	81,650.33	1,37,284.09
Subordinated liabilities	22	4,335.09	5,471.12
Other financial liabilities	23	19,845.72	30,083.03
		1,88,257.88	2,73,929.61
Non Financial liabilities			
Provisions	24	1,204.29	1,011.89
Other non-financial liabilities	25	724.91	1,609.32
		1,929.20	2,621.21
Equity			
Equity share capital	26	19,395.30	4,418.79
Other equity	27	52,129.34	75,691.47
		71,524.64	80,110.26
Total liabilities and equity		2,61,711.72	3,56,661.08

The accompanying Notes are an integral part of the Financial Statements.
As per our report of even date

1

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

Abhay V. Kamat
Partner
Membership No. 039585

Place: Mumbai
Date: May 29 2025



For and on behalf of Board of Directors

Prashant Prakash Joshi
Chief Executive Officer

Place: Mumbai
Date: May 29 2025

Anisha Seth
Chief Financial Officer

Place: Mumbai
Date: May 29 2025

Thallapaka Venkateswara Rao
Chairman
DIN No. 05273533

Place: Bengaluru
Date: May 29 2025

Rochak Dhariwal
Company Secretary
Membership No. A57383

Place: Ahmedabad
Date: May 29 2025



Lendingkart Finance Limited
Statement of Profit & Loss for the Year ended March 31 2025

(₹ in lakhs unless otherwise stated)

Particulars	Notes	March 31 2025	March 31 2024
Revenue from operations			
Interest Income	28	81,231.74	1,01,336.81
Fees and commission income	29	3,218.15	7,576.88
Net Gain/(Loss) on derocognition of financial instruments	30	1,769.57	5,281.41
Total Revenue from operations		86,219.46	1,14,195.10
Other Income	31	479.48	449.71
Total income		86,698.94	1,14,644.81
Expenses			
Finance Costs	32	29,779.74	27,085.44
Fees and commission expenses	33	9,845.15	12,562.39
Impairment of financial instruments	34	52,345.57	25,631.49
Employee Benefit expenses	35	16,472.05	14,735.02
Depreciation and amortisation expenses	36	1,002.05	941.41
Other Expenses	37	16,906.20	25,657.71
Total Expenses		1,26,350.76	1,06,613.46
Profit/(Loss) before Tax		(39,651.82)	8,031.35
Tax Expense :			
- Current tax			666.53
- Deferred Tax (Income)/expense	38	(10,817.86)	1,357.27
Total Tax Expenses		(10,817.86)	2,023.80
Profit/(Loss) after tax		(28,833.96)	6,007.55
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (losses) on defined benefit plans		(1.35)	(32.83)
Change in fair value of investment through OCI		(0.82)	
Income tax relating to items that will not be reclassified to profit or loss		0.55	8.26
Other comprehensive income, net of tax		(1.62)	(24.57)
Total Comprehensive Income		(28,835.58)	5,982.98
Earning per equity share: [In absolute ₹]			
Basic	39	(61.91)	13.60
Diluted	39	(61.91)	13.60

The accompanying Notes are an integral part of the Financial Statements.
As per our report of even date

1

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

Abhay V. Kamat
Partner
Membership No. 039585

Place: Mumbai
Date: May 29 2025



For and on behalf of Board of Directors

Prashant Prakash Joshi
Chief Executive Officer

Place: Mumbai
Date: May 29 2025

Anisha Seth
Chief Financial Officer

Place: Mumbai
Date: May 29 2025

Thallapaka Venkateswara Rao
Chairman
DIN No. 05273533

Place: Bengaluru
Date: May 29 2025

Rochak Dhariwal
Company Secretary
Membership No. A57383

Place: Ahmedabad
Date: May 29 2025



Equity share capital

Particulars	No of shares	Amount
Balance as at April 01 2023	4,41,87,931	4,418.79
Changes in Share Capital due to prior period errors	-	-
Changes in share capital during the year	-	-
Balance as at March 31 2024	4,41,87,931	4,418.79
Changes in Share Capital due to prior period errors	-	-
Changes in share capital during the year	1,49,76,509	14,976.51
Balance as at March 31 2025	5,91,64,440	19,395.30

Equity Share capital

Particulars	No of shares	Amount
Balance as at April 01 2023	4,41,87,931	4,418.79
Changes in equity share Capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Balance as at March 31 2024	4,41,87,931	4,418.79
Changes in equity share Capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Balance as at March 31 2025	4,41,87,931	4,418.79

Preference Share capital

Particulars	No of shares	Amount
Balance as at April 01 2023	-	-
Changes in share capital due to prior period errors	-	-
Changes in share capital during the year	-	-
Balance as at March 31 2024	-	-
Changes in preference share capital due to prior period errors	-	-
Changes in preference share capital during the year	1,49,76,509	14,976.51
Balance as at March 31 2025	1,49,76,509	14,976.51

Other equity

Particulars	Reserves and Surplus			OCI Reserves	Deemed capital contribution from holding company	Total other equity
	Securities premium	Retained earnings	Statutory Reserve as per RBI Act			
Balance as at April 01 2023	67,246.84	(4,101.57)	3,971.36	77.50	1,053.71	68,247.84
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	67,246.84	(4,101.57)	3,971.36	77.50	1,053.71	68,247.84
Total comprehensive Income	-	5,982.98	-	-	-	5,982.98
Other comprehensive income (net of tax)	-	24.57	-	(24.57)	-	-
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	(1,201.51)	1,201.51	-	-	-
Deemed capital contribution	-	-	-	-	1,460.65	-
Balance as at March 31 2024	67,246.84	704.47	5,172.87	52.93	2,514.36	75,691.47
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	67,246.84	704.47	5,172.87	52.93	2,514.36	75,691.47
Total comprehensive Income	-	(28,835.58)	-	-	-	(28,835.58)
Other comprehensive income (net of tax)	-	1.62	-	(1.62)	-	0.00
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	-	-	-	-	-
Deemed capital contribution	-	-	-	-	1,600.57	1,600.57
Balance as at March 31 2025	70,919.71	(28,129.49)	5,172.87	51.31	4,114.93	52,129.34

The accompanying Notes are an integral part of the Financial Statements.
As per our report of even date

1

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

Abhay V. Kamat
Partner
Membership No. 039585

Place: Mumbai
Date: May 29 2025



For and on behalf of Board of Directors

Prashant Prakash Joshi
Chief Executive Officer

Place: Mumbai
Date: May 29 2025

Anisha Seth

Anisha Seth
Chief Financial Officer

Place: Mumbai
Date: May 29 2025

Thallapaka Venkateswara Rao
Chairman
DIN No. 05273533

Place: Bengaluru
Date: May 29 2025

Rochak Dhariwal

Rochak Dhariwal
Company Secretary
Membership No. A57383

Place: Ahmedabad
Date: May 29 2025



Particulars	March 31 2025	March 31 2024
Operating activities		
Profit before tax	(39,651.82)	8,031.35
Adjusted for:		
Impact of EIR of financial assets	2,746.61	(2,992.72)
Impact of EIR of financial liabilities	(1,357.61)	(3,624.71)
Upfront gain on direct assignment	(1,769.57)	(5,281.41)
Impact of Corporate Guarantee Fees	1,600.57	1,460.65
Interest on finance lease liability	425.11	367.06
Provision for gratuity	57.38	120.86
Provision for leave benefit	135.02	313.14
Impairment of loans	2,359.31	(197.44)
Impairment of other financial assets	34,558.33	4,212.52
Bad debts written offs	15,427.93	21,616.41
Discount on Commercial Paper	354.47	351.87
Interest Income on Investment	(24.78)	-
Depreciation and amortisation	1,002.05	941.41
Interest on bank deposits	(3,835.77)	(2,546.74)
Interest on term loans	(34,654.12)	(39,648.89)
Finance costs	28,652.19	28,443.75
PPE & Intangible assets under development written off	(0.24)	3.42
Actuarial gain/(loss) recognised in OCI	(1.35)	(32.83)
Change in fair value of investment through OCI	(0.82)	-
	6,022.89	11,537.70
Interest received on bank deposit	3,752.92	2,436.68
Interest received on term loans	36,542.71	35,605.74
Repayment of finance cost	(29,598.73)	(31,178.41)
Cash generated from operating activities before working capital changes	16,719.79	18,401.71
Changes in working capital:		
- (Increase) / decrease in trade receivables	740.43	(814.81)
- (Increase) / decrease in loans	56,188.59	(53,457.80)
- (Increase) / decrease in other financial Assets	(20,019.01)	(5,196.78)
- (Increase) / decrease in other non-financial Assets	(195.47)	(445.13)
- Increase / (decrease) in other financial liabilities	(9,032.07)	(3,081.81)
- Increase / (decrease) in other non-financial liabilities	(884.41)	(150.96)
	43,517.85	(44,745.58)
- Income Tax paid (Net)	2,294.62	(1,547.53)
Net cash flows from / (used in) operating activities	45,812.47	(46,293.11)
Investing activities:		
Purchase of PPE and intangible assets	(692.67)	(676.44)
Proceeds from sale of fixed assets	1.25	0.96
Movement in bank balances other than cash and cash equivalents	1,032.27	(10,724.39)
Interest received on bank deposit	10.35	-
Investment in Government securities	(1,973.40)	-
Net cash generated from / (used in) investing activities	(1,622.20)	(11,399.87)
Financing activities:		
Issue of equity share capital (including securities premium)	18,832.72	-
Share issue expenses	(183.34)	-
Proceeds from debt securities	31,753.47	77,655.50
Repayment of debt securities	(44,719.30)	(23,919.72)
Proceeds from borrowings (other than debt securities)	31,817.14	1,08,870.84
Repayment of borrowings (other than debt securities)	(57,862.46)	(77,059.31)
Proceeds/(repayment) of subordinated liabilities	(1,000.00)	3,000.00
Proceeds from issue of commercial paper	8,000.00	7,438.89
Repayment of commercial paper	(13,334.41)	(4,070.43)
Change in Cash Credit / Overdraft	(1,366.93)	(4,836.70)
Repayment of lease liabilities	(935.15)	(730.94)
Proceeds/(repayment) from securitisation borrowing	(28,558.95)	(9,619.44)
Net cash generated from / (used in) financing activities	(57,557.21)	76,728.69



Particulars	March 31 2025	March 31 2024
Net increase / (decrease) in cash and cash equivalents	(13,366.94)	19,035.71
Cash and cash equivalents as at the beginning of the year	37,086.60	18,050.89
Cash and cash equivalents as at the end of the year	23,719.66	37,086.60
Components of cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
- With banks in current accounts	10,485.64	14,775.54
- In deposit accounts with original maturity of less than 3 months	13,234.02	22,311.06
Cash and cash equivalents	23,719.66	37,086.60

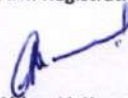
The above cash flow statement has been prepared under the Indirect method as prescribed in Ind AS - 7 on Statement of cash-flows.

The accompanying Notes are an integral part of the Financial Statements.

1

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W


Abhay V. Kamat
Partner

Membership No. 039585

Place: Mumbai
Date: May 29 2025



For and on behalf of Board of Directors


Prashant Prakash Joshi
Chief Executive Officer

Place: Mumbai
Date: May 29 2025


Thallapaka Venkateswara Rao
Chairman
DIN No. 05273533

Place: Bengaluru
Date: May 29 2025


Anisha Seth
Chief Financial Officer

Place: Mumbai
Date: May 29 2025


Rochak Dhariwal
Company Secretary
Membership No. A57383

Place: Ahmedabad
Date: May 29 2025



1. Corporate information

Lendingkart Finance Limited ("the Company") is a public limited company domiciled in India. The Company is a "Non-Banking Financial Company" as defined under section 45-IA of the Reserve Bank of India ("RBI") Act, 1934 and engaged in the business of providing working capital loan to the Small and medium sized enterprises and others and personal loans. The Company is a non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) with effect from 15 April 2014, with Registration No. B-13.02085 (Issued in lieu of CoR No. B-09.00363). RBI, vide the circular – 'Harmonisation of different categories of NBFCs' issued on 22 February 2019, with a view to provide NBFCs with greater operational flexibility and harmonisation of different categories of NBFCs into fewer categories based on the principle of regulation by activity, merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC – Investment and Credit Company (NBFC-ICC). Accordingly, the Company has been reclassified as NBFC Investment and Credit Company (NBFC-ICC).

The Company has its registered office at Office 3 Connekt, 401/B, 4th Floor, Silver Utopia, Cardinal Gracious Road, Andheri East, Mumbai Suburban - 400099, Maharashtra, India. As at March 31 2025, Lendingkart Technologies Private Limited ("Holding Company") owned 100% of the Company's equity share capital and has the ability to control its operating and financial policies.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

2.1 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Act applicable for preparation and presentation of the financial statements and disclosure required by Master Directions of the RBI. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event.

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized. Revisions to accounting estimates are recognised prospectively.

3. Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.



a. Interest income

- (i) The Company calculates interest income by using the effective interest rate (EIR) method to gross carrying amount of financial asset other than credit impaired assets.
- (ii) When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.
- (iii) Loan processing fee/document fees/stamp fees/ annual maintenance charges which are an integral part of financials assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through the assignment.
- (iv) Additional charges such as penalty, cheque dishonour, foreclosure charges, delayed payment charges etc. are recognized on realization basis.

The effective interest rate method

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

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

The Company recognises interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset/ liability. The future cash flows are estimated taking into account all the contractual terms of the asset/ liability. If expectations regarding the cash flows on the financial asset/ liability are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset/ liability in the balance sheet. The adjustment is subsequently amortised through Interest income/ expense in the statement of profit and loss.

b. Net gain on fair value changes

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

c. Net gain/(loss) on de-recognition of financial instruments under amortised cost category

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in statement of profit and loss. Income from direct assignment transaction represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and consideration received (including any new asset obtained less any new liability).



d. Rendering of services

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

(ii) Recognition of expenditures**a. Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR.

b. Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets/ liabilities, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

c. Taxes

Expenses are recognized net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

(iii) Financial Instruments

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

a. Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The company recognises debt securities and borrowings when funds are received by the company.

b. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities at FVTPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the company accounts for the Day one profit or loss, as described below.

c. Day one profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the company recognises the difference between the transaction price and fair value in net gain on fair value changes.



d. Measurement categories of financial assets

The company classifies all of its financial assets based on the business model for managing the assets and the contractual terms, measured at either:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL)

(iv) Financial assets and liabilities**a. Bank balances, Loans, Trade receivables and financial assets at amortised cost**

The company measures Bank balances, Loans and other financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

➤ Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated financial assets going forward. The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows.

➤ The SPPI test

As a second step of its classification process the company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

b. Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

c. Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or



- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

d. Financial assets at FVOCI

The Company classifies its investments and financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

e. Financial guarantees and undrawn loan commitments

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium/deemed premium received. Subsequent to initial recognition, the company's liability under each guarantee is measured at the higher of the amount of loss allowance or the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium/deemed premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

(v) Reclassification of financial assets and liabilities

The company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

(vi) Derecognition of financial assets and liabilities

a. Derecognition of financial assets due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either:

- The company has transferred substantially all the risks and rewards of the asset; Or
- The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.



Pass-through arrangements are transactions whereby the company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The company cannot sell or pledge the original asset other than as security to the eventual recipients. The company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

The company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the company's continuing involvement, in which case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

b. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(vii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortized cost along with related undrawn commitments and loans sanctioned but not disbursed (collectively known as exposure at default).

a. Overview of the ECL principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.



Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The 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.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

The Company classifies its financial assets in three stages having the following characteristics:

- **Stage 1:** unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- **Stage 2:** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- **Stage 3:** objective evidence of impairment and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

b. The calculation of ECLs

The company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **Probability of Default (PD)**
The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **Exposure at Default (EAD)**
The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **Loss given Default (LGD)**
The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the company has the legal right to call it earlier.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company, considering the macroeconomic environment and other available information, estimated various scenarios and applied management overlay while arriving at the provision from expected credit loss.



The mechanics of the ECL method are summarised below:**➤ Stage-1:**

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD. This calculation is made for each of the three scenarios, as explained above.

➤ Stage-2:

When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

➤ Stage-3:

For loans considered credit-impaired, the company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

➤ Loan commitments:

When estimating LTECLs for undrawn loan commitments, the company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

➤ Financial guarantee contracts:

The company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

c. Contract assets

The company follows 'simplified approach' for recognition of impairment loss allowance on contract assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on portfolio of its assets. The provision matrix is based on its historically observed default rates over the expected life of the assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

(viii) Sovereign Credit Guarantee Schemes

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has been set up jointly by Ministry of MSME, Government of India and SIDBI to catalyse flow of institutional credit to Micro & Small Enterprises (MSEs).

Credit Guarantee Fund for Micro Units (CGFMU) is the Credit Guarantee Trust under the management of National Credit Guarantee Trustee Company Limited (NCGTC), established by the Department of Financial Services, Ministry of Finance.

CGTMSE and CGFMU have been instrumental in providing guarantee cover on credit extended by eligible Member Lending Institutions [MLIs] to MSEs. The Company is a MLI in these schemes and has obtained sovereign guarantee cover on its portfolio. Accordingly, the Company has incorporated the benefit of this sovereign guarantee cover in calculation of impairment of loan assets.



(ix) Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the available accumulated loss shall be reversed, and the total amount amount will be provided as write off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

Determination of fair value

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

➤ **Level-1 financial instruments**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the company has access to at the measurement date. The company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

➤ **Level-2 financial instruments**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the company will classify the instruments as Level 3.



➤ **Level-3 financial instruments**

Those that include one or more unobservable input that is significant to the measurement as whole.

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

(x) **Foreign Currency translation**

a. **Functional and presentational currency**

The company financial statements are presented in Indian Rupees (₹) which is also the functional currency of the company.

b. **Transactions and balances**

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

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

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

(xi) **Leases**

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

a. **Company as a lessee**

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

➤ **Right-of-use assets**

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

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

➤ **Lease liabilities**

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



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

➤ **Short-term leases and leases of low-value assets**

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

b. Company as a lessor

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

(xii) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash at bank, including fixed deposits & highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(xiii) Property, plant and equipment

Property plant and equipment is recognised as an asset when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the assets can be measured reliably. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost excludes expenditures related to day-to-day servicing, which are recognised in profit or loss as incurred.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use.

Depreciation on property, plant and equipment is provided on the written down value method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Act which is also as per the useful life of the assets estimated by the management.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.



(xiv) Intangible assets

The company's intangible assets mainly include the value of computer software and Goodwill.

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised using the straight-line method over a period of three years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(xv) Impairment of non-financial assets

The company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(xvi) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss under impairment of financial instruments. The premium received is recognised in the statement of profit and loss under interest income on a straight-line basis over the life of the guarantee.

(xvii) Retirement and other employee benefits

a. Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the government provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already



paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b. Gratuity liability

Gratuity liability is a defined benefit plan and the costs of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments or nonroutine settlements; and
- Net interest expense or income

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

(xviii) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(xix) Taxes

a. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the jurisdiction where the company operates and generates taxable income.



Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b. Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.



The net amount of tax recoverable from, or payable to, the taxation authority is included as part of non-financial assets or liabilities in the balance sheet. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

(xx) Contingent liabilities, contingent assets and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

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

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset and amount of undisbursed portfolio loans.

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

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

(xxi) Share issue expenses

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

(xxii) Earnings per share

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

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

4. Business combinations and goodwill

Business combinations except under common control are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- i. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.



- ii. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

5. Critical accounting estimates and judgments and new amendments

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

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

- Business model assessment -
- Fair value of financial instruments – Note no. 56
- Effective Interest Rate (EIR)
- Impairment on financial assets – Note no. 58(C)
- Provisions and other contingent liabilities – Note no. 24 and 50
- Provision for tax expenses – Note no. 38



➤ **Residual value and useful life of property, plant and equipment**

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) and Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 1 April 2024:

i. Amendments to Ind AS 116 - Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of Use asset it retains.

ii. Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI. The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have an impact on the Company's Standalone Financial Statements.



6 Cash and cash equivalents

Particulars	March 31 2025	March 31 2024
Cash on hand	-	-
Balances with banks		
- in current accounts	10,485.64	14,775.54
- in deposit accounts with original maturity upto 3 months	13,234.02	22,311.06
Total	23,719.66	37,086.60

(i) Balance in current account as at 31 March 2025 includes amount of ₹ 44.38 which pertains to Escrow accounts of colenders (March 31 2024: ₹ 1,022.86).

(ii) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. As at March 31 2025, fixed deposits of ₹ 4,693.74 are pledged against credit facilities (March 31 2024: ₹ 173.13).

7 Bank balances other than cash and cash equivalents

Particulars	March 31 2025	March 31 2024
Fixed deposits with bank		
Deposits - maturity more than 3 months but less than 12 months	32,494.89	29,988.97
Deposits - maturity more than 12 months	760.63	4,215.97
Total	33,255.52	34,204.94

Out of above, Pledged Fixed Deposit	March 31 2025	March 31 2024
Against Credit facilities	12,558.18	13,012.92
Against FLDG to colenders	12,580.10	17,374.63
Total	25,138.28	30,387.55

8 Trade Receivables

Particulars	March 31 2025	March 31 2024
Trade receivables		
Unsecured - Considered good	157.63	898.05
Less: Impairment allowance	-	-
Total	157.63	898.05

Trade Receivables ageing schedule - Mar 25

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	65.31	92.00	-	0.32	-	-	157.63
(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 Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	65.31	92.00	-	0.32	-	-	157.63

Trade Receivables ageing schedule - Mar 24

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	468.09	429.96	-	-	-	-	898.05
(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	-	-	-	-	-	-	-
Total	468.09	429.96	-	-	-	-	898.05



- (i) No Trade receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade receivable are due from firms or private companies in which any director is a partner, a director or a member.
(ii) Date of transaction considered as due date of payment.

9 Loans (at amortised cost)

Particulars	March 31 2025	March 31 2024
Term loans	1,44,831.95	2,18,952.12
Less: Impairment loss allowance (Refer note 58 (C))	(8,359.22)	(5,943.90)
Total	1,36,472.73	2,13,008.22
Term loans to Holding company (Inter-company loan)	1,762.57	-
Total	1,38,235.30	2,13,008.22
(A) Out of Above		
(i) Secured	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Unsecured	1,46,594.52	2,18,952.12
Less: Impairment loss allowance	(8,359.22)	(5,943.90)
Total (ii)	1,38,235.30	2,13,008.22
Total (A) = (i) + (ii)	1,38,235.30	2,13,008.22
(B) Out of Above		
(i) Public Sector	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Others	1,46,594.52	2,18,952.12
Less: Impairment loss allowance	(8,359.22)	(5,943.90)
Total (ii)	1,38,235.30	2,13,008.22
Total (B) = (i) + (ii)	1,38,235.30	2,13,008.22
(C) Out of Above		
(i) In India	1,46,594.52	2,18,952.12
Less: Impairment loss allowance	(8,359.22)	(5,943.90)
Total (i)	1,38,235.30	2,13,008.22
(ii) Outside India	-	-
Less: Impairment loss allowance	-	-
Total (ii)	-	-
Total (C) = (i) + (ii)	1,38,235.30	2,13,008.22

1. There are no loans or advances, in the nature of loans, which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment other than mentioned in Note no. 43.

2. Impairment loss allowance includes non-fund based exposure's impairment loss allowance of ₹ 12.77 as at March 31 2025 (₹ 31.79 as at March 31 2024)

10 Investments

Particulars	March 31 2025	March 31 2024
Investments measured at fair value through other comprehensive income		
Treasury Bills/G-Sec	1,987.83	-
Total	1,987.83	-
Out of above		
In India	1,987.83	-
Outside India	-	-
Total	1,987.83	-

Name of Instrument	March 31 2025		March 31 2024	
Treasury Bills/G-Sec/Yield Rate	No of units	Amount	No of units	Amount
182 DTB Maturing on 17-04-2025 - 6.43%	5,00,000	498.32	-	-
91 DTB 01-05-2025 - 6.62%	10,00,000	994.35	-	-
GS25May2025C Maturing on 25-05-2025 - 6.43%	5,00,000	495.16	-	-
Total		1,987.83		-

All the instruments are quoted investments



11 Other financial assets

Particulars	March 31 2025	March 31 2024
Interest receivable on assignment of loans	3,391.52	6,276.21
Security deposits	577.52	573.97
Receivable from co-lenders	21,441.88	44,565.32
Receivable from credit guarantee scheme	31,724.62	15,450.16
Others	254.10	169.73
Total	57,389.64	67,035.39
(Less) : Impairment allowance	(13,534.60)	(7,663.98)
Total	43,855.04	59,371.41

(i) Receivable from co-lenders includes assets recognised as per Ind AS with corresponding Guarantee liability recorded under Other financial liabilities in note no. 23.

12 Current tax assets (net)

Particulars	March 31 2025	March 31 2024
Advance income tax (net of provisions)	2,178.74	4,507.45
Total	2,178.74	4,507.45

13 Deferred tax asset (Net)*

Particulars	March 31 2025	March 31 2024
Deferred tax asset on account of:		
Carry forward of unabsorbed losses	9,713.51	4,444.10
Provision for expenses allowed for tax purposes on payment basis	475.14	258.62
Expected credit loss	4,632.21	1,829.32
Unamortised processing fee	159.25	171.63
Lease liability	764.30	837.58
EIR of Guarantee fees	0.16	-
Unwinding discount of Security Deposit	41.70	46.99
Difference between tax depreciation and depreciation charged for the financial reporting	54.68	41.71
Interest on market linked debentures	249.50	347.16
Gross Deferred Tax Assets	16,090.45	7,977.11
Deferred tax liability on account of:		
On account of securitisation and direct assignment	708.84	2,951.18
Right of use Asset	645.83	751.08
Unamortised borrowing cost	289.78	681.36
Gross Deferred Tax Liabilities	1,644.45	4,383.62
Deferred Tax Assets (Net)	14,446.00	3,593.49

* Refer note 38 for Deferred tax movement and Tax reconciliation



14 Property, plant and equipment

Particulars	Property, plant and equipment				Right-of-use assets
	Computers and Networks	Furniture and fixtures	Office equipments	Total	
Cost					
As at April 01 2023	704.81	58.85	105.19	868.86	2,749.37
Additions	578.99	5.41	42.35	626.75	2,520.72
Disposals	49.78	-	1.41	51.19	951.95
As at March 31 2024	1,234.02	64.26	146.12	1,444.42	4,318.14
Additions	48.43	0.52	2.53	51.48	596.32
Disposals	7.39	3.71	1.74	12.84	791.02
As at March 31 2025	1,275.06	61.07	146.91	1,483.06	4,123.44
Accumulated depreciation					
As at April 01 2023	493.28	31.78	89.37	614.42	1,150.54
Charge for the year	313.98	8.22	18.11	340.31	557.27
Disposals	47.07	-	1.32	48.39	373.95
As at March 31 2024	760.19	40.00	106.16	906.34	1,333.86
Charge for the year	274.15	6.23	16.92	297.30	677.48
Disposals	6.92	3.09	1.42	11.43	453.96
As at March 31 2025	1,027.42	43.14	121.66	1,192.21	1,557.38
Net book value					
As at March 31 2025	247.64	17.93	25.25	290.82	2,566.06
As at March 31 2024	473.83	24.26	39.96	538.06	2,984.28

- (i) There are no contractual commitments for the acquisition of property, plant and equipment.
(ii) There is no borrowing costs capitalised during the year ended March 31 2025 (March 31 2024: Nil).
(iii) There have been no revaluation during the year ended March 31 2025 (March 31 2024: Nil).
(iv) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
(v) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).
(vi) There is no CWIP during the year.

15 Intangible assets

Particulars	Computer softwares
Cost	
As at April 01 2023	294.34
Additions	49.70
Disposals	-
As at March 31 2024	344.04
Additions	0.09
Disposals	-
As at March 31 2025	344.13
Accumulated amortisation	
As at April 01 2023	248.05
Charge for the year	43.99
Disposals	-
As at March 31 2024	292.04
Charge for the year	27.11
Disposals	-
As at March 31 2025	319.15
Net book value	
As at March 31 2025	24.98
As at March 31 2024	52.00

- (i) The Company has not revalued its Intangible assets.



16 Intangible assets under development

Particulars	March 31 2025	March 31 2024
Projects in progress	52.12	-
Total	52.12	-

Intangible assets under development ageing schedule for projects in progress	March 31 2025	March 31 2024
Less than 1 year	52.12	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	52.12	-

17 Goodwill

Particulars	March 31 2025	March 31 2024
Goodwill	589.23	-
Total	589.23	-

Particulars	March 31 2025	March 31 2024
Opening Balance	-	-
Add: Acquisition during the year (Refer note 67 A.1)	589.23	-
Less: Impairment Loss, in any	-	-
Closing Balance	589.23	-

18 Other non financial assets

Particulars	March 31 2025	March 31 2024
Indirect tax credits available for utilisation	31.90	11.56
Prepaid expenses	307.93	375.71
Other advances	12.96	29.31
Total	352.79	416.58

19 Trade Payables

Particulars	March 31 2025	March 31 2024
(i) total outstanding dues of micro enterprises and small enterprises	14.84	91.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	824.08	653.97
Total	838.92	745.56

Trade Payables ageing schedule - March 31 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro enterprises and small enterprises	-	-	14.84	-	-	-	14.84
Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	806.07	15.73	0.70	1.58	824.08
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	-	820.91	15.73	0.70	1.58	838.92

Trade Payables ageing schedule - March 31 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro enterprises and small enterprises	-	-	91.59	-	-	-	91.59
Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	650.72	1.09	1.07	1.09	653.97
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	-	742.31	1.09	1.07	1.09	745.56



- (i) No interest has been paid / is payable by the Company during the year to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006.
(ii) The disclosures regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.
(iii) Date of transaction is considered as due date of payment.

20 Debt Securities

Particulars	March 31 2025	March 31 2024
(A) At amortised cost		
(i) Secured		
Privately placed redeemable non-convertible debentures	60,313.58	73,286.02
External Commercial Borrowings (ECB)	8,337.10	8,328.19
(ii) Unsecured		
Privately placed redeemable non-convertible debentures	9,945.79	4,938.98
Borrowings by issue of commercial papers	-	5,334.41
Total	78,596.47	91,887.60
(B) At FVTPL		
(i) Secured		
Privately placed redeemable non-convertible debentures	2,991.35	8,458.21
Total	2,991.35	8,458.21
Total (A)+(B)	81,587.82	1,00,345.81
(C) Out of above		
In India	68,087.06	74,229.05
Outside India	13,500.76	26,116.76
Total	81,587.82	1,00,345.81

- (i) Proceeds from issue of Debt securities are utilised for the purpose for which the securities are issued and is in line with the Debenture Trust Deed entered by the Company.
(ii) The quarterly returns filed by the Company with banks and Financial Institutions are in agreement with the books of accounts of the company.
(iii) There has been no default in repayment of Principal and Interest on borrowings.
(iv) Funds raised on short term basis have not been used for long term purpose.
(v) The debenture are secured by:
a) Hypothecation of book debts and receivables, present and future of the Company (To the extent of 1.05 to 1.10 times of outstanding amount of debentures). The Company has, at all times, for the secured NCDs, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.
b) Corporate guarantee of the Holding for March 31 2025 is ₹ 65,857.14 (March 31 2024 is ₹ 86,659.58).
c) Cash collateral in the form of fixed deposits as at March 31 2025 is ₹ 4,693.74 (March 31 2024: Nil)
d) Other Financial assets for March 31 2025 is ₹ 17,505.99 (March 31 2024: Nil)
vi) No non convertible debentures and any other borrowing is guaranteed by directors and/or others.

Terms of Repayment - Debentures as at March 31 2025

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
Monthly											
Upto 3 years	12%-15%	37	6,145.83	2	194.44	-	-	-	-	39	6,340.28
Upto 3 years	15%-18%	3	4,500.00	2	3,000.00	-	-	-	-	5	7,500.00
Over 3 to 4 years	9%-12%	2	138.89	-	-	-	-	-	-	2	138.89
Quarterly											
Upto 3 years	9%-12%	12	4,083.33	3	1,000.00	-	-	-	-	15	5,083.33
Upto 3 years	12%-15%	11	11,791.00	6	7,271.50	-	-	-	-	17	19,062.50
Half yearly											
Upto 3 years	9%-12%	1	1,710.00	-	-	-	-	-	-	1	1,710.00
Upto 3 years	12%-15%	4	2,500.00	1	625.00	-	-	-	-	5	3,125.00
On Maturity (Bullet)											
Upto 3 years	9%-12%	5	18,000.00	1	5,000.00	-	-	-	-	6	23,000.00
Over 3 to 4 years	12%-15%	1	2,000.00	-	-	-	-	-	-	1	2,000.00
Over 4 years	12%-15%	2	5,000.00	-	-	1	8,315.50	-	-	3	13,315.50
Interest accrued											1,760.08
Impact of EIR											(1,447.76)
Total		78	55,869.06	15	17,090.94	1	8,315.50	-	-	94	81,587.82



Terms of Repayment - Debentures as at March 31 2024

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
Monthly											
Upto 3 years	12%-15%	70	9,116.67	36	5,295.83	2	194.44	-	-	108	14,606.94
Over 3 to 4 years	9%-12%	12	833.33	2	138.89	-	-	-	-	14	972.22
Quarterly											
Upto 3 years	9%-12%	16	5,833.33	12	4,083.33	3	1,000.00	-	-	31	10,916.67
Upto 3 years	12%-15%	7	2,737.50	4	1,250.00	1	312.50	-	-	12	4,300.00
Half yearly											
Upto 3 years	9%-12%	2	3,420.00	1	1,710.00	-	-	-	-	3	5,130.00
Upto 3 years	12%-15%	3	1,875.00	4	2,500.00	1	625.00	-	-	8	5,000.00
Over 4 years	12%-15%	2	8,100.00	-	-	-	-	-	-	2	8,100.00
On Maturity (Bullet)											
Upto 3 years	9%-12%	3	7,500.00	5	18,000.00	-	-	-	-	8	25,500.00
Over 3 to 4 years	12%-15%	-	-	1	2,000.00	-	-	-	-	1	2,000.00
Over 4 years	12%-15%	2	4,400.00	2	5,000.00	-	-	1	8,315.50	5	17,715.50
Interest accrued	-	-	-	-	-	-	-	-	-	-	2,337.45
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(1,567.38)
Total		117	43,815.83	67	39,978.06	7	2,131.94	1	8,315.50	192	95,011.40

Terms of Repayment - Commercial papers as at March 31 2025

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
On Maturity (Bullet)											
Upto 3 years	-	-	-	-	-	-	-	-	-	-	-
Interest accrued	-	-	-	-	-	-	-	-	-	-	-
Impact of EIR	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-

Terms of Repayment - Commercial papers as at March 31 2024

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
On Maturity (Bullet)											
Upto 3 years	12%-15%	2	5,500.00	-	-	-	-	-	-	2	5,500.00
Interest accrued	-	-	-	-	-	-	-	-	-	-	-
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(165.59)
Total		2	5,500.00	-	-	-	-	-	-	2	5,334.41

21. Borrowings (Other than debt securities)

Particulars	March 31 2025	March 31 2024
(A) At amortised cost		
(i) Secured		
Term loans		
from banks	27,611.63	27,492.37
from other than banks	27,366.24	58,729.80
Loans repayable on demand		
Overdraft from bank	532.75	1,785.71
Cash credit from banks	-	114.43
Borrowings under Securitisation (Pass through certificate)	10,315.67	38,917.88
Total	65,826.29	1,27,040.19
(ii) Unsecured		
Term loans		
from holding company	8,445.92	9,992.75
from banks	7,354.08	-
from other than banks	24.04	251.15
Total	15,824.04	10,243.90
(B) Out of above		
In India	81,650.33	1,37,284.09
Outside India	-	-
Total	81,650.33	1,37,284.09



- (i) The Company has used funds for the purpose for which the funds are raised from Banks and Financial institutions.
- (ii) The quarterly returns filed by the Company with banks and Financial institution are in agreement with the books of accounts of the company.
- (iii) There has been no default in repayment of Principal and Interest on borrowings.
- (iv) Funds raised on short term basis have not been used for long term purpose.
- (v) The term loans/ working capital demand loans/ cash credit/ overdraft are secured by:
- Hypothecation of book debts and receivables, present and future of the Company (to the extent of 1 to 1.33 times of outstanding loan amount). Hence, the company has, at all times, for the secured Term loans/CC/OD, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.
 - Corporate guarantee of the Holding Company as at 31 March 2025 is ₹ 38,841.65 (March 31 2024: ₹ 86,207.24)
 - Corporate guarantee given by Ultimate Holding company as at 31 March 2025 is ₹ 7,354.08 (March 31 2024: ₹ NIL)
 - First loss default guarantee (FLDG) in the form of security deposits as at March 31 2025 is ₹ 285.29 (March 31 2024: ₹ 250.00)
 - Term loans, Overdraft and cash credit availed from banks secured by pledge of fixed deposits as at March 31 2025 is ₹ 10,255.92 (March 31 2024: ₹ 10,072.71)
- (vi) No term loans and any other borrowing is guaranteed by directors and / or others.
- (vii) First loss default guarantee (FLDG) in the form of fixed deposits for securitisation transactions as at March 31 2025 is ₹ 2,221.48 (March 31 2024: ₹ 2,860.08)

Terms of Repayment - Term Loans & working capital demand loans as at March 31 2025

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
Monthly											
Upto 3 years	9%-12%	59	6,508.81	24	2,249.08	-	-	-	-	83	8,757.89
Upto 3 years	12%-15%	211	20,777.95	83	10,645.20	8	3,430.44	-	-	302	34,853.58
Upto 3 years	15%-18%	1	23.81	-	-	-	-	-	-	1	23.81
Over 3 to 4 years	12%-15%	4	238.09	-	-	-	-	-	-	4	238.09
Quarterly											
Upto 3 years	12%-15%	36	14,701.50	14	3,141.67	-	-	-	-	50	17,843.17
Over 3 to 4 years	9%-12%	4	833.33	4	833.33	2	416.67	-	-	10	2,083.33
On Maturity (Bullet)											
Upto 3 years	9%-12%	2	7,832.75	-	-	-	-	-	-	2	7,832.75
Interest accrued	-	-	-	-	-	-	-	-	-	-	393.84
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(691.81)
Total		317	50,916.25	125	16,869.28	10	3,847.11	-	-	452	71,334.66

Terms of Repayment - Term Loans & working capital demand loans as at March 31 2024

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
Monthly											
Upto 3 years	9%-12%	116	13,335.27	59	6,503.81	22	2,154.29	-	-	197	21,993.37
Upto 3 years	12%-15%	318	21,436.52	115	11,190.95	30	2,684.08	-	-	463	35,311.55
Upto 3 years	15%-18%	6	250.00	-	-	-	-	-	-	6	250.00
Over 3 to 4 years	12%-15%	12	714.29	5	297.61	-	-	-	-	17	1,011.90
Quarterly											
Upto 3 years	12%-15%	46	14,111.67	36	14,701.50	14	3,141.67	-	-	96	31,954.83
Over 3 to 4 years	9%-12%	2	416.67	4	833.33	4	833.33	2	415.44	12	2,498.78
Half Yearly											
Upto 3 years	12%-15%	1	624.76	-	-	-	-	-	-	1	624.76
On Maturity (Bullet)											
Upto 3 years	9%-12%	2	1,785.25	-	-	-	-	-	-	2	1,785.25
Upto 3 years	12%-15%	9	3,614.43	-	-	-	-	-	-	9	3,614.43
Interest accrued	-	-	-	-	-	-	-	-	-	-	395.80
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(1,074.46)
Total		512	56,288.86	219	33,527.21	70	8,813.36	2	415.44	803	98,366.21

Terms of Repayment - Borrowings under Securitisation (Pass through certificate) as at March 31 2025

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount	Total no. of instalments	Amount
Monthly											
Upto 3 years	9%-12%	18	2,401.93	-	-	-	-	-	-	18	2,401.93
Upto 3 years	12%-15%	29	7,036.65	5	856.73	-	-	-	-	34	7,893.38
Interest accrued	-	-	-	-	-	-	-	-	-	-	53.82
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(33.47)
Total		47	9,438.58	5	856.73	-	-	-	-	52	10,315.67



Terms of Repayment - Borrowings under Securitisation (Pass through certificate) as at March 31 2024

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount
Monthly											
Upto 3 years	9%-12%	127	16,700.12	8	1,737.30	-	-	-	-	135	18,437.42
Upto 3 years	12%-15%	69	15,568.78	14	3,733.01	5	1,115.07	-	-	88	20,416.85
Interest accrued	-	-	-	-	-	-	-	-	-	-	189.95
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(126.34)
Total		196	32,268.89	22	5,470.31	5	1,115.07	-	-	223	38,917.88

22 Subordinated liabilities

Particulars	March 31 2025	March 31 2024
(A) At amortised cost		
(i) Unsecured		
Term loans		
from banks	1,517.71	2,530.28
from other than banks	2,817.38	2,940.84
Total	4,335.09	5,471.12
(B) Out of above		
In India	4,335.09	5,471.12
Outside India	-	-
Total	4,335.09	5,471.12

(i) The Company has used funds for the purpose for which the funds are raised from Banks and Financial institutions.

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

Terms of Repayment - Subordinated liabilities as at March 31 2025

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount
On Maturity (Bullet)											
Over 4 years	12%-15%	1	1,500	-	-	-	-	-	-	1	1,500.00
Over 4 years	15%-18%	-	-	-	-	-	-	2	3,000.00	2	3,000.00
Interest accrued	-	-	-	-	-	-	-	-	-	-	23.79
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(188.70)
Total		1	1,500.00	-	-	-	-	2	3,000.00	3	4,335.09

Terms of Repayment - Subordinated liabilities as at March 31 2024

Original Maturity / Repayment frequency	Interest rate	Residual maturity									
		Up to 1 Year		1-2 years		2-3 years		Due in more than 3 years		Total	
		Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount	Total no. of Instalments	Amount
On Maturity (Bullet)											
Over 4 years	12%-15%	1	1,000	1.00	1,500	-	-	-	-	2	2,500.00
Over 4 years	15%-18%	-	-	-	-	-	-	2	3,000.00	2	3,000.00
Interest accrued	-	-	-	-	-	-	-	-	-	-	36.53
Impact of EIR	-	-	-	-	-	-	-	-	-	-	(65.41)
Total		1	1,000.00	1	1,500.00	-	-	2	3,000.00	4	5,471.12

23 Other financial liabilities

Particulars	March 31 2025	March 31 2024
Expense and other payables	1,432.54	2,654.90
Payable towards Co-lending	898.84	562.40
Payable towards direct assignment of loans	3,075.83	2,416.76
Payables to employees	800.23	939.99
Payables to holding company	565.23	1,006.68
Lease obligation	3,036.80	3,327.97
Guarantee Liability*	9,022.39	18,228.88
Service obligation on account of securitisation	14.55	16.27
Advances from customers	999.31	929.18
Total	19,845.72	30,083.03

*Guarantee liability is recognised as per Ind AS with corresponding asset recorded as Receivable from co-lenders under Other financial assets in note no. 11.

24 Provisions

Particulars	March 31 2025	March 31 2024
Provision for employee benefits		
Provision for gratuity benefits	389.37	331.99
Provision for leave benefits	814.92	679.90
Total	1,204.29	1,011.89



25 Other non financial liabilities

Particulars	March 31 2025	March 31 2024
Statutory dues	724.91	1,609.32
Total	724.91	1,609.32

26 Equity share capital

Particulars	March 31 2025	March 31 2024
Authorized Share capital		
5,07,27,600 Equity shares of ₹ 10 each	5,072.76	5,072.76
1,90,00,000 Series A Compulsorily Convertible Preference share of Rs. 100 each	19,000.00	-
Total	24,072.76	5,072.76
Issued, subscribed and fully paid up		
4,41,87,931 Equity shares of ₹ 10 each		
At the beginning of the year	4,418.79	4,418.79
Changes due to prior period errors	-	-
Restated balance at the beginning of the year	4,418.79	4,418.79
Add: Issued during the year	-	-
Total	4,418.79	4,418.79
1,49,76,509 Series A Compulsorily Convertible Preference share of Rs. 100 each		
At the beginning of the year	-	-
Changes due to prior period errors	-	-
Restated balance at the beginning of the year	-	-
Add: Issued during the year	14,976.51	-
Total	14,976.51	-
Total	19,395.30	4,418.79

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of 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.

Terms/ rights attached to Series A Compulsorily Convertible Preference share of Rs. 100 fully paid

During the year ended March 31 2025, the Company issued 1,49,76,509 Series A Compulsorily Convertible Preference Shares having face value Rs. 100 each. ("Series A Preference Shares") in two tranches.

The dividend coupon rate of Series A Preference Shares is 0.0001% (zero point zero zero zero one percent) per annum.

Series A Preference Shares shall rank pari-passu with the Equity Shares of the Company, except in relation to the voting rights thereon, which shall be in accordance with Section 47(2) of the Companies Act, 2013.

The Series A Preference Shares shall be automatically converted into Equity Shares, on the earliest of (i) the latest date on which the Series A Preference Shares are required to be converted into Equity Shares under applicable Law in connection with any initial public offering of the Company, (ii) the date specified in writing by the holder of the outstanding Series A Preference Shares, or (iii) the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series A Preference Shares. The conversion ratio for 1,49,76,509 Series A Compulsorily Convertible Preference Shares of ₹ 100 each will be 1:1.

Shares held by Promoters - Lendingkart Technologies Private Limited (Including beneficial ownership)

Particulars	March 31 2025	March 31 2024
No. of Equity shares of Rs. 10 each fully paid up	4,41,87,931	4,41,87,931
% of share holding	100%	100%
% change during the year	-	-
No. of Series A Compulsory Convertible Preference shares of Rs.100 each fully paid held	1,49,76,509	-
% of share holding	100%	-
% change during the year	100%	-

Details of each Shareholder holding more than 5% shares and the number of share held

Holding company i.e. Lendingkart Technologies Private Limited has 100% shares of the Company.

Particulars	March 31 2025	March 31 2024
No. of Equity shares of Rs. 10 each fully paid up	4,41,87,931	4,41,87,931
% of share holding	100%	100%
No. of Series A Compulsory Convertible Preference shares of Rs.100 each fully paid	1,49,76,509	-
% of share holding	100%	-

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

(ii) The Company has not allotted any bonus shares in the five years immediately preceding March 31 2025.



27 Other equity

Particulars	March 31 2025	March 31 2024
Securities Premium		
Balance at the beginning of the year	67,246.84	67,246.84
Add: Premium on issue of Shares	3,856.21	-
(Less): Expenses on issue of shares	(183.34)	-
Balance at the end of the year	70,919.71	67,246.84
Deemed capital contribution from holding company		
Balance at the beginning of the year	2,514.36	1,053.71
Add: Addition/(Deletion) during the year	1,600.57	1,460.65
Balance at the end of the year	4,114.93	2,514.36
Retained Earnings		
Balance at the beginning of the year	704.47	(4,101.57)
Add: Profit / (loss) for the year	(28,835.58)	5,982.98
GAAP Adjustments (P/L)	-	-
Less: Item of other comprehensive income	-	-
Remeasurement gains / (losses) on defined benefit plan (net of tax)	1.62	24.57
Less : Transferred to Statutory Reserve u/s section 45-IC of Reserve Bank of India Act, 1934	-	(1,201.51)
Balance at the end of the year	(28,129.49)	704.47
Statutory Reserve u/s section 45-IC of Reserve Bank of India Act, 1934		
Balance at the beginning of the year	5,172.87	3,971.36
Add : Amount transferred during the year	-	1,201.51
Balance at the end of the year	5,172.87	5,172.87
Other Reserves		
Other Comprehensive Income		
Balance at the beginning of the year	52.93	77.50
Remeasurement gains / (losses) on defined benefit plan (net of tax)	(1.01)	(24.57)
Change in fair value of investment through OCI (net of tax)	(0.61)	-
Balance at the end of the year	51.31	52.93
Total of other equity	52,129.34	75,691.47

Nature and purpose of reserves

- (i) **Securities premium**
Securities premium represents premium received on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) **Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)**
Statutory reserve represents the Reserve Fund created under section 45-IC of the Reserve Bank of India Act, 1934. The Company is required to transfer a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss. The statutory reserve can be utilized for the purposes as may be specified by the Reserve Bank of India from time to time.
- (iii) **Retained earnings**
Retained earnings represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves. It also includes impact of remeasurement of defined benefit plans.
- (iv) **Deemed capital contribution from holding company**
The company is being charged for Corporate Guarantee fees by the holding company for providing guarantees to the lender's of the company. The Company does not pay the Guarantee fees to holding company but charges the same in its statement of profit and loss and considers the amount payable as Deemed capital contribution from the Holding Company.
- (v) **Other Comprehensive Income:**
The Company has elected to recognise changes in the fair value of certain financial instruments and defined benefit plan in other comprehensive income. These changes are accumulated with the FVTOCI reserve within equity.



28 Interest Income

Particulars	March 31 2025	March 31 2024
On financial assets measured at Amortised Cost		
Interest on term loans	34,654.12	39,648.89
Interest on fixed deposits with banks	3,835.77	2,546.74
Interest on Inter-corporate loan	278.13	-
Other charges	0.67	1.43
Other interest income	19.90	30.08
Revenue from colending	42,418.37	59,109.67
On financial assets measured at Fair value through OCI		
Interest income on Investments	24.78	-
Total	81,231.74	1,01,336.81

29 Fees and commission income

Particulars	March 31 2025	March 31 2024
Penal interest income	907.13	547.49
Commission Income from Insurance	2,236.81	6,509.41
Other Commission Income	74.20	519.98
Total	3,218.15	7,576.88

30 Net Gain/(Loss) on derecognition of financial instruments

Particulars	March 31 2025	March 31 2024
Gain on assignment of loans	2,885.45	6,172.30
Loss on modification of loans	(1,115.88)	(890.89)
Total	1,769.57	5,281.41

31 Other Income

Particulars	March 31 2025	March 31 2024
Gain on derecognition of Asset	23.44	201.20
Unwinding discount of security deposit	37.99	60.11
Interest on income tax refund	263.99	101.59
Profit on sale of property, plant & equipments (net)	0.24	-
Others	153.81	86.81
Total	479.48	449.71

32 Finance Costs

Particulars	March 31 2025	March 31 2024
On Financial liabilities measured at amortised cost		
On debt securities	12,574.55	8,006.61
On borrowings (other than debt securities)	11,584.62	11,296.40
On securitisation liabilities	2,411.37	5,001.62
On commercial papers	354.47	351.87
On lease obligation	425.11	367.06
Others	1,827.61	829.38
On Financial liabilities measured at fair value		
On debt securities	602.01	1,232.50
Total	29,779.74	27,085.44

33 Fees and commission expenses

Particulars	March 31 2025	March 31 2024
Commission and Brokerage	9,845.15	12,562.39
Total	9,845.15	12,562.39

34 Impairment on financial instruments at amortised cost

Particulars	March 31 2025	March 31 2024
Provision on loans	2,359.31	(197.44)
Write offs	15,427.93	8,661.35
Impairment of other financial assets	34,558.33	17,167.58
Total	52,345.57	25,631.49



As a prudent measure following the assessment of portfolio performance, the Company has written off on-book loans amounting to ₹ 2,693.41 lakhs and recognized an additional provision of ₹ 458.52 lakhs on other financial assets related to loans falling within the 151-180 days past due ageing bucket. In addition, the Company recorded a management overlay of ₹ 4,066.61 lakhs during the financial year ended March 31 2025.

35 Employee Benefit Expenses

Particulars	March 31 2025	March 31 2024
Salaries and wages	12,536.30	12,014.38
Contribution to provident and other funds	391.03	362.81
Reimbursement of ESOP expenses	2,520.01	1,173.23
Leave benefit expense	479.13	423.95
Gratuity	126.35	121.86
Staff welfare expenses	419.23	638.79
Total	16,472.05	14,735.02

36 Depreciation and amortisation expenses

Particulars	March 31 2025	March 31 2024
Depreciation and amortisation expenses*	1,002.05	941.41
Total	1,002.05	941.41

*This includes depreciation/amortisation of Tangible assets, Intangible assets and Right of use assets - Refer note 14 and 15

37 Other Expenses

Particulars	March 31 2025	March 31 2024
Power and fuel	79.31	89.61
Rent	167.84	104.73
Repairs and maintenance	41.16	111.23
Insurance	38.60	45.52
Telephone and communication expense	192.11	218.05
Franking and stamping expenses	167.40	603.83
Marketing and sales promotion expense	1,025.72	2,103.97
Auditor's fees and expenses (Refer note 37.1 below)	29.50	21.58
Legal and Professional charges	2,033.98	2,150.43
Service charges of outsourced employees	2,787.61	3,388.11
Sovereign Guarantee fees	5,877.79	7,999.76
License fees	1,389.13	4,548.47
Branding fees	260.14	323.95
Business support services	26.39	40.71
Printing and stationery	14.18	27.23
Travelling expenses	329.02	391.20
Bank charges	39.98	35.39
Courier expenses	73.04	136.11
Software license fees	2,050.54	3,092.66
Rates & taxes	27.90	23.06
Security expenses	49.58	33.93
Loss on sale of PPE	-	3.42
Director sitting fees	51.06	26.16
Housekeeping expenses	62.83	56.93
Miscellaneous expenses	91.39	81.67
Total	16,906.20	25,657.71

37.1 Auditor's Remuneration

Particulars	March 31 2025	March 31 2024
Audit fee	25.61	15.83
Tax audit fee	1.64	2.40
TP audit fee	0.98	-
In other capacity :		
Certification services	0.98	3.35
Reimbursement of expenses	0.29	-
Total	29.50	21.58



38 Tax expense

Particulars	March 31 2025	March 31 2024
Current tax expense		
Current tax for the year	-	666.53
Total Current Tax Expense	-	666.53
Deferred taxes		
Change in deferred tax assets	8,112.78	2.77
Change in deferred tax liabilities	2,739.17	(1,360.04)
Acquisition on account of Business combination	(34.09)	-
Net deferred tax expense / (income)	(10,817.86)	1,357.27
Total tax expense	(10,817.86)	2,023.80

38.1 Reconciliation of income tax expense and the accounting profit for the year

Particulars	March 31 2025	March 31 2024
Profit before income tax expense	(39,651.82)	8,031.35
Effective Tax Rate	25.17%	25.17%
Income tax expenses calculated at Effective tax rate	(9,979.57)	2,021.33
Reconciliation		
Expenses disallowed	402.83	(5.79)
Tax adjustments of earlier years	(1,241.67)	-
Others	0.55	8.26
Total tax expense	(10,817.86)	2,023.80

38.2 Movement in Deferred Tax for the year ended March 31, 2025

Particulars	March 31 2025	Recognised in Statement of Profit or loss	Recognised in OCI	March 31 2024
Deferred tax asset for deductible temporary differences on:				
Carry forward of unabsorbed losses	9,713.51	(5,269.41)	-	4,444.10
Provision for expenses allowed for tax purposes on payment basis	475.14	(216.18)	(0.34)	258.62
Expected credit loss	4,632.21	(2,802.89)	-	1,829.32
Unamortised processing fee	159.25	12.38	-	171.63
Lease liability	764.30	73.28	-	837.58
Guarantee fees	0.16	(0.16)	-	-
Unwinding discount of Security Deposit	41.70	5.29	-	46.99
Difference between tax depreciation and depreciation charged for the financial reporting	54.68	(12.97)	-	41.71
Interest on market linked debentures	249.50	97.66	-	347.16
Investment in T-bills and G-sec	-	0.21	(0.21)	-
Gross Deferred Tax Assets	16,090.45	(8,112.79)	(0.55)	7,977.11
Deferred tax liability for deductible temporary differences on:				
On account of securitisation and direct assignment	708.84	(2,242.33)	-	2,951.18
Right of Use Asset	645.83	(105.25)	-	751.08
Unamortised borrowing cost	289.78	(391.58)	-	681.36
Gross Deferred Tax Liabilities	1,644.45	(2,739.16)	-	4,383.62
Deferred tax assets acquired on account of business combination		34.09		
Net Deferred tax charge/(credit) for the year	14,446.00	(10,817.86)	(0.55)	3,593.49



Movement in Deferred Tax for the year ended March 31, 2024

Deferred tax assets (net)	March 31 2024	Recognised in Statement of Profit or loss	Recognised in OCI	March 31 2023
Deferred tax asset for deductible temporary differences on:				
Carry forward of unabsorbed losses	4,444.10	486.89	-	4,930.99
Provision for expenses allowed for tax purposes on payment basis	258.62	(100.97)	(8.26)	149.39
Expected credit loss	1,829.32	(125.95)	-	1,703.37
Unamortised processing fee	171.63	(104.23)	-	67.40
Lease liability	837.58	(309.03)	-	528.55
Guarantee fees	-	53.62	-	53.62
Unwinding discount of Security Deposit	46.99	(22.55)	-	24.44
Difference between tax depreciation and depreciation charged for the financial reporting	41.71	(7.30)	-	34.41
Interest on market linked debentures	347.16	126.75	-	473.91
Gross Deferred Tax Assets	7,977.11	(2.77)	(8.26)	7,966.08
Deferred tax liability for deductible temporary differences on:				
On account of securitisation and direct assignment	2,951.18	457.43	-	2,493.74
Right of use Asset	751.08	348.74	-	402.40
Unamortised borrowing cost	681.36	553.87	-	127.49
Gross Deferred Tax Liabilities	4,383.62	1,360.04	-	3,023.63
Net Deferred tax charge/(credit) for the year	3,593.49	1,357.27	(8.26)	4,942.45

39 Earning Per Share

Particulars	March 31 2025	March 31 2024
(A) Net profit/(loss) after tax for the year	(28,833.96)	6,007.55
(B) Weighted average number of equity shares for basic earnings per share	4,65,76,992	4,41,87,931
(C) Weighted average number of equity shares for diluted earnings per share*	4,65,76,992	4,41,87,931
Basic earning per share in ₹ (A/B)	(61.91)	13.60
Diluted earning per share in ₹ (A/C)	(61.91)	13.60

*Diluted EPS being anti dilutive hence Basic and Diluted Earnings per share are same.



40. Segment Information

The Company operates in a single reportable segment i.e., financing, since the nature of the loans is exposed to similar risk and return profiles. The Company operates in a single geographical segment i.e., domestic, and accordingly, there are no separate reportable segments as per Ind AS 108 - Operating segments.

41. Related Party Transactions:

Related party disclosures as required under Ind AS 24, "Related party disclosure" are given below.

(a) List of related parties

Nature of Relationship	Name of Related Parties
Ultimate Holding company	Fullerton Financial Private Limited (w.e.f March 27 2025)
Holding company	Lendingkart Technologies Private Limited
Entity having significant influence in Holding company	Fullerton Financial Private Limited (upto March 26 2025)
Non - Executive Directors	Mr. Raichand Lunia
	Mr. Anindo Mukherjee
	Mr. Hong Ping Yeo
	Mr. Pavan Pal Kaushal
	Mr. Vikram Godse (Resigned w.e.f. July 31 2024)
	Mr. Pankaj Makkar (Resigned w.e.f. July 24 2024)
Independent director	Mr. Thallapaka Venakateswara Rao (Appointed as chairman of the Board w.e.f. December 4 2024)
	Ms. Uma Subramaniam (Cessation w.e.f. April 26 2024 due to demise)
	Mr. Sreeram Ranganathan Iyer (Appointed w.e.f. March 29 2024)
	Ms. Rashmi Sharma (Appointed w.e.f. November 19 2024)
	Ms. Pallavi Kanchan (Appointed w.e.f. July 19 2024. Recused herself from the independent directorship on August 21 2024.
Key Management Personnel	Mr. Harshvardhan Lunia* - Managing director (Cessed to be chairman of the Board w.e.f. December 4 2024).
	Mr. Gaurav Singhania - Chief Financial Officer (resigned w.e.f. June 20 2024)
	Ms. Anisha Seth - Chief Financial Officer (appointed w.e.f. December 12 2024)
	Mr. Umesh Navani - Company Secretary (Resigned w.e.f. June 09 2023)
	Mr. Darshil Shah (Appointed w.e.f. August 08 2023 and resigned w.e.f. July 24 2024)
	Mr. Rochak Dhariwal (Appointed w.e.f. October 21 2024)

* No Remuneration paid during the year ended March 31 2025 and March 31 2024.



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

(₹ in Lakhs unless otherwise stated)

(b) Transactions during the year with related parties

Sr. No.	Nature of transactions*	March 31 2025	March 31 2024
1	Lendingkart Technologies Private Limited		
	Issue of Share capital (including share premium) (Refer Note 1)	(18,832.72)	-
	License fee for use of software (Refer Note 2)	1,837.77	5,592.60
	Corporate guarantee fees charged (Refer Note 2)	1,600.57	1,460.65
	Fees for use of 'Lendingkart' Brand (Refer Note 2)	238.66	297.20
	Business support charges paid	24.21	37.35
	Reimbursement of ESOP expenses	2,520.01	1,076.36
	Reimbursement of collection on behalf of holding company	660.46	1,928.74
	Unsecured inter-corporate loan taken	-	(10,000.00)
	Unsecured inter-corporate loan repaid	1,666.67	-
	Unsecured inter-corporate loan repayment received	(696.83)	-
	Processing fees paid on inter-corporate loan	-	125.00
	Interest income on inter-corporate loans	(278.13)	-
	Interest expense on inter-corporate loans	1,528.74	1,177.26
	Unsecured inter-corporate loan given**	2,364.99	-
	Recovery of Business support charges**	(273.92)	-
2	Fullerton Financial Private Limited		
	Guarantee Fees	143.15	-
3	Mr. Thallapaka Venakateswara Rao		
	Director sitting fees	24.25	13.00
4	Ms. Uma Subramaniam		
	Director sitting fee	-	11.00
5	Mr. Sreeram Ranganathan Iyer		
	Director sitting fees	16.75	-
6	Ms. Rashmi Sharma		
	Director sitting fee	5.25	-
7	Transaction with the companies in which Director of the Company is the director		
	Ruptub Solutions Private Limited		
	Lodging & Boarding	1.38	-
	One 97 Communications Limited		
	Commission Exp	0.29	-
	SRO-FT Development Foundation		
	Membership Fees	6.50	-
	Digital Lenders Association of India		
	Membership / Sponsorship fees	-	18.00
7	Transactions with KMP		
	Salary and perquisites (Refer Note 3)	81.00	127.70

* Excludes 50% reversal of goods and services tax input credit.

**These assets are acquired on account of business combination.



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

Sr. No.	Nature of transactions	March 31 2025	March 31 2024
1	Lendingkart Technologies Private Limited		
	Borrowings (including interest of ₹ 150.20)	(8,483.54)	(10,080.33)
	Loans and Advances (including interest of ₹ 94.40)	1,762.57	-
	Other Payables	(565.23)	(1,006.68)
2	Salary to Key Management Personnel	(27.26)	-

(d) Capital contribution in the company

Sr. No.	Nature of transactions	March 31 2025	March 31 2024
	Lendingkart Technologies Private Limited		
1	Equity share capital	4,418.79	4,418.79
2	Compulsorily Convertible Preference share	14,976.51	-
3	Securities Premium	71,138.66	67,282.45
4	Deemed Capital contribution	4,114.93	2,514.36

(e) Guarantees given by Ultimate Holding and Holding Company

Sr. No.	Nature of transactions	March 31 2025	March 31 2024
	Fullerton Financial Private Limited - Ultimate Holding Company		
1	Loans borrowed from financial institutions and Banks guaranteed by the Holding Company (including CC facility)		
	Sanctioned amount	25,000.00	-
	Outstanding amount	7,354.08	-
	Lendingkart Technologies Private Limited – Holding Company		
1	Loans borrowed from financial institutions and Banks guaranteed by the Holding Company (including CC facility)		
	Sanctioned amount	90,550.00	1,29,350.00
	Outstanding amount	38,841.65	86,207.24
2	Non-Convertible debentures issued to financial institutions, banks and other companies guaranteed by the Holding Company		
	Sanctioned amount	89,340.00	96,540.00
	Outstanding amount	65,857.14	86,659.58

Note 1: Pursuant to Board Resolution dated October 29 2024 and March 31 2025, the company allotted Preference shares to the Lendingkart Technologies Private Limited. For detailed terms of preference shares refer note 26 to the financial statement.

Note 2: The Company has entered into License Agreement with Holding Company dated June 19 2015 which was further renewed on February 14 2023 for use of the licensed software to digitally lend money to its customers.

The services provided by the Holding Company to the Company are of a specialised nature and the company has engaged the services of an expert to assess the arm's length price for this inter-company transaction. Based on the assessment of such expert, license fees are revised from April 01 2022. License fees include Platform fees for use of platform of the Holding company. Branding fees is for use of Brand name of the Holding Company. and Guarantee fees is charged by the Holding Company for providing guarantees to the lenders of the Company. The Company does not pay the Guarantee fees to holding company but charges the same in its statement of profit and loss and considers the amount payable as Deemed capital contribution from the Holding Company.



Note 3: Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

42. Relationship with Struck off companies

Sr. No.	Name of struck-off Company	Nature of transactions	O/s balance as on March 31 2025	O/s balance as on March 31 2024	Relationship with Company
1	Enfros India Solutions Private Limited	Provided term loans*	-	3.66	Borrower
2	Professional Biotech Private Limited		-	2.42	Borrower
3	Essense Welness India Private Limited		3.04	3.04	Borrower
4	Vieux Advertising Private Limited		3.15	3.15	Borrower
5	Banwery Healthcare Private Limited		0.33	0.33	Borrower
6	CDS Life Sciences Opc Pvt Ltd		0.08	0.08	Borrower
7	Karyana99 Marketing Private Limited		0.98	0.98	Borrower
8	Mentor Corporate Management Consultants ap Private Limited		16.25	16.25	Borrower
9	Arsh Wardrobes Private Limited		3.27	3.27	Borrower
10	Jade Hospitality Private Limited	Lodging & Boarding and Reloaction	0.03	-	Vendor

*The above term loans are written off in the books of accounts.

The above disclosure has been prepared basis the relevant information compiled by the Company on best effort basis which has been relied upon by the auditors.

43. Loans granted to related parties which is repayable on demand or without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Holding company	1,762.57	1.20%

44. Based on the information available with the Company, there are no micro, small and medium enterprises (MSMEs) to whom the Company has paid interest, or any interest is payable on outstanding amounts (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended March 31 2025 is Nil (March 31 2024 – Nil).

45. The Company has incurred cash losses amounting to ₹ 2,200.47 lakhs in the F.Y. 2024-25 (F.Y. 2023-24 – Nil).

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

47. Employee stock option plans

The Holding Company has Employee Stock Option Plans ("ESOP") scheme in force. Under ESOP scheme, Holding Company has granted options to acquire its equity shares that would vest in a graded manner to Company's employees. Based on the group policy/ arrangement, Holding Company has cross charged the fair value of such ESOP. The Company has recognised the same under the employee cost amounting to ₹ 2,520.01 for the year ended March 31 2025 (March 31 2024: ₹ 1,173.23).



48. Leases

Where the Company is lessee:

The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. These leases have an average life of between one and nine years. Lease rentals have an escalation ranging between 5% to 10%. Leases for which the original lease term is less than twelve months has been accounted as short term leases.

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

Particulars	March 31 2025	March 31 2024
Balance at the beginning of the year	2,984.28	1,598.83
Additions	596.32	2,520.72
Closure	337.06	578.00
Depreciation expense	677.48	557.27
Balance at the end of the year	2,566.06	2,984.28

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

Particulars	March 31 2025	March 31 2024
Opening Balance	3,327.97	2,100.06
Additions	396.01	2,204.67
Accretion of interest	425.11	367.06
Closure	(177.14)	(612.88)
Payments	(935.15)	(730.94)
Closing Balance	3,036.80	3,327.97

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

Particulars	March 31 2025	March 31 2024
Short-term leases	167.84	104.73

- iv. The undiscounted maturity analysis of lease liabilities at March 31 2025 is as follows:

Lease Liability	March 31 2025	March 31 2024
Not later than one year	952.36	928.69
Later than one year and not later than five years	2,654.45	3,116.76
Later than five years	530.10	748.11
Total undiscounted lease liabilities	4,136.90	4,793.56

- v. The effective interest rate of lease liabilities for the year ended March 31 2025 is 13.68% (March 31 2024: 13.58%).

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

Particulars	March 31 2025	March 31 2024
Depreciation expense right of use of assets	677.48	557.27
Interest expense on lease liabilities	425.11	367.06
Expense relating to short term leases (included in other expenses)	167.84	104.73
Loss/ (Gain) on derecognition of assets	(23.44)	(201.20)
Total Amount recognized in statement of profit and loss account	1,246.99	827.86



49. Expenditure in foreign currency (on accrual basis)

Particulars	March 31 2025	March 31 2024
Professional Fees	-	16.58
Software Expenses	0.07	11.87
Digital Marketing	2.09	8.19
Miscellaneous Expenses	-	7.48
Other Finance Cost	150.59	1.72
Total	152.76	45.84

50. Contingent liability and Commitments

a) Contingent Liability

Description of the contingent liability	March 31 2025	March 31 2024
Guarantees excluding financial guarantees		
Credit enhancements provided by the Company towards securitisation (including corporate guarantee, cash collateral and loan assets retained as Minimum retention Requirement (MRR)	2,645.80	6,846.42
First loss default guarantee in case of co-lending transactions	11,540.54	23,674.28
Matters pertaining to Taxation		
Penalty appeal u/s 270A for FY 19-20, filed before CIT(A) pending for litigation	-	52.84
Appeal against order passed u/s 74 of the CGST Act, 2017 – FY 19-20	13.93	-
Appeal against order passed u/s 74 of the CGST Act, 2017 – FY 20-21	7.12	-

b) Capital and other commitments

Description of the capital and other commitments	March 31 2025	March 31 2024
Loan sanctioned not yet disbursed	895.76	1,695.08
Other capital commitments (Excludes 50% reversal of goods and service tax input credit)	55.25	-

51. Retirement benefit plans

A. Defined benefit obligation

Contribution to Gratuity fund (Unfunded):

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

In accordance with Ind AS 19, actuarial valuation has been carried out in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

i. Key actuarial assumptions:

Particulars	March 31 2025	March 31 2024
Discount rate (per annum)	6.55%	7.15%
Rate of salary increase	12.00%	12.00%
Rate of employee turnover (per annum)		
Age band		
25 & Below	40.00%	40.00%
25 to 35	30.00%	30.00%
35 to 45	35.00%	35.00%
45 to 55	35.00%	35.00%
55 & Above	0.00%	0.00%



ii. Movement in defined benefit obligation:

Particulars	March 31 2025	March 31 2024
Defined benefit obligation at the beginning of the year	331.99	211.13
Interest on defined benefit obligation	21.38	13.87
Current service cost	104.97	107.99
(Benefits paid)	(70.32)	(33.83)
Remeasurements due to :		
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising from change in financial assumptions	7.40	1.58
Actuarial loss/(gain) arising on account of experience changes	(6.06)	31.25
Present Value of obligation at the end of the year	389.37	331.99

iii. Assets and liabilities recognised in the balance sheet:

Particulars	March 31 2025	March 31 2024
Present value of the defined benefit obligation at the end of the year	389.37	331.99
Fair Value of Plan Assets at the end of the year	-	-
Funded Status (Surplus/ (Deficit)	-	-
Net liability recognised in the balance sheet	389.37	331.99

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

Particulars	March 31 2025	March 31 2024
Current Service Cost	104.97	107.99
Interest cost	21.38	13.87
Net gratuity cost recognised in the current year	126.35	121.86

v. Loss/(Gain) recognised in the statement of Other comprehensive income (OCI):

Particulars	March 31 2025	March 31 2024
Actuarial loss / (gain) on post-employment benefit obligation	1.35	32.83
Total remeasurement cost / (credit) for the year recognised in OCI	1.35	32.83

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

Particulars	March 31 2025	March 31 2024
Net defined benefit liability/(asset) as at the beginning of the year	331.99	211.13
Expense charged to Statement of Profit and Loss	126.35	121.86
(Benefit paid)	(70.32)	(33.83)
Amount recognised in other comprehensive income	1.35	32.83
Net Liability/(Asset) Recognized in the Balance Sheet	389.37	331.99

vii. Sensitivity analysis:

Particulars	March 31 2025	March 31 2024
Impact of increase in 0.5% on rate of discounting	383.18	326.77
Impact of decrease in 0.5% on rate of discounting	395.75	337.38
Impact of increase in 0.5% on rate of salary increase	394.14	336.10
Impact of decrease in 0.5% on rate of salary increase	384.61	327.71
Impact of increase in 10% on rate of employee turnover	371.21	317.03
Impact of decrease in 10% on rate of employee turnover	409.17	348.63



viii. **Maturity analysis of projected benefit obligation:**

Particulars	March 31 2025	March 31 2024
Expected benefits for year 1	79.93	74.47
Expected benefits for year 2	70.43	57.99
Expected benefits for year 3	68.33	63.62
Expected benefits for year 4	69.06	48.03
Expected benefits for year 5	57.95	49.99
Expected benefits for years 6 to 10	123.29	112.16

ix. **The Experience adjustment on defined benefit obligation and plan assets:**

Particulars	March 31 2025	March 31 2024	March 31 2023	March 31 2022	March 31 2021
Defined benefit obligation	389.37	331.99	211.13	176.37	157.29
Plan assets		-	-	-	-
Surplus/ (deficit)	(389.37)	(331.99)	(211.13)	(176.37)	(157.29)
Experience adjustment of plan assets		-	-	-	-
Experience adjustment of plan liabilities	(6.06)	31.25	29.08	(2.91)	(65.56)

B. **Compensated absences:****Maturity Profile**

Particulars	March 31 2025	March 31 2024
Present value of unfunded obligations	814.92	679.90
Expense recognised in the Statement of Profit and Loss	479.13	423.95
Discount rate (p.a.)	6.55%	7.15%
Salary escalation rate (p.a)	12.00%	12.00%

C. **Provident Fund:**

The Company contributes to Provident Fund towards employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 387.00 (March 31 2024: ₹ 361.22) for provident fund contributions in the Statement of profit and loss.

52. **Corporate Social Responsibility Expenses**

Details as per Section 135 of the Companies Act, 2013 is as under:

Particulars	March 31 2025	March 31 2024
Amount required to be spent by the Company during the year	-	-
Amount of expenditure incurred	-	-
Transferred to CSR unspent account for ongoing projects	-	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Details of related party transactions	-	-

Nature of CSR Activities:

For Financial Year 2024-25: Not Applicable.

For Financial Year 2023-24: Not Applicable.



53. Capital:

The Company actively manages its capital base to cover risks inherent in its business and meet the capital adequacy requirement prescribed by RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

i. Capital management**Objective:**

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavors to maintain a capital base higher than the mandated regulatory capital at all times.

Planning:

The Company's assessment of capital requirements is aligned with its planned growth which forms part of an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks— which include credit, liquidity and interest rate.

The management monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis and the same is also monitored in Assets Liability Management Committee (ALCO).

The Company endeavors to maintain its CRAR higher than the mandated regulatory norm. Accordingly, capital augmentation is planned well in advance to ensure adequate funding for its growth.

ii. Regulatory capital

Particulars	March 31 2025	March 31 2024
Tier I capital	38,116.05	39,096.02
Tier II capital	2,501.25	2,282.21
(a) Total capital	40,617.30	41,378.23
Risk weighted assets (RWA)	1,13,932.30	1,92,433.63
Capital Risk Asset Ratio (%) - Tier I Capital (%)	33.45%	20.32%
Capital Risk Asset Ratio (%) - Tier II Capital (%)	2.20%	1.18%
(b) Capital Risk Asset Ratio (%)	35.65%	21.50%
(c) Outstanding amount* of subordinated debt raised as Tier-II capital (Raised during the year ₹ Nil, previous year ₹ 3,000)	4,500.00	5,500.00
(d) Amount raised by issue of Perpetual Debt Instruments	NA	NA

* The above excludes the interest accrued and EIR.

54. Transfers of assets:**i. Transferred of financial assets that were not derecognised in their entirety****(a) Securitisation**

The Company has Securitized certain loans, however it has not transferred substantially all risks and rewards, hence these assets have not been de-recognized in its entirety.

Particulars	March 31 2025	March 31 2024
Carrying amount of transferred assets measured at amortised cost (including loans placed as collateral)	11,579.51	42,627.51
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	10,315.67	38,917.88
Fair value of assets	11,579.51	42,627.51
Fair value of associated liabilities	10,315.67	38,917.88
Net position at Fair Value	1,263.84	3,709.63



ii. Transfer of financial assets that were derecognized in their entirety.

The Company has not transferred any assets that are derecognized in their entirety where the Company continues to have continuing involvement.

55. Events after reporting date:

There have been no events after the reporting date that require adjustment to, or disclosure in these financial statements.

56. Fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

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

Valuation framework

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

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

Valuation methodologies adopted

- Fair values of financial assets and financial liabilities are measured at amortized cost except for market linked debentures and cash and bank balances which are measured at fair value through profit and loss and investments which are measured at fair value through OCI.
- Fair value of Market linked debentures is derived from independent valuer. The valuation is done based on discounted cashflow method. The option portion is projected using Monte Carlo simulations and Geometric Brownian Motion is used to project the Index levels into the future. The Index levels are projected based on certain assumptions and the value of debenture is then arrived at by discounting the respective cashflows.
- The Company has determined that the carrying values of expenses payables, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

57. Fair value hierarchy:

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This is the case for contingent consideration and indemnification assets.



Financial instruments by category

Financial instruments by category	March 31 2025			March 31 2024		
	Carrying value	FVTPL	FVTOCI	Carrying value	FVTPL	FVTOCI
Financial assets:						
Trade Receivables	157.63	-	-	898.05	-	-
Loans	1,38,235.30	-	-	2,13,008.22	-	-
Investment	-	-	1,987.83	-	-	-
Other financial assets	43,855.04	-	-	59,371.41	-	-
Total financial assets	1,82,247.97	-	1,987.83	2,73,277.68	-	-
Financial liabilities:						
Trade Payables	838.92	-	-	745.56	-	-
Debt Securities	78,596.47	2,991.35	-	91,887.60	8,458.21	-
Borrowings (other than debt securities)	81,650.33	-	-	1,37,284.09	-	-
Subordinated Debt	4,335.09	-	-	5,471.12	-	-
Other financial liabilities	19,845.72	-	-	30,083.03	-	-
Total financial liabilities	1,85,266.53	2,991.35	-	2,65,471.40	8,458.21	-

Fair value of financial instruments measured at amortized cost:

Particulars	Level of hierarchy	March 31 2025	March 31 2024
Financial assets:			
Trade Receivables	Level 3	157.63	898.05
Loans	Level 3	1,38,235.30	2,13,008.22
Other financial assets	Level 3	43,855.04	59,371.41
Total financial assets		1,82,247.97	2,73,277.68
Financial liabilities:			
Trade Payables	Level 3	838.92	745.56
Debt Securities	Level 3	78,596.47	91,887.60
Borrowings (other than debt securities)	Level 3	81,650.33	1,37,284.09
Subordinated Debt	Level 3	4,335.09	5,471.12
Other financial liabilities	Level 3	19,845.72	30,083.03
Total financial liabilities		1,85,266.53	2,65,471.40

Fair value of financial instruments designated at FVTPL:

Particulars	Level of hierarchy	March 31 2025	March 31 2024
Financial liabilities:			
Debt Securities	Level 2	2,991.35	8,458.21

Fair value of financial instruments designated at FVTOCI:

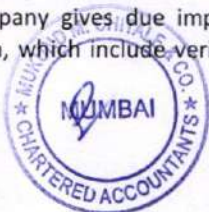
Particulars	Level of hierarchy	March 31 2025	March 31 2024
Financial Assets:			
Investment	Level 1	1,987.83	-

The carrying amounts of cash and cash equivalents and bank balances is equal to the fair value.

58. Financial risk management:

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk and foreign currency risk. The Company's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The principal objective in Company's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information



bureaus, personal verification of a customer's business and residence, technical and legal verifications. For credit risk refer to note 58 (C).

A. Liquidity Risk:

The Company's Board of Directors has overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with approved risk tolerance limits.

The Asset Liability Committee of the Company consisting of the Company's senior management, is responsible for ensuring adherence to the risk tolerance limits as well as implementing the liquidity risk management strategy of the Company. The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company also has a Risk Oversight Committee reporting to the Board and responsible for evaluating overall risks faced by the Company including liquidity risk.

The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company to maintain a healthy asset liability position.

The table below summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

Financial assets	March 31 2025		March 31 2024	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Financial Assets				
Cash and Cash equivalents	23,803.93	-	37,119.45	-
Bank balances other than Cash and Cash equivalents	33,824.13	819.16	31,444.37	4,676.45
Trade Receivables	157.63	-	898.05	-
Loans	92,829.95	83,742.05	1,18,899.24	1,57,604.80
Investments	1,987.83	-	-	-
Other financial assets	35,286.19	8,568.85	43,272.31	16,099.10
Total Financial Assets	1,87,889.65	93,130.07	2,31,633.42	1,78,380.35
Financial Liabilities				
Debt Securities (Other than securitisation liabilities)	64,552.89	28,208.33	59,853.76	57,631.16
Securitisation liabilities	10,154.79	890.38	32,372.18	6,545.70
Borrowings (other than debt securities)	56,411.37	22,327.49	65,333.75	46,658.76
Subordinated Debt	2,047.55	4,857.27	1,778.90	6,904.82
Trade payables	838.92	-	745.56	-
Other financial liabilities	12,878.73	8,067.09	17,518.65	14,029.97
Total Financial Liabilities	1,46,884.25	64,350.57	1,77,602.80	1,31,770.41

The table below shows an analysis of assets and liabilities analyzed (maturity analysis) according to when they are to be recovered or settled.

As at March 31 2025	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and Cash equivalents	23,719.66	-	23,719.66
Bank balances other than Cash and Cash equivalents	32,499.29	756.23	33,255.52
Trade Receivables	157.63	-	157.63
Loans	69,577.25	68,658.05	1,38,235.30
Investments	1,987.83	-	1,987.83
Other financial assets	35,286.19	8,568.85	43,855.04



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

(₹ in Lakhs unless otherwise stated)

As at March 31 2025	Within 1 year	After 1 year	Total
Non-financial assets			
Current tax assets (Net)	2,178.74	-	2,178.74
Deferred tax asset (Net)	-	14,446.00	14,446.00
Property, plant and equipment	-	290.82	290.82
Intangible assets	-	24.98	24.98
Intangible assets under development	-	52.12	52.12
Goodwill	-	589.23	589.23
Right-of-use assets	-	2,566.06	2,566.06
Other non-financial assets	352.79	-	352.79
Total assets	1,65,759.37	95,952.35	2,61,711.72
Liabilities			
Financial liabilities			
Trade Payables	57,195.80	24,392.02	81,587.82
Debt Securities	60,682.29	20,968.04	81,650.33
Borrowings (Other than debt securities)	1,523.79	2,811.30	4,335.09
Subordinated Debt	836.74	2.18	838.92
Other financial liabilities	12,506.03	7,339.69	19,845.72
Non-Financial liabilities			
Provisions	234.29	970.00	1,204.29
Other non-financial liabilities	724.91	-	724.91
Total liabilities	1,33,703.85	56,483.23	1,90,187.08

As at March 31 2024	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and Cash equivalents	37,086.60	-	37,086.60
Bank balances other than Cash and Cash equivalents	30,013.06	4,191.88	34,204.94
Trade Receivables	898.05	-	898.05
Loans	83,690.28	1,29,317.94	2,13,008.22
Other financial assets	43,272.31	16,099.10	59,371.41
Non-financial assets			
Current tax assets (Net)	-	4,507.45	4,507.45
Deferred tax asset (Net)	-	3,593.49	3,593.49
Property, plant and equipment	-	538.06	538.06
Other Intangible assets	-	52.00	52.00
Right-of-use assets	-	2,984.28	2,984.28
Other non-financial assets	416.58	-	416.58
Total assets	1,95,376.88	1,61,284.20	3,56,661.08
Liabilities			
Financial liabilities			
Trade Payables	745.56	-	745.56
Debt Securities	50,751.98	49,593.83	1,00,345.81
Borrowings (Other than debt securities)	88,990.43	48,293.66	1,37,284.09
Subordinated Debt	1,036.37	4,434.75	5,471.12
Other financial liabilities	17,696.54	12,386.49	30,083.03
Non-Financial liabilities			
Provisions	200.26	811.63	1,011.89
Other non-financial liabilities	1,016.51	592.81	1,609.32
Total liabilities	1,60,437.65	1,16,113.17	2,76,550.82

*The Company holds adequate liquid assets and sanction lines to ensure mismatch within board approved policy.



B. Market Risk:

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to equity price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables and borrowings.

Foreign currency exposure risk

The Company's exposure for foreign currency risk at the end of reporting period are as follows:

Particulars	March 31 2025		March 31 2024	
	USD	₹ in Lakhs	USD	₹ in Lakhs
Expenses payable	-	-	998.00	0.83

Foreign currency sensitivity

Foreign current rate	Impact on profit before tax	
	March 31 2025	March 31 2024
Foreign currency exposure risk		
Increase by 5%	-	0.04
Decrease by 5%	-	(0.04)

(ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between fixed and floating interest bearing loans.

Carrying value of borrowings:

Particulars	March 31 2025	March 31 2024
Debt Securities (floating)	3,989.64	12,916.81
Debt Securities (fixed)	77,598.18	87,429.00
Borrowings (other than debt securities) (floating)	35,239.48	62,382.40
Borrowings (other than debt securities) (fixed)	46,410.85	74,901.69
Subordinated debts (fixed)	4,335.09	5,471.12
Total Borrowings	1,67,573.24	2,43,101.02

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of profit and loss:

Interest rate	Impact on profit before tax	
	March 31 2025	March 31 2024
Debt securities, Borrowings (other than debt securities) & subordinate debt		
Increase by 50 basis points	(196.15)	(376.50)
Decrease by 50 basis points	196.15	376.50



C. Credit Risk:

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The lending model focuses on SME Lending. The nature of the product is unsecured.

The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

- **Stage 1:** unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised.
- **Stage 2:** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised.
- **Stage 3:** objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions.

Financial instruments other than loans, Interest receivable on assignment of loans and Receivable from co-lenders were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

Below is the summary for the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD using empirical data where relevant:

- **Probability of Default (PD)**

The Company's operates with its internal rating models in which its customers are rated from "A" to "E" using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilises supplemental external information that could affect the borrower's behaviour.

The risk segmentation has been based on the behaviour model risk buckets. Behaviour model is scored at regular intervals, and incorporate borrower's updated credit information report, repayment performance & initial risk rating, to assess the future risk of going default. PDs are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

Stage 1: based on internal behaviour model (12 months' probability of default)

Stage 2: based on days past due (lifetime probability of default)

Stage 3: 100%

- **Exposure at Default (EAD)**

The exposure at default represents the outstanding and interest accrued of the financial instruments subject to the impairment calculation.

- **Loss given Default (LGD)**

LGD values are assessed based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data.



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

(₹ in Lakhs unless otherwise stated)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows:

Particulars	March 31 2025*				March 31 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of gross carrying amount	2,07,558.60	5,043.79	6,349.73	2,18,952.12	1,73,333.13	4,983.51	4,752.35	1,83,068.99
Transfers during the year								
Transfers to Stage 1	184.37	(119.12)	(65.25)	-	116.68	(96.45)	(20.23)	-
Transfers to Stage 2	(7,328.13)	7,334.27	(6.15)	-	(3,619.72)	3,619.72	-	-
Transfers to Stage 3	(22,242.02)	(3,786.90)	26,028.92	-	(14,592.54)	(2,733.64)	17,326.18	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes in opening credit exposures	(94,650.00)	(3,331.39)	(12,223.01)	(1,10,204.40)	(89,065.11)	(2,925.11)	(9,485.84)	(1,01,476.06)
New credit exposures during the year, net of repayments	48,835.11	984.52	1,692.52	51,512.15	1,41,386.16	2,195.76	2,438.62	1,46,020.54
Amounts written off	-	-	(15,427.93)	(15,427.93)	-	-	(8,661.35)	(8,661.35)
Closing balance of gross carrying amount	1,32,357.93	6,125.18	6,348.83	1,44,831.95	2,07,558.60	5,043.79	6,349.73	2,18,952.12

*Inter-company loan is excluded from the above.

Particulars	March 31 2025				March 31 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of ECL allowance	2,954.02	863.36	2,126.52	5,943.90	3,067.21	969.66	2,104.47	6,141.34
Transfers during the year								
Transfers to Stage 1	33.78	(20.86)	(12.92)	-	14.54	(9.36)	(5.18)	-
Transfers to Stage 2	(112.74)	113.43	(0.69)	-	(83.18)	83.18	-	-
Transfers to Stage 3	(411.02)	(657.20)	1,068.22	-	(391.64)	(670.89)	1,062.53	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes in opening credit exposures	(866.81)	1,102.40	13,966.01	14,201.60	(1,541.39)	109.40	6,354.84	4,922.85
New credit exposures during the year, net of repayments	2,149.92	266.95	1,224.78	3,641.65	1,888.48	381.37	1,271.21	3,541.06
Amounts written off	-	-	(15,427.93)	(15,427.93)	-	-	(8,661.35)	(8,661.35)
Closing balance of ECL allowance	3,747.15	1,668.08	2,943.99	8,359.22	2,954.02	863.36	2,126.52	5,943.90

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

As at March 31 2025:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount*	1,32,357.93	6,125.18	6,348.83	1,44,831.95
Allowance for ECL	3,747.15	1,668.08	2,943.99	8,359.22
ECL Coverage ratio	2.83%	27.23%	46.37%	5.77%

* Inter-company loan is excluded from the above.



As at March 31 2024:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,07,558.60	5,043.79	6,349.73	2,18,952.12
Allowance for ECL	2,954.02	863.36	2,126.52	5,943.90
ECL Coverage ratio	1.42%	17.12%	33.49%	2.71%

The company is a registered Member Lending Institute with Credit Guarantee Fund for Micro Units and has claimed benefit in ECL of ₹ 4,749.84 as at March 31 2025. (March 31 2024: ₹ 4,987.59). The ECL Coverage calculated above is after considering the said benefit.

Measurement uncertainty and sensitivity analysis of ECL estimates:

Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis. The recognition and measurement of ECL involves the use of estimation. It is necessary to formulate multiple forward looking economic forecasts and its impact as an integral part of ECL model.

To secure its eligible pool, Company takes guarantee cover for its portfolio under Credit Guarantee Fund Scheme for Micro Units (CGFMU) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). As on March 31 2025, outstanding amount of ₹ 88,776.90 (loan assets) is covered under this scheme (March 31 2024: ₹ 1,61,957.48). The Company has paid Sovereign guarantee fees against the same of ₹ 3,661.33 (March 31 2024: ₹ 4,023.61) which is presented under Note 37 Other expenses. This has helped the Company to offset ₹ 7,272.07 worth of credit losses (March 31 2024: ₹ 7,295.60).

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions:

Particulars	March 31 2025	March 31 2024
Gross carrying amount of loans*	1,44,831.95	2,18,952.12
Reported ECL	8,359.22	5,943.90
Reported ECL coverage	5.77%	2.71%
ECL amounts for alternate scenario		
Downside scenario (10%)	9,195.14	6,538.29
Upside scenario (10%)	7,523.30	5,349.51
ECL coverage ratios by scenario		
Downside scenario (10%)	6.35%	2.99%
Upside scenario (10%)	5.19%	2.44%

* Inter-company loan is excluded from the above.

59. Other statutory information:

- The Company does not have any Benami property, and no proceeding have been initiated or pending against the Company for holding any Benami property.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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 to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company 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



- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vii. The Company has not been declared as a wilful defaulter by any bank, financial institution or any other lender.

60. DISCLOSURE ON RESTRUCTURING:

(A) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 05 May 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at Position as at April 01 2024 (A)	Of (A), aggregate debt that slipped into NPA during the year ended March 31 2025	Of (A) amount written off during the 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	-	-	-	-	-
Corporate persons*	153.91	-	27.75	124.53	1.63
Of which MSMEs	153.91	-	27.75	124.53	1.63
Others	-	-	-	-	-
Total	153.91	-	27.75	124.53	1.63

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at Position as at April 01 2023 (A)	Of (A), aggregate debt that slipped into NPA during the year ended March 31 2024	Of (A) amount written off during the year ended March 31 2024	Of (A) amount paid by the borrowers during the half-year ended March 31 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31 2024
Personal Loans	-	-	-	-	-
Corporate persons*	1240.01	56.00	282.34	747.76	153.91
Of which MSMEs	1240.01	56.00	282.34	747.76	153.91
Others	-	-	-	-	-
Total	1240.01	56.00	282.34	747.76	153.91



Cl. No.	
---------	--

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SWE Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	114.00	45.00	-	-	159.00	-	-	-	-	-	114.00	45.00	-	-	159.00
		Amount outstanding	-	-	-	-	-	153.91	30.13	-	-	184.04	-	-	-	-	-	153.91	30.13	-	-	184.04
		Provision thereon	-	-	-	-	-	10.62	26.51	-	-	37.13	-	-	-	-	-	10.62	26.51	-	-	37.13
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Degradation of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	23.00	-	-	23.00	-	-	-	-	-	-	23.00	-	-	23.00
		Amount outstanding	-	-	-	-	-	-	7.93	-	-	7.93	-	-	-	-	-	-	7.93	-	-	7.93
		Provision thereon	-	-	-	-	-	-	5.73	-	-	5.73	-	-	-	-	-	-	5.73	-	-	5.73
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	26.00	65.00	-	-	91.00	-	-	-	-	-	26.00	65.00	-	-	91.00
		Amount outstanding	-	-	-	-	-	27.75	35.51	-	-	63.26	-	-	-	-	-	27.75	35.51	-	-	63.26
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of borrowers	-	-	-	-	-	5.00	-	-	-	5.00	-	-	-	-	-	5.00	-	-	-	5.00
		Amount outstanding	-	-	-	-	-	1.63	-	-	-	1.63	-	-	-	-	-	1.63	-	-	-	1.63
		Provision thereon	-	-	-	-	-	0.12	-	-	-	0.12	-	-	-	-	-	0.12	-	-	-	0.12

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

1	2
---	---

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	518.00	172.00	-	-	690.00	-	-	-	-	-	518.00	172.00	-	-	690.00
		Amount outstanding	-	-	-	-	-	1,240.01	206.70	-	-	1,446.71	-	-	-	-	-	1,240.01	206.70	-	-	1,446.71
		Provision thereon	-	-	-	-	-	98.14	176.07	-	-	274.21	-	-	-	-	-	98.14	176.07	-	-	274.21
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	29.00	33.00	-	-	62.00	-	-	-	-	-	29.00	33.00	-	-	62.00
		Amount outstanding	-	-	-	-	-	56.00	25.39	-	-	81.39	-	-	-	-	-	56.00	25.39	-	-	81.39
		Provision thereon	-	-	-	-	-	1.83	16.47	-	-	18.30	-	-	-	-	-	1.83	16.47	-	-	18.30
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	168.00	160.00	-	-	328.00	-	-	-	-	-	168.00	160.00	-	-	328.00
		Amount outstanding	-	-	-	-	-	282.34	175.67	-	-	458.01	-	-	-	-	-	282.34	175.67	-	-	458.01
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of borrowers	-	-	-	-	-	114.00	45.00	-	-	159.00	-	-	-	-	-	114.00	45.00	-	-	159.00
		Amount outstanding	-	-	-	-	-	153.91	30.13	-	-	184.04	-	-	-	-	-	153.91	30.13	-	-	184.04
		Provision thereon	-	-	-	-	-	10.62	26.51	-	-	37.13	-	-	-	-	-	10.62	26.51	-	-	37.13

* Excluding the figures of Standard Structured Advances which do not attract higher provisioning or risk weight (if applicable).



61. Change in liabilities arising from financing activities

Particulars	As on April 01 2024	Cash Flows	Others	As on March 31 2025
Lease Liabilities	3,327.97	(935.15)	643.98	3,036.80
Debt Securities	1,00,345.81	(18,300.24)	(457.75)	81,587.82
Borrowings (Other than debt securities)	1,37,284.09	(55,971.20)	337.44	81,650.33
Subordinate Debt	5,471.12	(1,000.00)	(136.03)	4,335.09
Share Capital	-	18,649.38	-	18,649.38
Total liabilities from Financing Activities	2,46,428.99	(57,557.21)	387.64	1,89,259.42

Particulars	As on April 01 2023	Cash Flows	Others *	As on March 31 2024
Lease Liabilities	2,100.06	(730.94)	1,958.85	3,327.97
Debt Securities	45,022.56	57,104.24	(1,780.99)	1,00,345.81
Borrowings (Other than debt securities)	1,20,471.72	17,355.39	(543.02)	1,37,284.09
Subordinate Debt	2,529.89	3,000.00	(58.77)	5,471.12
Total liabilities from Financing Activities	1,70,124.23	76,728.69	(423.93)	2,46,428.99

* Includes discount on commercial papers amortised during the year, adjustment for effective interest rate and adjustment on account of lease creation/ modification/ termination.

62. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021:

- (a) Details of transfer through assignment in respect of loans not in default during the financial year ended March 31 2025: (Excluding transactions entered with respect to circular - RBI/2020-21/63 FIDD.CO.Plan. BC.No.8/04.09.01/2020-21).

Particulars	March 31 2025	March 31 2024
Amount of loans transferred through assignment	17,486.15	22,711.82
Retention of beneficial economic interest	11.34%	10.00%
Weighted average residual maturity (in months)	26.65	25.42
Weighted average holding period (in months)	7.37	7.90
Coverage of tangible security coverage	NA	NA
Rating-wise distribution of rated loans	Unrated	Unrated

- (b) The Company has not acquired loans through assignment during the financial year ended March 31 2025 and during the previous year ended March 31 2024.

- (c) Details of NPA loans transferred to ARCs during the year ended March 31 2025:

Particulars	March 31 2025	March 31 2024
No. of accounts	-	12,984
Aggregate principal outstanding of loans transferred	-	35,563
Weighted average residual tenor of the loans transferred (in months)	-	0.31
Net book value of loans transferred (at the time of transfer)	-	-
Aggregate consideration	-	3,360
Additional consideration realized in respect of accounts transferred in earlier years.	-	-
Excess provision reversed in profit & loss on account of sale of stressed loan	-	504
Investments in Security Receipts (SR)*	-	2,856

*SRs currently not rated, to be rated within timelines as per RBI guidelines.



63. Disclosure pursuant to Reserve Bank of India notification RBI/DoR/2023-24/106 Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 DOR.FIN.REC.No. 45/03.10.119/2023-24 updated as on March 21, 2024.

Details of investments

Particulars	March 31 2025	March 31 2024
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,987.83	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,987.83	-
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

A. Disclosure for securitisation*

- a) The information on securitisation of the Company as an originator in respect of outstanding amount of assets securitised under par structure is given below:

Sr. No.	Particulars	March 31 2025	March 31 2024
1	No. of SPVs sponsored by the NBFC for securitisation transactions	16	22
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	17,427.51	44,933.53
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet	-	-
	a. Off balance sheet exposure		
	First Loss	8,255.69	8,876.05
	Others		
	b. On balance sheet exposure		
	First Loss	2,208.77	3,392.09
	Others (Overcollateralization)	3,488.26	5,074.58
4	Amount of exposures to securitisation transactions other than MRR		
	a. Off balance sheet exposure		
	I. Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	II. Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-
	b. On balance sheet exposure		
	I. Exposure to own securitisations		



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

(₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	March 31 2025	March 31 2024
	First Loss	-	-
	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	73,283.29	90,535.72
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount (in the form of Credit enhancement) (I) Corporate Guarantee (II) Fixed Deposits (III) Others	NIL NIL 8,255.69 2,208.77 3,488.26	NIL NIL 8,876.05 3,392.09 5,074.58
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	4.33%	2.90%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	N.A	N.A
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	N.A	N.A

*The above figures are based on the information duly certified by the SPV's auditors.

B. Disclosure for direct assignment

Details of assignment transactions undertaken by the Company during the year

Particulars	March 31 2025	March 31 2024
No. of accounts	3,055	4,462
Aggregate value (net of provisions) of accounts sold	17,486.15	22,711.82
Aggregate consideration	17,486.15	22,711.82
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

C. Exposures
(a) Exposure to capital market

The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

(b) Exposure to Real Estate Sector

The Company has no exposure to the real estate sector directly or indirectly in the current and previous year



(c) Intra Group Exposure

The Company has intra group exposure in the current and previous year as under:

Particulars	March 31 2025	March 31 2024
Total amount of intra-group exposures	1,762.57	-
Total amount of top twenty intra-group exposures	1,762.57	-
Percentage of intra-group exposures to total exposure of the Company on borrowers/customers	1.20%	-

(d) Sectoral exposure

Sectors	2024-25			2023-24		
	Total Exposure	Gross NPAs	GNPA %	Total Exposure	Gross NPAs	GNPA %
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
Textiles	17,170.47	836.28	4.87%	28,320.83	965.57	3.41%
Vehicles, Vehicle Parts & Transport Equipment	7,608.13	246.71	3.24%	10,583.18	227.49	2.15%
All Engineering	16,733.27	691.22	4.13%	26,912.89	809.52	3.01%
Other Industries	66,204.94	2,957.81	4.47%	97,564.12	3,123.81	3.20%
Total of Industry	1,07,716.81	4,732.02	4.39%	1,63,381.02	5,126.39	3.14%
3. Services						
Logistics	3,792.22	226.46	5.97%	5,862.69	149.07	2.54%
Manpower Services	3,526.71	217.21	6.16%	5,443.35	126.60	2.33%
Software Services	1,206.64	19.69	1.63%	1,928.41	50.65	2.63%
Other Service Activities	19,643.79	885.7	4.51%	29,437.10	823.96	2.79%
Total of Services	28,169.36	1,349.06	4.79%	42,671.55	1,150.28	2.70%
4. Personal Loans	8,945.78	267.76	2.99%	12,899.55	73.06	0.57%
5. Intra Group Exposure	1,762.57	-	0.00%	-	-	-
6. Others (please specify)	-	-	-	-	-	-
Total	1,46,594.52	6,348.84	4.33%	2,18,952.12	6,349.73	2.90%

(e) Unhedged foreign currency exposure

The Company is having NIL Unhedged foreign currency exposure as at March 31 2025 and March 31 2024.

D. Registration with other financial sector regulator

The Company has obtained registration as a Corporate Agent (Composite) in **February 2019** with Insurance Regulatory and Department Authority of India (IRDAI). The Registration no. is **CA0641** and is valid till **February 27 2028**.

E. No penalties imposed on the Company by the Reserve Bank of India or any other regulator during the year ended March 31 2025 (March 31 2024: NIL).

F. Ratings assigned by credit rating agencies and migration of ratings during the year

The Company has obtained ratings from ICRA Limited, India Ratings & Research, and Infomerics Rating (IVR) for Term Loans, Non-Convertible Debentures (NCDs), and Commercial Paper (CP). The ratings assigned for the respective instruments are as follows:

Instrument	As at March 31 2025	As at March 31 2024
Line of Credit/ Bank lines	[ICRA] BBB+/[ICRA] A2; Placed on Rating Watch with Positive Implications IVR BBB+/ RWPI (Rating Watch with positive implications)	ICRA BBB+(Positive)/ICRA A2 IVR BBB+/ Negative
Non-Convertible Debentures/ CP	ICRA BBB+ ; Placed on Rating Watch with Positive Implications PP-MLD [ICRA] BBB+ ; Placed on Rating Watch with Positive Implications IVR BBB+/ RWPI (Rating Watch with positive implications) IND BBB+/ Stable IND PP-MLD BBB+ / Stable IND A2 (Short term rating for Commercial Paper)	ICRA BBB+(Positive) IVR BBB+/ Negative IND PP-MLD BBB+ / Stable IND BBB+/Stable IND A2 (Short term rating for CP) CRISIL PPMLD BBB+/Positive (Withdrawn)

G. Break up of 'Impairment on financial instruments at amortised cost' shown under the head Expenditure in the statement of profit and loss

Break up of 'Impairment and allowance' shown under the head Expenditure in Profit and Loss Account*	March 31 2025	March 31 2024
Provision on Loans	2,359.31	(197.44)
Write offs	15,427.93	8,661.35
Impairment of other financial assets	34,558.33	17,167.58

* Net of CGTMSE and CGFMU benefit.

H. Concentration of Deposits, Advances, Exposures and NPAs**i. Concentration of Deposits – NA****ii. Concentration of Advances**

Particulars	March 31 2025	March 31 2024
Total Advances to twenty largest borrowers	2,417.59	1,045.63
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.65%	0.48%

iii. Concentration of Exposures

Particulars	March 31 2025	March 31 2024
Total Exposure to twenty largest borrowers	2,417.59	1,045.63
Percentage of Exposure to twenty largest borrowers to Total Advances of the applicable NBFC	1.64%	0.47%

iv. Concentration of NPAs

Particulars	March 31 2025	March 31 2024
Total Exposure to top four NPA accounts	125.99	135.60



I. Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		March 31 2025	March 31 2024
1	Agriculture & allied activities	-	-
2	MSME*	4.42%	3.05%
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	2.99%	0.57%
6	Auto loans	-	-
7	Other personal loans	-	-
8	Other retail loans	-	-

*Ministry of Micro, Small and Medium Enterprises vide its notification dated June 01 2020 announced the criteria for classification of micro, small and medium enterprises basis which the Company has classified its customers into micro, small and medium enterprise in accordance with MSMED Act.

J. Movement of NPAs*

Sr. No.	Particulars	March 31 2025	March 31 2024
I	Net NPAs to net advances (%)**	2.37%	1.95%
ii	Movement of NPAs (Gross)		
	i) Opening balance	6,349.73	4,752.35
	ii) Additions during the year	24,563.49	19,531.66
	iii) Reductions during the year	24,564.39	17,934.28
	iv) Closing balance	6,348.83	6,349.73
iii	Movement of net NPAs		
	i) Opening balance	4,223.21	2,647.88
	ii) Additions during the year	15,626.88	12,916.54
	iii) Reductions during the year	16,445.25	11,341.21
	iv) Closing balance	3,404.84	4,223.21
iv	Movement of provisions for NPAs (excluding provision on standard assets)		
	i) Opening balance	2,126.52	2,104.47
	ii) Provisions made during the year	8,936.61	6,615.12
	iii) Write-off/Write-back	8,119.14	6,593.07
	iv) Closing balance	2,943.99	2,126.52

* Represents stage-3 loans

**Net NPA of 2.37% is after considering the benefit accruing to the company from Sovereign guarantee Schemes (CGFMU and CGTMSE). The benefit of these schemes is 1.26% and the Net NPA without considering the benefits stands at 1.11%.

K. Classification and provisions for loan portfolio

Asset classification	March 31 2025	March 31 2024
Loan outstanding		
Standard assets (Stage-1 and Stage-2)	1,40,245.68	2,12,602.39
Non-performing assets (Stage-3)	6,348.83	6,349.73
Loss assets	-	-
Less: Provision		
Standard assets (Stage-1 and Stage-2)	5,415.23	3,817.38
Non-performing assets (Stage-3)	2,943.99	2,126.52
Loss assets	-	-
Loan outstanding (net)		
Standard assets (Stage-1 and Stage-2)	1,34,830.45	2,08,785.00
Non-performing assets (Stage-3)	3,404.84	4,223.21
Loss assets	-	-



L. Customer Complaints

(i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	March 31 2025	March 31 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	12	324
2	Number of complaints received during the year	4,098	14,112
3	Number of complaints disposed during the year	4,040	14,424
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	70	12
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	273	109
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	261	108
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	12	1
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

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
March 31 2025					
Collection Calls	6	815	(13.21%)	43	-
Pre-closure Payment	-	266	-	2	2
TnC Accepted: Next Steps	-	284	-	-	-
Waiting for Disbursement	-	288	(80.81%)	-	-
Wrong EMI Alert	-	440	-	9	-
Others	6	2,005	(60.83%)	16	8
Total	12	4,098		70	10
March 31 2024					
EMI deducted twice	-	3,330	-	1	-
Loan Amount not Received	-	2,009	-	-	-
Waiting for Disbursement	1	1,501	-	-	-
CIBIL Issue	1	1,214	-	-	-
Collection Calls	-	939	-	6	-
Others	322	5,119	-	5	1
Total	324	14,112		12	1



M. Disclosure On Frauds

The frauds detected and reported during the year amounted to ₹ 306.47 (Previous year ₹ 220.75)

N. Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Sr No.	Particulars	March 31 2025	March 31 2024
i)	The notional principal of swap agreements	8,315.50	8,315.50
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
iii)	Collateral required by the Company upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	-	-
v)	The fair value of the swap book (Asset / (Liability))	-	-

b) Exchange Traded Interest Rate (IR) Derivatives

The Company has not entered into any exchange traded derivative.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

- The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. 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 shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.
- The respective functions of trading, confirmation and settlement should be 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. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.



Quantitative Disclosures

d) Foreign currency non-repatriate loans availed

Sr No.	Particulars	March 31 2025		March 31 2024	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)	-	-	-	-
	- For hedging	-	-	8,315.50	-
ii)	Marked to Market Positions	-	-	-	-
	(a) Asset [+] Estimated gain	-	-	-	-
	(b) Liability [-] Estimated loss	-	-	-	-
iii)	Credit exposure	-	-	-	-
iv)	Unhedged exposures	-	-	-	-

* Cross currency interest rate swap

O. Details of Single borrower limits (SBL)/ Group borrower limits (GBL) exceeded

The Company has not exceeded the single borrower limits or group borrower limits as set by the Reserve Bank of India.

P. Advances against Intangible securities

The Company has not granted any loans against intangible assets as security.

Q. Draw down from reserves

During FY 2025, there were no draw down from Reserves (Previous year: Nil)

R. Details of financing of parent company products

There was no financing activity during the current financial year (Previous year: Nil)

S. Breach of covenant (on Listed instruments)

One of the Financial Covenants of a Secured, Listed, Redeemable Non-Convertible Debentures (ISIN: INE090W07667) issued by the company, stated that the company shall ensure that at all times the Profit before Tax shall be positive on an annual basis. For the financial year ended March 31 2025, the Company has incurred a loss before tax. Consequently, the above-mentioned financial covenant has not been complied with, resulting in a breach of covenant. The Company has duly informed the Debenture Trustee of the breach and is in the process of engaging with the Trustee and Debenture holders to evaluate the appropriate course of action.

T. The Company does not have any outstanding loans against gold jewellery as at March 31 2025 (March 31 2024: Nil).

U. Divergence in Asset Classification and Provisioning

- a) The additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period – **NIL**
- b) The additional Gross NPAs identified by the Reserve Bank exceeds 5 percent of the reported Gross NPAs for the reference period.

Sr.	Particulars	March 31 2025	March 31 2024
1.	Gross NPAs as on March 31, as reported by the NBFC	NIL	NIL
2.	Gross NPAs as on March 31, as assessed by the Reserve Bank		
3.	Divergence in Gross NPAs (2-1)		
4.	Net NPAs as on March 31, as reported by the NBFC		
5.	Net NPAs as on March 31, as assessed by the Reserve Bank		
6.	Divergence in Net NPAs (5-4)		
7.	Provisions for NPAs as on March 31, as reported by the NBFC		
8.	Provisions for NPAs as on March 31, as assessed by the Reserve Bank		



Sr.	Particulars	March 31 2025	March 31 2024
9.	Divergence in provisioning (8-7)		
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31,		
11.	Reported Net Profit after Tax (PAT) for the year ended March 31,		
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, after considering the divergence in provisioning		

V. Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as on March 31 2025

Particulars	1 day to 7 days	8 day to 14 days	5 days to 30/31 days	Over one 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 years & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	9,145.54	1,025.10	969.49	6,719.39	5,779.24	17,185.92	33,382.35	65,930.47	6,457.02	-	1,46,594.52
Investments	-	-	498.32	1,489.51	-	-	-	-	-	-	1,987.83
Borrowings	9,130.12	1,284.78	6,154.71	12,339.16	16,467.61	30,288.98	43,736.53	45,360.05	2,811.30	-	1,67,573.24

The Company manages ALM effectively and below is the details related to the same:

- Free cash and bank balances of ₹ 27,143.15
- Fixed deposits pledged against the above borrowings of ₹ 17,171.14
- Sanction lines available for utilization of ₹ 2,505.00

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as on March 31 2024

Particulars	1 day to 7 days	8 day to 14 days	5 days to 30/31 days	Over one 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 years & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	8,759.19	1,768.29	1,600.34	6,883.37	6,921.14	20,835.79	40,299.34	1,24,277.66	7,606.99	-	2,18,952.12
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,594.30	1,381.86	7,016.72	8,066.35	11,859.00	41,293.29	69,567.25	90,739.26	8,648.23	2934.76	2,43,101.02

The Company manages ALM effectively and below is the details related to the same:

- Free cash and bank balances of ₹ 40,730.87
- Fixed deposits pledged against the above borrowings of ₹ 12,932.79
- Sanction lines available for utilization of ₹ 19,315.29

W. Schedule to the balance sheet of a Non-Banking Financial company

Sr. No.	Particulars	March 31 2025	March 31 2024
	Liabilities Side		
1.	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
	(a) Debentures		
	Secured*	71,642.03	90,072.43
	Unsecured*	9,945.79	4,938.98
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans*	66,691.08	91,944.44
	(d) Inter-corporate loans and borrowing*	8,445.92	9,992.75
	(e) Commercial Paper*	-	5,334.41
	(f) Public Deposits	-	-
	(g) Other Loans (specify nature) *	10,848.42	40,818.01
	* There is no overdue		
2.	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

(₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	March 31 2025	March 31 2024
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Assets side		
3.	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	1,38,235.30	2,13,008.22
4.	Break up of Leased Assets and stock on Hire and other assets counting towards asset financing activities.		
	(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 asset financing activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
5.	Break-up of Investments		
	Current Investments		
	I. Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	1,987.83	-
	(v) Others (please specify)	-	-
	II. Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments:		
	I. Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

(₹ in Lakhs unless otherwise stated)

Sr. No.	Particulars	March 31 2025	March 31 2024
	II. Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
6.	Borrower group-wise classification of assets financed as in (3) and (4) above: Please see Note 2 below		
	1. Related Parties		
	(a) Subsidiaries		
	(i) Secured	-	-
	(ii) Unsecured	1,762.57	-
	Total	1,762.57	-
	(b) Companies in the same group		
	(i) Secured	-	-
	(ii) Unsecured	1,762.57	-
	Total	1,762.57	-
	(c) Other related parties		
	(i) Secured	-	-
	(ii) Unsecured	-	-
	Total	-	-
	2. Other than Related Parties		
	(i) Secured	-	-
	(ii) Unsecured	1,36,472.73	2,13,008.22
	Total	1,36,472.73	2,13,008.22
7.	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below		
	1. Related Parties		
	(a) Subsidiaries		
	i. Market Value / Break up or fair value or NAV	-	-
	ii. Book Value (Net of Provisions)	-	-
	(b) Companies in the same group		
	i. Market Value / Break up or fair value or NAV	-	-
	ii. Book Value (Net of Provisions)	-	-
	(c) Other related parties		
	i. Market Value / Break up or fair value or NAV	-	-
	ii. Book Value (Net of Provisions)	-	-
	2. Other than Related Parties		
	i. Market Value / Break up or fair value or NAV	-	-
	ii. Book Value (Net of Provisions)	-	-
8.	Other information		
	(i) Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	6,348.83	6,349.73
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	3,404.83	4,223.21
	(iii) Assets acquired in satisfaction of debt	-	-



- X. Disclosure for liquidity coverage ratio as per RBI Master Direction RBI/Dor/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24, updated as on 21st March,2024 as amended from time to time is not applicable as the asset size of the company is less than ₹ 5,00,000 Lakhs.

64. Liquidity Risk Disclosures

I. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	March 31 2025
Number of significant counter parties*	20
Amount	1,43,888.81
Percentage of funding concentration to total deposits	N.A
Percentage of funding concentration to total liabilities	75.66%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework, as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

II. Top 20 large deposits - Not applicable

III. Top 10 borrowings

Particulars	March 31 2025
Total amount of top 10 borrowings	1,07,170.45
Percentage of amount of top 10 borrowings to total borrowings	63.95%

IV. Funding Concentration based on significant instrument/product

Particulars	March 31 2025	Percentage of total liabilities
Debt Securities	62,935.05	33.09%
Term loans and WCDL	72,671.66	38.21%
Securitisation liabilities	10,315.67	5.42%
External Commercial Borrowings	8,337.10	4.38%
Inter-company Borrowings	8,445.92	4.44%
CC/OD	532.75	0.28%
Sub-debt	4,335.09	2.28%

V. Stock ratio:

Sr. No.	Stock ratio	Percentage
1	Commercial papers as a % of total liabilities	0.00%
2	Commercial papers as a % of total assets	0.00%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N.A
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	N.A
5	Other short-term liabilities as a % of total liabilities	70.30%
6	Other short-term liabilities as a % of total assets	51.09%

VI. Institutional set-up for Liquidity Risk Management

Refer Note-58(A) of financial statements.



65. Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference as per Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)
Performing Assets						
Standard	Stage 1	1,32,357.93	3,747.15	1,28,610.78	529.43	3,217.72
	Stage 2	6,125.18	1,668.08	4,457.10	24.58	1,643.50
Subtotal		1,38,483.11	5,415.23	1,33,067.88	554.01	4,861.22
Non-performing Assets (NPA)						
Substandard	Stage 3	6,348.83	2,943.99	3,404.84	634.88	2,309.11
Doubtful - up to 1 year						
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
Subtotal of Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		6,348.83	2,943.99	3,404.84	634.88	2,309.11
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	-	-	-	-	-
Subtotal		-	-	-	-	-
Total						
Total	Stage 1	1,32,357.93	3,747.15	1,28,610.78	529.43	3,217.72
	Stage 2	6,125.18	1,668.08	4,457.10	24.58	1,643.50
	Stage 3	6,348.83	2,943.99	3,404.84	634.88	2,309.11
	Total	1,44,831.95	8,359.22	1,36,472.73	1,188.89	7,170.33

*Inter-company loans is excluded from the above

66. During the year ended March 31 2025 (March 31 2024 – Nil) the company has not declared dividend.

67. The Company has complied with Rule 3 of the Companies (Accounts) Rules, 2014, as amended on August 5, 2023, pertaining to the maintenance of electronic books of account and other relevant books and papers. The books of account and relevant records are accessible in India at all times, and backups are maintained in electronic format on a daily basis, stored on servers physically located within India.

For the financial year ended March 31, 2025, the Company has used accounting software that includes an audit trail (edit log) feature for maintaining its books of account. This feature was operational throughout the year for all relevant transactions recorded in the accounting systems, except in the case of one software—Loan Management System (LMS)—where the audit trail functionality was not enabled at the database level to capture direct data changes until January 27, 2025.



During the course of our audit, we did not observe any instances of tampering with the audit trail. The Company has preserved the audit trail in accordance with statutory record retention requirements, except for the period mentioned above in respect of the LMS software.

68. Business Combination

Acquisitions during the year ended March 31 2025

A. Acquisition of business of Upwards Capital Private Limited

On 10th April, 2024, the Company acquired financing/lending business of Upwards Capital Private Limited, a non-listed company based in India and specializing consumer finance and corporate lending with pioneering models, in exchange for a total consideration of ₹ 716.00. The Company acquired the above business because the acquisition expands both its existing product portfolio, i.e., personal loans and customer base. In addition to portfolio diversification, the transaction is expected to unlock significant operational synergies, enhance market penetration, and strengthen the Company's positioning within the competitive lending landscape.

The purchase price had been allocated based on estimated fair values at the acquisition date, for various assets and liabilities acquired/ assumed under a Sale and Purchase Agreement. The excess of the purchase consideration over fair value of the assets acquired has been allocated to Goodwill. The fair value of assets and liabilities on the date of acquisition has been determined by the management on the basis of its assessment of the nature of business and the underlying assets acquired.

A.1 Assets acquired & liabilities assumed

The fair values of the identifiable assets and liabilities of Upwards Capital Private Limited as at the date of acquisition were:

Particulars	Fair Value recognised on acquisition
Assets	
Cash and cash equivalents	194.09
Trade receivables	293.17
Loans	2,248.09
Other Financial Assets	183.16
Other Non-Financial Assets	12.02
Deferred tax asset (Net) (Refer Note No. 38.2)	34.09
Total Assets	2,964.62
Liabilities	
Trade payables	312.11
Loans & Borrowings	326.79
Debt Securities	1,785.65
Other Financial Liabilities	110.71
Other Non-Financial Liabilities	267.83
Provisions	34.76
Total Liabilities	2,837.85
Total identifiable net assets at fair value	126.77
Goodwill arising on acquisition (Refer Note No.17)	589.23
Purchase consideration transferred	716.00



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

*(₹ in Lakhs unless otherwise stated)***Notes:**

- i. The acquisition date fair value of the Trade Receivables amounts to ₹ 293.17. The gross amount of trade receivables is ₹ 293.17 and it is expected that none of the trade receivables is credit impaired and the full contractual amount can be collected. The difference between the fair value and the carrying amount is the result of discounting over the expected timing of the cash collection and an adjustment for counterparty credit risk.
- ii. The deferred tax liability mainly comprises of temporary tax difference arising on the recognition of the Financial Guarantees and Effective Interest Rate on Loans & Advances and Borrowings.
- iii. The deferred tax asset mainly comprises of temporary tax difference arising on the recognition of the Expected Credit Losses on financial Assets.
- iv. The Company measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the unfavorable terms of the lease relative to market terms.
- v. The goodwill of ₹ 589.23 comprise the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to Financial Services Segment of the Company. None of the goodwill recognized is expected to be deductible for income tax purposes.

A.2

Purchase Consideration	Amount
Cash paid	716.00
Total consideration	716.00

A.3

Analysis of cash flows on acquisition:	Amount
Cash Paid for acquisition	(716.00)
Cash Acquired for as part of business acquisition	194.09
Net cash flow/(outflow) on acquisition	(521.91)



Lendingkart Finance Limited

Notes forming part of financial statements for the year ended March 31 2025

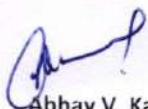
(₹ in Lakhs unless otherwise stated)

69. The Company has reclassified/regrouped the previous year's figures to conform to the presentation of the current year's classification, where applicable.

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Registration No. 106655W



Abhay V. Kamat

Partner

Membership No. 039585



Place: Mumbai

Date: May 29 2025

For and on behalf of Board of Directors

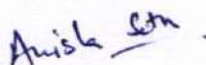


Prashant Prakash Joshi

Chief Executive Officer

Place: Mumbai

Date: May 29 2025



Anisha Seth

Chief Financial Officer

Place: Mumbai

Date: May 29 2025



Thallapaka Venkateswara Rao

Chairman

DIN No. 05273533

Place: Bengaluru

Date: May 29 2025



Rochak Dhariwal

Company Secretary

Membership No. A57383



Place: Ahmedabad

Date: May 29 2025