DIRECTOR'S REPORT

To the Members of
InCred Capital Financial Services Private Limited

Your Directors are delighted to present to you the 24th Annual Report of the Company together with the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2021.

FINANCIAL HIGHLIGHTS OF THE COMPANY :

The highlights of the financial statements of the Company for the financial year 2020-2021 are as under: (INR. In lakhs)

PARTICULARS	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from Operations	3635.56	3,329.69	4,230.44	3340.20
Other Income	19.95	6.98	20.09	6.98
Total Income	**3655.51**	**3,336.67**	**4250.53**	**3347.18**
Expenses	5168.16	2,889.29	6304.49	3030.5
Depreciation & Amortization	165.37	135.72	166.45	135.72
Total Expenses	**5333.53**	**3,025.010**	**6470.94**	**3166.22**
Profit before exceptional items and tax	(1678.02)	311.66	(2220.41)	180.96
Exceptional Items	-	-	-	-
Profit after exceptional items and before tax	(1678.02)	311.66	(2,220.41)	180.96
Tax Expense	(421.65)	88.91	(557.82)	60.90
OCI Income (Net of Tax)	**8.93**	**4.27**	**8.93**	**4.27**
Profit After Tax	**(1247.44)**	**227.02**	**(1,653.66)**	**124.33**
Transfer to Special Reserve under Section 45-IC of The RBI Act, 1934	-	44.55	-	-

OVERVIEW OF THE FY 2020-21

- The Company's revenue for the year was INR 3655.51 lakhs and profit after tax decreased to INR (1247.44) lakhs during the year as against INR 227.02 lakhs in previous year;
- Assets under management grew to INR 20951.30 lakhs as against INR 21777.15 lakhs in previous year;

The Company maintains a healthy CRAR of 38.21 % which is much higher than the prescribed minimum CRAR of 15% as per prudential norms. Following are the details of Tier I and Tier II Capital of the Company as on March 31, 2021:
CRAR- Tier I Capital : 37.74%
CRAR- Tier II Capital: 0.47%

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to the company for the financial year under review, as there was no dividend declared and paid in last year.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company. The Company continued to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

However, as decided by the Board at its meeting held on September 7, 2020, the business profile of the Company is proposed to be pivoted towards wealth management, asset management, investment banking and debt broking businesses and thus it is proposed to surrender the NBFC license of the Company in order to meet the regulatory requirements subject to the necessary approvals.

During the year under review, the Company had changed its registered office from the National Capital territory of Delhi to the state of Maharashtra and accordingly the Company has received a fresh Certificate of Incorporation dated 10th February 2021 having CIN U67120MH1996PTC355036.

Pursuant to shifting of registered office in the state of Maharashtra, the Reserve Bank of India had granted new Certificate of Registration no.B.13.02415 dated July 7,2021.

The registered office of the Company is Unit No. 1203, 12th Floor, B Wing, The Capital, Bandra Kurla Complex Mumbai - 400051.

DIVIDEND

The Board of Directors of the Company do not recommend payment of dividend for the financial year ended March 31, 2021.

SHARE CAPITAL

During the Financial Year 2020-21, the Company has allotted 52,72,407 equity shares at a face value of INR 10/- each pursuant to conversion of 5,00,000 Optionally Convertible Preference Shares and 1,34,75,000 Compulsorily Convertible Preference Shares. Further, the Company has reclassified the Authorised Share Capital during the year under review.

As on March 31, 2021, the capital structure of the Company is as following:

1. Authorized capital of the Company – INR 35,00,00,000 divided into 3,44,00,000 equity shares of INR 10/- each and 6,00,000 optionally convertible redeemable preference shares of INR 10/- each

2. Issued, subscribed and paid up capital -INR 9,20,85,570 divided into 92,08,557 equity shares of INR 10/-

Subsequent to the year under review, the Company has allotted 6,91,247 equity shares at a face value of INR 10/- each on April 20,2021 via private placement.

TRANSFER TO RESERVES AND CREATION AND TRANSFER TO STATUTORY RESERVE U/S 45–IC of RBI Act, 1934:

Since the Company has incurred loss during the year under review, the Company was not required to transfer and amount to the statutory reserve as required under section 45-IC of RBI Act, 1935

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

There were no material changes and commitments that took place during and after the financial year till the date of signing of this board report, affecting the financial position of the Company.

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

There were no significant and material orders passed by the regulators or courts or tribunals, which can impact the going concern status and Company's operations in future.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

Your Board has adopted in all material respects, an adequate internal financial controls system over financials reporting and such internal financial controls were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the Company.

The Company also has procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in the operations were observed.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES.

During the year under review, InCred Wealth and Investment Services Private Limited was incorporated as a wholly owned subsidiary of the Company w.e.f. November 18, 2020. Further, during the year under review, InCred Asset Management Private Limited, wholly owned subsidiary of the Company became designated partner in Vishuddha Capital Management LLP w.e.f December 15, 2020. The Company does not have any joint ventures within the meaning of Section 2(6) of the Companies Act, 2013.

As on March 31, 2021, the Company has 2 subsidiaries viz. InCred Asset Management Private Limited (Formerly Known as InCred Capital Investment Advisors and Managers Private Limited) and InCred Wealth and Investment Services Private Limited

The statement containing salient features of the financial statement of subsidiaries pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014, in form AOC-1, is provided in **Annexure I**

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

IMPACT OF COVID -19 PANDEMIC

The detailed disclosure on the material impact of Covid–19 pandemic on the Company is forming part of the Financial Statements of the Company. You may refer to Note no. 42 of the Standalone Financial Statements for the same.

PUBLIC DEPOSITS AND RESERVE BANK OF INDIA COMPLIANCE

The Company being a Non-Deposit accepting Non-Banking Financial Company has not accepted any deposits (within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014) from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI). The Company has complied with the RBI regulations as applicable.

STATUTORY AUDITORS AND THEIR REPORT

M/s. Soni Chatrath & Co. Chartered Accounts (FRN :001092N) the Statutory Auditors of the Company were re-appointed in the twenty third Annual General Meeting of the Company to hold the office as the auditors for a term of 1 (One) year from the conclusion of the i.e. twenty third Annual General Meeting until the conclusion of the twenty fourth Annual General Meeting at such remuneration as was mutually agreed between the Board of Directors of the Company and the said Auditors.

In accordance with the provisions of Section 139 of the Companies Act, 2013, it is proposed to appoint M/s. Soni Chatrath & Co. Chartered Accounts to act as Statutory Auditors for period of 5 years at the ensuing Annual General Meeting (AGM) of the Company. The necessary resolution for their appointment has been included in the notice conveying the ensuing AGM of the Company.

The Company has received a confirmation from M/s Soni Chatrath & Co. Chartered Accounts _ to the effect that their appointment, if approved at the ensuing AGM would be in terms of Section 139 and 141 of the Companies Act, 2013 and rules made thereunder.

The Auditors' Report for the financial year ended March 31,2021 does not contain any qualification, reservation or adverse remark.

The notes to the accounts referred to in Auditor's Report are self-explanatory and therefore, in the opinion of the directors, do not call for any further comments.

The Auditors' Report along with the financial statements of the Company for the financial year ended March 31,2021 form part of the Annual Report. During the year under review, there were no frauds reported under Section 143(12) of the Companies Act, 2013 to the Board.

MAINTENANCE OF COST RECORDS

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

EXTRACT OF THE ANNUAL RETURN

As required under Section 92(3) of the Act and the rules made thereunder and amended from time to time, the extract of Annual Return of the Company in the prescribed Form MGT-7 is available on the website of the Company at www.incredcapital.com.

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company had spent an amount of Rs. 91.02 lakhs towards foreign exchange whereas foreign earnings were Nil

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not have a formal CSR policy as it does not qualify for mandatory CSR activities in accordance with the section 135 of the Companies Act, 2013.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India.

As on the date of this report, the Board of Directors of the Company comprises of 5 Non Executive Directors.

Following Board changes took place during the year:

Change in designation:

During the year under review, the designation of Mr. Saurabh Jhalaria and Mr. Venkatesh Viswanathan designation has been changed from wholetime Director to Non-Executive Director with effect from December 15,2020

Key Managerial Personnel:

During the year under review Mr. Rajiv Sukumar was appointed as Chief Financial Officer and Mr. Varun Shah was appointed as Company Secretary with effect from September 3 2020 and September 8 2020 respectively.

Further, Mr. Rajiv Sukumar ceased to be the Chief Financial Officer with effect from close of business hours of March 31,2021 due to change in employment in other group company of the Company and Mr. Deepak Dhingra was appointed as Chief Financial Officer of the Company with effect from April 1, 2021.

DIRECTORS DECLARATION AND DISCLOSURES

Based on the declarations and confirmations received in terms of the provisions of the Companies Act, 2013 and the RBI Directions, none of the Directors on the Board of your Company are disqualified from being appointed or to continue as Directors.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met at regular intervals inter-alia to discuss, review and consider various matters. During the year the Board met Fourteen times during the financial year 2020-2021 viz. August 13,2020, August 18,2020, September 3,2020, September 7,2020, September 8,2020, October 15,2020, December 9,2020, January 4,2021, January 4,2021, January 8,2021, January 25,2021, February 18,2021, March 15,2021 and March 30, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES CONSTITUTED BY THE BOARD

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant statutory and regulatory provisions of applicable laws and statutes.

As on March 31, 2021, the Company had various Committees constituted pursuant to statutory / regulatory requirements namely Asset Liability Management Committee, Risk Management Committee, Grievance Redressal Committee, Finance Committee and Share allotment and transfer Committee.

AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE

Your Company is not mandatorily required to constitute Audit committee and Nomination and Remuneration Committee as required under section 177(1) & 178 (1) of the Act respectively for the year under review.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

As per the requirements of section 177(9) of the Act, your Company is not mandatorily required to establish vigil mechanism for the directors and employees to report their genuine concerns or grievances.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Since the Company is a Non-Banking Finance Company, the disclosures regarding particulars of the loans given, guarantee given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013.

Further, pursuant to the provisions of Section 186 (4) of the Act the details of investments made by the Company are provided under notes forming part of the financial statements of the Company for the year ended March 31, 2021

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the contracts or arrangements with related parties have been on arms' length and in ordinary course of business. The particulars of such contracts or arrangements with related parties referred to Section 188(1), as prescribed in Form AOC – 2 under Rule 8(2) of the Companies (Accounts) Rules, 2014, are specified in the **Annexure II** annexed to this report .

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Pursuant to the requirements of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with rules framed there under, the Company has not received any complaint of sexual harassment during the year under review.

RISK MANAGEMENT POLICY

Your Company has a board approved Risk Management Policy which has laid down a framework for identifying, assessing, measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks. Risk Management Committee of the Company has overall responsibility for overseeing the risk management activities of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of provisions of Section 118 of the Companies Act, 2013 your Company is in compliance with Secretarial Standards on Meetings of the Board of Directors and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India.

FEMA COMPLIANCE

With respect to the foreign direct investments made by the Company during the financial year under review, the Board hereby confirms that the Company has complied with all the provisions and requirements as applicable under the Master Direction – Foreign Investment in India issued by the Reserve Bank of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 135(5) of the Companies Act, 2013, the directors, hereby declare that to the best of our knowledge and belief:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(c) We had 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) We have prepared the annual accounts on a going concern basis; and

(e) We had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board acknowledges with gratitude the cooperation and assistance provided to your Company by all the regulatory authorities. The Board wishes to place on record its appreciation to the contribution made by employees of the Company during the year under review. Your Directors thank the customers, clients, vendors, lenders and other business associates for their continued support. Your Directors are thankful to the Shareholders for their patronage

For and on behalf of the Board of Directors
InCred Capital Financial Services Private Limited

	Sd/-	**Sd/-**
Place: Mumbai	**Bhupinder Singh**	**Saurabh Jhalaria**
Date: September 8, 2021	**Director**	**Director**
	DIN: 07342318	**DIN: 07908327**

Annexure I

Form AOC-1

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

Part "A": Subsidiaries
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

1	S.No.	1	2
2	Name of the Subsidiary	InCred Asset Management Private Limited (Formerly Known as InCred Capital Investment Advisors and Managers Private Limited)	InCred Wealth and Investment Services Private Limited
3	Registered Office	1203 B Wing, The Capital, C 70, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.	1203 B Wing, The Capital, C 70, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.
4	Nature of Business	Financial Services	Financial and Management Advisory and Consultancy Services
5	No. Of Branches	Nil	Nil
6	Reporting period	1st April 2020 to 31st March 2021	18th November 2020 to 31st March 2021
7	Reporting currency	INR	INR
8	Exchange rate on the last day of the financial year	Not Applicable	Not Applicable
9	Share Capital	INR 60,000,000	INR 71,00,000
10	Reserves and Surplus	(INR 462.34) lakhs	(INR 0.40) lakhs
11	Total assets (Fixed assets + Investments + Other assets)	INR 601.56 lakhs	INR 1.13 lakhs
12	Total liabilities (Deposits + Borrowings + Other liabilities + Provisions)	INR 63.90 lakhs	INR 0.52 lakhs
13	Investments	INR 52 lakhs	NIL
14	Turnover	INR 601.73 lakhs	NIL
15	Profit/ (Loss) Before Tax	(INR 485.72) lakhs	(INR 0.52)lakhs
16	Provision for tax	(INR 121.95) lakhs	(INR 0.13) lakhs
17	Profit/ (Loss)After Tax	(INR 363.77) lakhs	(INR 0.40) lakhs

Strictly Privileged & Confidential

For and on behalf of the Board of Directors
InCred Capital Financial Services Private Limited

	Sd/-	**Sd/-**
Place: Mumbai	**Bhupinder Singh**	**Saurabh Jhalaria**
Date: September 8, 2021	**Director**	**Director**
	DIN: 07342318	**DIN: 07908327**

Annexure II

Form No. AOC-2

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

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

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

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

2. **Details of contracts or arrangements or transactions at arm's length basis:**

1. Name(s) of the related party and nature of relationship	2. Nature of contracts/ arrangements /transactions	3. Duration of contracts/ arrangements /transactions	4. Salient terms of contracts /arrangements /transactions including the value, if any	5. Date of approval by the board of directors	6. Amount paid as advance, if any
InCred Wealth Private Limited (Enterprise over which Director is able to exercise significant control)	Sale of Investments	FY 20 -21	Sale proceeds – INR. 1716.99 lakhs	NA	NA
InCred Financial Services Ltd (Enterprise over which	Sale of Loan Portfolio	FY 20- 21	Received INR 12,738.68 lakhs on sale of loan portfolio	07 September 2021	NA

Director is able to exercise significant control)					
InCred Financial Services Ltd (Enterprise over which Director is able to exercise significant control)	Purchase of Investments	FY 20 21	Paid INR 6505.59 lakhs for purchase of Market Linked Debentures	03 September 2021	NA
Bhupinder Singh (Director)	Issue of equity shares upon conversion of OCRPS	FY 20 21	181482 Equity shares allotted to Mr. Bhupinder Singh @ 551.02 after conversion of OCRPS	NA	NA
InCred Asset Management Pvt ltd (Subsidiary Company)	Investment in Subsidiary	FY 20 21	Subscription to Share Capital infusion of INR 400 lakhs (40 lakhs Equity shares @ Rs. 10 per share)	NA	NA
InCred Wealth and Investment Services Pvt Ltd (Subsidiary Company)	Investment in Subsidiary	FY 20 21	Subscription to Share Capital infusion of INR 1 lakh (10000 Equity shares @ Rs. 10 per share)	NA	NA

For and on behalf of the Board of Directors
InCred Capital Financial Services Private Limited

Sd/-

Bhupinder Singh
Director
DIN: 07342318

Sd/-

Saurabh Jhalaria
Director
DIN: 07908327

Place: Mumbai
Date: September 8, 2021

InCred Capital Financial Services Private Limited
(Formerly known as Proud Securities And Credits Private Limited)

Standalone IND-AS Financial Statements

For the financial year ended 31st March 2021

Independent Auditor's Report

To the Members of InCred Capital Financial Services Private Limited
(formerly known as Proud Securities and Credits Private Limited)

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **InCred Capital Financial Services Private Limited (formerly known as Proud Securities and Credits Private Limited) ("the Company")** which comprises the Standalone Balance sheet as at 31st March 2021, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Cash Flows Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Standalone Balance sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.

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

- **i.** The Company does not have any pending litigation which may impact its standalone financial position in its standalone financial statements.
- **ii.** The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses
- **iii.** There is no amount that is required to be transferred, to the Investor Education and Protection Fund by the Company as on close of the year.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:39:32 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

UDIN: 21513005AAAABU3326
Place: Mumbai
Date: 21st July 2021

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **InCred Capital Financial Services Private Limited (formerly known as Proud Securities and Credits Private Limited)** on the accounts of the Company for the year ended 31st March 2021.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

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

   b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in every three years. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

   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 hold any immovable property as on 31st March 2021.

ii. The Company is a Non-Banking Finance Company (NBFC), engaged in the business of lending. Accordingly, it does not hold any physical inventories. Thus reporting under Paragraph 3(ii) is not applicable.

iii. The Company has granted secured loans of **Rs. 20,680.33 Lacs** to **Two** parties covered in the register maintained under Section 189 of the Act. With respect to such loan we report that: -

   a. The terms and conditions of the loan are not prejudicial to the Company's interest.
   b. The repayment of the principal and interest are regular and in accordance with the stipulated terms and conditions of the loan.
   c. There are no amounts overdue for a period exceeding 90 days.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 & 186(1) of the Companies Act, 2013, w.r.t loans and investments made by the Company. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public therefore reporting under Paragraph 3 (v) is not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company. Thus, reporting under Paragraph 3(vi) of the Order is not applicable.

vii.
   a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service taxes, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no material dues of provident fund, income-tax, and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company does not have any outstanding dues to any financial institutions, banks or debenture holders. Thus, reporting under Paragraph 3(viii) of the Order is not applicable.

ix. According to the information and explanations given by management, during the year the Company has not raised money by way initial public offer or further public offer (including debt instrument) and term loans. Therefore, reporting under Paragraph 3 (ix) is not applicable.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. Since the Company is a Private Limited Company as per Section 2(68) of the Act, requirements of the Section 197 read with Schedule V to the Act relating to managerial remuneration is not applicable to the Company. Therefore, reporting under Paragraph 3 (xi) is not applicable.

xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company as defined in section 406 of the Companies Act, 2013 therefore reporting under Paragraph 3(xii) is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.

xiv. According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year therefore reporting under Paragraph 3 (xiv) is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Therefore, reporting under Paragraph 3 (xv) is not applicable.

xvi. The Company has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained its Certificate of Registration dated 07th September 2000.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:40:23 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

UDIN: 21513005AAAABU3326
Place: Mumbai
Date: 21st July 2021

Annexure - B to the Independent Auditors' Report

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

Opinion

We have audited the internal financial controls over financial reporting of **InCred Capital Financial Services Private Limited (formerly known as Proud Securities and Credits Private Limited)** as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone 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

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:40:50 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

UDIN: 21513005AAAABU3326
Place: Mumbai
Date: 21st July 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Standalone Balance Sheet as at 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
A. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	**3**	4,100.27	5,013.77
(b) Bank balance other than cash and cash equivalents	**4**	-	1,874.89
(c) Trade receivables	**5**	3.30	2.31
(d) Loans	**6**	20,951.30	21,777.15
(e) Investments	**7**	4,231.06	1,603.13
(f) Other financial assets	**8**	59.59	157.09
Total financial assets		**29,345.52**	**30,428.34**
2. Non-financial assets			
(a) Current tax assets (Net)	**9**	381.20	58.69
(b) Deferred tax assets (Net)	**28**	836.70	419.28
(c) Property, plant and equipment	**10**	456.65	746.58
(d) Capital work in Progress		5.36	66.86
(e) Other intangible assets	**11**	2.10	3.98
(f) Other non-financial assets	**12**	2,192.43	136.01
Total non-financial assets		**3,874.44**	**1,431.40**
Total Assets		**33,219.96**	**31,859.74**
B. LIABILITIES AND EQUITY			
1. Liabilities			
1.1 Financial liabilities			
(a) Trade payables	**13**		
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		90.80	56.69
(b) Deposits	**14**	2.44	-
(c) Other financial liabilities	**15**	572.12	728.78
Total financial liabilities		**665.36**	**785.47**
1.2 Non-financial liabilities			
(a) Provisions	**16**	12.40	30.40
(b) Other non-financial liabilities	**17**	212.36	66.12
Total non-financial liabilities		**224.76**	**96.52**
Total Liabilities		**890.12**	**881.99**
2. Equity			
(a) Equity share capital	**18**	920.86	1,811.12
(b) Other equity	**19**	31,408.98	29,166.63
Total Equity		**32,329.84**	**30,977.75**
Total Liabilities and Equity		**33,219.96**	**31,859.74**

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

As per our report of even date.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:41:16 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 21st July 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 21st July 2021

Place : Mumbai
Date : 21st July 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Standalone Statement of Profit & Loss for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended 31st March 2021	Year ended 31st March 2020
(I)	**Revenue From operations**			
	(i) Interest income	**20**	3,295.56	2,960.44
	(ii) Fees and commission income	**21**	156.52	55.78
	(iii) Net gain on fair value changes	**22**	183.48	313.47
	Total revenue from operations (I = i + ii + iii)		**3,635.56**	**3,329.69**
(II)	Other income	**23**	19.95	6.98
(III)	**Total income (III = I + II)**		**3,655.51**	**3,336.67**
(IV)	**Expenses**			
	(i) Finance costs	**24**	58.86	45.02
	(ii) Impairment on financial instruments	**25**	567.96	1,096.89
	(iii) Employee benefits expenses	**26**	1,722.95	1,297.83
	(iv) Depreciation, amortization and impairment	**10 & 11**	165.37	135.72
	(v) Others expenses	**27**	2,818.39	449.55
	Total expenses (IV = i + ii + iii + iv + v)		**5,333.53**	**3,025.01**
(V)	**Profit/ (Loss) before exceptional items and tax (V = III - IV)**		**(1,678.02)**	**311.66**
(VI)	Exceptional items		-	-
(VII)	**Profit/ (Loss) before tax (VII = V - VI)**		**(1,678.02)**	**311.66**
(VIII)	**Tax Expense:**	**28**		
	(i) Current tax		-	191.61
	(ii) Deferred tax		(420.43)	(102.70)
	(iii) Pertaining to earlier years		(1.22)	-
	Total tax expense (VIII = i + ii)		**(421.65)**	**88.91**
(IX)	**Profit/ (Loss) for the year (IX = VII - VIII)**		**(1,256.37)**	**222.75**
(X)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		11.94	5.71
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.01)	(1.44)
	Subtotal (A = i + ii)		**8.93**	**4.27**
	(B) Items that will be reclassified to profit or loss			
	(i) Net Gain/ (Loss) on instruments through other comprehensive income		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B = i + ii)		-	-
	Total other comprehensive income (X = A + B)		**8.93**	**4.27**
(XI)	**Total comprehensive income for the period (XI = IX + X)**		**(1,247.44)**	**227.02**
(XII)	**Earnings per share (EPS)**			
	(Face value of INR. 10 each)			
	Basic (INR.)	**29**	(23.75)	5.39
	Diluted (INR.)		(23.75)	2.27

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

As per our report of even date.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:41:39 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 21st July 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH

Bhupinder Singh
Director
DIN - 07342318

Deepak Dhingra

Deepak Dhingra
Chief Financial Officer

Place : Mumbai
Date : 21st July 2021

SAURABH JHALARIA

Saurabh Jhalaria
Director
DIN - 07908327

VARUN SUNIL SHAH

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 21st July 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Standalone Cash flow statement for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars		Year ended 31st March 2021	Year ended 31st March 2020
A. Cash flow from operating activities			
Profit/ (Loss) before tax		**(1,678.02)**	**311.66**
Adjustments to reconcile profit before tax to net cash flows from operating activities			
- Depreciation and amortisation		165.37	135.72
- Profit on sale of investments		(160.23)	(310.34)
- Interest Income on Investments		(464.66)	-
- Fair value gain on financial instruments at fair value through P&L		(23.25)	(3.13)
- Rent expense on deferred lease rentals		14.72	7.67
- Allowance for credit loss		567.96	1,096.89
- Loss on sale of fixed assets		34.09	-
- Assets written off		10.21	-
- Interest on unwinding of financial liabilities		58.86	45.02
- Interest on unwinding of financial assets		(15.43)	(6.98)
Operating profit/loss before working capital changes		**(1,490.38)**	**1,276.50**
Adjustments for (increase) / decrease in operating assets:			
- Trade receivables		(0.99)	(2.31)
- Loans & advances		257.90	(14,318.62)
- Other financial assets		97.50	(176.84)
- Other non-financial assets		(2,056.46)	(10.67)
Adjustments for increase / (decrease) in operating liabilities:			
- Trade payables		34.11	(9.24)
- Deposits		2.44	-
- Other financial liabilities		107.65	561.25
- Other non-financial liabilities		146.24	(886.31)
- Provisions		(6.06)	12.96
Cash generated from / (used in) operations		**(2,908.04)**	**(13,553.27)**
Direct taxes (paid) net of refunds		(322.51)	(199.88)
Net cash flow from (used in) operating activities	**(A)**	**(3,230.55)**	**(13,753.15)**
B. Cash flows from investing activities			
- Purchase of Property, Plant and Equipment		(134.77)	(98.54)
- Impact of Right of Use Asset		-	-
- Purchase of Intangible assets (including under development)		-	(4.76)
- Capital work in progress		61.49	-
- Proceeds from sale of fixed assets		0.43	-
- Investment in Subsidiary		(401.00)	(600.00)
- Purchase of investments		(57,000.96)	(30,400.00)
- Proceeds from sale of investments		55,422.51	38,219.65
- Investment in fixed deposits with maturity of more than 3 months and other bank balan		1,874.89	8,640.25
Net cash flow from / (used in) investing activities	**(B)**	**(177.41)**	**15,756.60**
C. Cash flows from financing activities			
- Share application money pending allotment		2,711.75	-
- Securities premium (Net of Share issue expenses)		(112.22)	(90.87)
- Payment of lease liabilities		(105.07)	(108.45)
Net cash flow from / (used in) in financing activities	**(C)**	**2,494.46**	**(199.32)**
Net increase / (decrease) in cash and cash equivalents	**(A + B + C)**	**(913.50)**	**1,804.13**
Cash and cash equivalents at the beginning of the year		5,013.77	3,209.64
Cash and cash equivalents at the end of the year **[Refer Note 1 below]**		4,100.27	5,013.77
Net increase / (decrease) in cash and cash equivalents during the year		**(913.50)**	**1,804.13**

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Standalone Cash flow statement for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Notes to Standalone cash flow statement
1. Components of cash and cash equivalents

Cash on hand **[Refer Note No. 3]**	-	0.07
With banks - on current account & fixed deposits **[Refer Note No. 3]**	4,100.27	5,013.70
	4,100.27	**5,013.77**

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

As per our report of even date

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:42:08 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 21st July 2021

Place : Mumbai
Date : 21st July 2021

Place : Mumbai
Date : 21st July 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Standalone Statement of Changes in Equity for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	As at 31st March 2021	As at 31st March 2020
Issued, subscribed and fully paid-up		
Equity share capital of INR 10 each issued		
Balance as at the beginning of the year	413.62	413.62
Changes in equity share capital during the year	507.24	-
Balance as at the end of the year	**920.86**	**413.62**

B. Preference share capital

Particulars	As at 31st March 2021	As at 31st March 2020
Issued, subscribed and fully paid-up		
Compulsorily convertible preference shares of INR 10 each		
Balance as at the beginning of the year	1,347.50	1,347.50
Changes during the year	(1,347.50)	-
Balance as at the end of the year	-	**1,347.50**
Optionally convertible preference shares of INR 10 each		
Balance as at the beginning of the year	50.00	50.00
Changes during the year	(50.00)	-
Balance as at the end of the year	-	**50.00**
Total	-	**1,397.50**

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InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Standalone Statement of Changes in Equity for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

C. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus				Total Other Equity
		Contingency reserve	Statutory reserve	Securities premium	Retained earnings	
Balance as at 01st April 2019	-	**0.54**	**50.50**	**29,722.56**	**(743.12)**	**29,030.48**
Profit / (Loss) for the year	-	-	-	-	222.75	**222.75**
Other comprehensive income for the year	-	-	-	-	4.27	**4.27**
Total comprehensive income for the year (net of tax)	-	-	-	-	**227.02**	**227.02**
Transfer / utilisations:						
Transferred from retained earnings	-	-	44.55	-	-	**44.55**
Transferred to statutory reserve from retained earnings	-	-	-	-	(44.55)	**(44.55)**
Amounts utilised towards share issue expenses	-	-	-	(90.87)	-	**(90.87)**
Balance as at 31st March 2020	-	**0.54**	**95.05**	**29,631.69**	**(560.65)**	**29,166.63**
Profit / (loss) for the year	-	-	-	-	(1,256.37)	**(1,256.37)**
Other comprehensive income for the year	-	-	-	-	8.93	**8.93**
Total comprehensive income for the year (net of tax)	-	-	-	-	**(1,247.44)**	**(1,247.44)**
Transfer / utilisations:						
Share application money pending allotment	2,711.75	-	-	-	-	**2,711.75**
Utilisation on conversion of Share capital	-	-	-	-	0.02	**0.02**
Premium on Share conversion	-	-	-	890.24	-	**890.24**
Amounts utilised towards share issue expenses	-	-	-	(112.22)	-	**(112.22)**
Transferred to statutory reserve from retained earnings	-	-	-	-	-	-
Balance as at 31st March 2021	**2,711.75**	**0.54**	**95.05**	**30,409.71**	**(1,808.07)**	**31,408.98**

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

As per our report of even date

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:42:40 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 21st July 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 21st July 2021

Note 1 : General information

1.1. Corporate information

InCred Capital Financial Services Private Limited ('the Company') (formerly known as Proud Securities and Credits Private Limited) was incorporated in India on 27th March 1996 under the provision of Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI'), on September 7, 2000 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company had changed its registered office from Delhi state to Maharashtra state and as such the Company received fresh Certificate of Incorporation dated 10th February 2021 having CIN U67120MH1996PTC355036.

As the total assets of the NBFC in the same group (InCred Financial Services Limited) exceeds INR. 500 crores the company is covered under Paragraph 16 of the Master Directions the Prudential Norms applicable to the Company are as per the "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016".

The registered office of the Company is Unit No. 1203, 12th Floor, B Wing, The Capital, Bandra Kurla Complex Mumbai - 400051.

1.2. Basis of preparation

A. Compliance with Ind AS

The Standalone financial statement of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as applicable to NBFCs subject to RBI norms and regulations.

These standalone financial statements are approved for issue by the Board of Directors on 21st July 2021.

B. Functional and presentation currency

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

C. Basis of measurement

The standalone financial statements have been prepared on a going concern basis under historical cost convention and on an accrual method of accounting except for the following items:

(i) Certain financial assets and liabilities that are measured at fair value/amortised cost
(ii) Net defined benefit asset / liability – plan assets are measured at fair value less present value of defined benefit obligation; and
(iii) Share-based payments - measured at fair value

D. Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the standalone financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the standalone financial statements are prudent and reasonable.

Significant judgements

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. Further details are disclosed in **Note No. 32**.

Recognition of deferred tax assets/liabilities
Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forward and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forward and unused tax credits could be utilised. Further details are disclosed in **Note No. 28**.

Recognition and measurement of provisions and contingencies
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Discounting of long-term financial assets/liabilities
All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/liabilities which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

Impairment of financial assets
The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Leases
The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options. The determination of the incremental borrowing rate used to measure lease liabilities.

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

F. Current / Non-current classification of assets and liabilities
All assets and liabilities are classified into current and non-current.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

(i) It is expected to be realised in, or is interested in sale or consumption in, the Company's normal operating cycle;
(ii) It is held primarily for being traded;
(iii) It is expected to be realised within 12 months after the reporting date; or
(iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:

(i) It is expected to be settled in the Company's normal operating cycle;
(ii) It is held primarily for being traded;
(iii) It is due to be settled within 12 months after the reporting date; or
(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has identified 12 months as their operating cycle for classification of their current assets and liabilities.

Note 2 : Significant accounting policies

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

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:

(i) In the principal market for the asset or liability, or
(ii) 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 Company has an established control framework with respect to the measurement of fair values. The management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair value.

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

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

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
(ii) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

2.2. Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when company becomes party to the contractual provisions of the instruments.

A. Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition.

B. Classification of financial assets:

Financial assets:
On initial recognition, a financial asset is classified as measured at:
- Amortised Cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

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

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

(ii) the Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Financial assets measured at Fair value through other comprehensive Income ('FVOCI'):
A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

(ii) the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Financial assets measured at Fair Value through Profit and Loss ('FVTPL'):
A financial asset which is not classified in above category is subsequently measured at FVTPL. Where assets are measured at fair value, gains and losses are recognized entirely in the Statement of Profit and Loss.

C. Subsequent recognition of financial assets:
The assets classified in the aforementioned categories are subsequently measured as follows:

Financial assets at amortised cost:
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

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

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

Equity investments designated at FVOCI:
These assets are subsequently measured at fair value. Dividends are recognised as income in Standalone Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Standalone Statement of Profit and Loss.

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

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

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

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

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

F. Derecognition of financial assets and financial liabilities

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

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

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

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

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

H. Reclassification of financial assets and financial liabilities
The Company is required to reclassify financial assets when and only when it changes its business model for managing financial assets.

Reclassifications are expected to be very infrequent. Such changes must be determined by the company's senior management as a result of external or internal changes and must be significant to the company's operations and demonstrable to external parties.

Further reclassification is not allowed in following cases:
- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified,
- Reclassification of financial liabilities.

2.3. Impairment

A. Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. At each reporting date, the Company assesses whether the receivables have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations.

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, 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. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment'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 asset.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as under:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months' expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

Stage 3: When a loan is credit impaired, the Company records an allowance for the life time expected credit loss.

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

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It 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: The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

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

The recoverable amount of the asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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

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

2.5. Investments
Investment in subsidiaries
Investment in subsidiaries is carried at cost less impairment if any in the standalone financial statement.

Investment in Mutual Fund
The company uses Net Asset Value (NAV) to fair value investments in mutual funds.

2.6. Property, plant and equipment

A. Recognition and measurement
Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimate of the cost of dismantling, removing the item and restoring the site on which it is located, referred to as 'decommissioning, restoration and similar liabilities', the obligation for which an enterprise incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Borrowing costs relating to acquisition of an item of property, plant and equipment which takes substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital Work-in-Progress'.

Repairs & Maintenance costs are recognized in the net profit in the Statement of Profit and Loss when incurred.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

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

C. Derecognition
The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

D. Depreciation
Depreciation on property, plant and equipment is calculated on a straight-line method (SLM). The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The Companies Act, 2013 prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for the different class of assets.

The useful life as per Schedule II are as follows:

Asset Group	Useful life as per Schedule II
Furniture and fittings	10
Computers	3
Office Equipment's	5
Vehicle	8
Leasehold improvements	Over the life of lease period
ROU Assets	Over the life of lease period

Depreciation is not recorded on capital work in progress until construction and installation is completed and assets are ready for its intended use.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the asset is ready for use. Depreciation on sale/ deduction of property, plant and equipment is provided for up to the date of sale, deduction and discarding as the case may be.

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

2.7. Intangible assets

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

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

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

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

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

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

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

Current tax assets and liabilities are offset only if, the Company:
(i) has a legally enforceable right to set off the recognised amounts; and
(ii) intends to realise the asset or settle the liability on a net basis or simultaneously.

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:
(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.9. Borrowing costs
Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

2.10. Share capital

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

2.11. Leases [Refer Note No. 34]
The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

2.12. Revenue from operations
The Company has adopted Ind AS 115, Revenue from Contracts with Customers.

The Company recognised revenue primarily from various activities as follows:

(i) Interest income or expense is recognised using the effective interest rate method.
(ii) Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract

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

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

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

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

2.14. Provisions, contingent liabilities and contingent assets

A. Provisions
Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss.

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

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

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

D. Contingent assets

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

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

2.15. Foreign currencies
The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on transaction/settlement of monetary items are recognised in statement of profit and loss in the period in which they arise.

2.16. Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with other components of the same entity, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the chief operating decision maker.

2.17. Events after the reporting period
Events after the reporting period are those events, both favourable and unfavourable that occur between end of the reporting period and the date on which the standalone financial statements are approved for issue.

A. Adjusting events
Events which provide further evidence of conditions that existed at the end of the reporting period are adjusting events. Financials have been adjusted for those events.

B. Non-adjusting events
Events which are of indicative of conditions that arise after the end of the reporting period are Non-adjusting events. Disclosure of the nature of event and estimate of its financial effect have been made in the standalone financial statements.

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

2.18. Related party disclosure
A related party is any party of entity that controls or can significantly influence the management or operating policies of the Company during the reporting period.

The Company has disclosed names of related parties with relationship and transaction between Company and its related parties in the Notes to standalone financial statements **[Refer Note No. 38]**.

2.19. Employee benefits [Refer Note No. 32]

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

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

C. Post-employment benefits

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution scheme. The company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

Defined benefit plans - Gratuity
The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

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

2.19 Statement of Cash flows
Cash flows are reported using the indirect method in accordance with Ind AS 7 Statement of Cash Flows, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

Note 3 : Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	-	0.07
Balances with banks (of the nature of cash and cash equivalent)	3,049.55	141.78
Fixed deposit with bank (original maturity of less than 3 months) *	1,050.72	4,871.92
Total	**4,100.27**	**5,013.77**

* Balance as at 31st March 2020 includes fixed deposits amounting to **INR. 2,023.52 Lakhs,** kept in escrow account.

Note 4 : Bank balance other than cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Fixed deposit with bank	-	1,874.89
	-	**1,874.89**
Less : Expected credit Loss	-	-
Total	**-**	**1,874.89**

Note 5 : Trade receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Secured, considered good	-	-
Unsecured, considered good	3.31	2.31
Significant increase in credit risk	-	-
Credit impaired	-	-
	3.31	**2.31**
Less: Allowance for impairment loss	(0.01)	-
Total	**3.30**	**2.31**

Note 6 : Loans

Particulars	As at 31st March 2021	As at 31st March 2020
	Amortised cost	**Amortised cost**
(A) At amortised cost		
(i) Term loans	393.84	14,797.38
(ii) Loans repayable against bill discounting	-	1,585.00
(iii) Term loans to related party[1]	20,680.33	6,534.70
Total - Gross	**21,074.17**	**22,917.08**
Less: Impairment loss allowance	(122.87)	(1,139.93)
Total - Net of impairment loss allowance (A)	**20,951.30**	**21,777.15**
(B) Details of security		
(i) Secured by tangible assets	16,572.41	22,856.75
(ii) Secured by intangible assets	-	-
(iii) Covered by bank/Govt Guarantee	-	-
(iv) Unsecured	4,501.76	60.33
Total - Gross	**21,074.17**	**22,917.08**
Less: Impairment loss allowance	(122.87)	(1,139.93)
Total - Net of impairment loss allowance (B)	**20,951.30**	**21,777.15**

(C) (I) Loans in India		
(i) Public Sector	-	-
(ii) Others	21,074.17	22,917.08
Total loans in India	**21,074.17**	**22,917.08**
(C) (II) Loans outside India		
(i) Public Sector	-	-
(ii) Others	-	-
Total loans outside India	-	-
Total - Gross	**21,074.17**	**22,917.08**
Less: Impairment loss allowance	(122.87)	(1,139.93)
Total - Net of impairment loss allowance (C)	**20,951.30**	**21,777.15**

1. The Company during the current year has sanctioned a loan of INR 19,500 lakhs [outstanding balance of INR 16,178.57 lakhs including interest accrued of INR 179.07 lakhs as at 31st March 2021] to InCred Wealth Private Limited ("borrower company"), a Company promoted by promoter of the Company. The loan has been provided for the purpose of business expansion of the borrower company. Such loan is secured through pledge of shares held by the promoter in the borrower company. Such loan was duly approved by the Board of Directors in meeting held on 09th November 2019 and gradually, for increased requirements of the borrower company further enhancements were approved in subsequent meetings during the year.

The Company further holds a call option to require a transfer of shares held by Mr. Bhupinder Singh in the borrower company by payment of an amount equivalent to INR 5,00,000. Based on the management certified statement of accounts of the borrower company and relying on the work of an expert, the managment believes that the value of the call option is INR Nil as on 31st March 2021.

However, based on the management analysis of business plan and future projected inflows, confirmation from the Board of Directors of the borrower company on repayment capabilities and credibility and also a confirmation from the promoter validating an intent as a financial support to the borrower company, the Company has a reasonable cause to believe that it shall be able to recover the said loan from the borrower company in accordance with the repayment schedule as stipulated in the loan agreement. During the financial year the loan amount was disbursed to the borrower company for business purposes which was pre-ratified/subsequently ratified in the ensuing board meetings. As at 31st March 2021, the loan amount was within the approved threshold.

Note 7 : Investments

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
(A) Investments carried at fair value through profit or loss		
In Mutual Funds		
Invesco India Liquid Fund Direct Growth (31st March 2021 : Nil Units | 31st March 2020 : 36,768.237 Units)	-	1,003.13
	-	**1,003.13**
In Alternate Investment Fund		
Class B Units of India Value and Growth Fund (31st March 2021 : 18,257.185 Units | 31st March 2020 : Nil Units)	280.27	-
	280.27	**-**
(B) Investments carried at amortised cost		
In Pass Through Certificates		
KIPlatfrom M22-001 Series A1 PTC 30MAR21	1,521.77	-
CSL TITAN III 2020 SERIES A1 PTC 31AUG20	701.81	-
HOME CREDIT TITAN CSL 2019 TRUST SERIES A PTC 13DC19	726.21	-
	2,949.79	-

(All amounts in INR Lakhs, unless otherwise stated)

(C) Investments carried at cost		
In Subsidiaries (unquoted)		
InCred Asset Management Private Limited (formerly known as InCred Capital Investment Advisors and Managers Private Limited) (31st March 2021 : 1,00,00,000 shares of INR. 10 each) (31st March 2020 : 60,00,000 shares of INR. 10 each)	1,000.00	600.00
InCred Wealth and Investment Services Private Limited (31st March 2021 : 10,000 shares of INR. 10 each)	1.00	-
	1,001.00	**600.00**
Total - Gross (A + B + C)	**4,231.06**	**1,603.13**
Less: Impairment loss allowance	-	-
Total - Net of impairment loss allowance	**4,231.06**	**1,603.13**
(A) Investments in India	4,231.06	1,603.13
(B) Investments outside India	-	-
Total - Gross (A + B)	**4,231.06**	**1,603.13**
Less: Impairment loss allowance	-	-
Total - Net of impairment loss allowance	**4,231.06**	**1,603.13**

Note 8 : Other financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Carried at amortised cost		
Security Deposits	49.45	153.30
Advances to related parties	-	0.50
Others	10.14	3.29
Total - Gross	**59.59**	**157.09**
Less: Impairment loss allowance	-	-
Total - Net of impairment loss allowance	**59.59**	**157.09**

Note 9 : Current tax assets (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Income tax refundable (net of provision for income tax)	381.20	58.69
Total	**381.20**	**58.69**

(All amounts in INR Lakhs, unless otherwise stated)

Note 10 : Property, plant and equipment

Particulars	ROU Assets [Refer Note No. 34]	Furniture and fixtures	Leasehold Improvements	Office equipment	Vehicle	Computer & Printer	Total
Gross carrying amount:							
As at 01st April 2019	-	44.92	-	17.60	-	5.93	**68.45**
On transition to IND AS 116	361.10	-	-	-	-	-	**361.10**
Additions during the year	419.61	16.94	9.47	1.94	-	3.34	**451.30**
Disposals during the year	-	-	-	-	-	-	-
As at 31st March 2020	**780.71**	**61.86**	**9.47**	**19.54**	-	**9.27**	**880.85**
Additions during the year	-	8.55	81.84	26.71	12.21	5.47	**134.78**
Disposals during the year	361.10	44.92	-	15.32	-	-	**421.34**
As at 31st March 2021	**419.61**	**25.49**	**91.31**	**30.93**	**12.21**	**14.74**	**594.29**
Accumulated depreciation:							
As at 01st April 2019	-	-	-	-	-	-	-
Depreciation charge during the year	121.20	5.08	0.21	4.74	-	3.04	**134.27**
Accumulated depreciation on disposals	-	-	-	-	-	-	-
As at 31st March 2020	**121.20**	**5.08**	**0.21**	**4.74**	-	**3.04**	**134.27**
Depreciation charge during the year	132.03	5.90	13.91	7.01	0.41	4.22	**163.48**
Accumulated depreciation on disposals	144.60	8.77	-	6.74	-	-	**160.11**
As at 31st March 2021	**108.63**	**2.21**	**14.12**	**5.01**	**0.41**	**7.26**	**137.64**
Net carrying amount:							
As at 31st March 2021	**310.98**	**23.28**	**77.19**	**25.92**	**11.80**	**7.48**	**456.65**
As at 31st March 2020	**659.51**	**56.78**	**9.26**	**14.80**	-	**6.23**	**746.58**

(All amounts in INR Lakhs, unless otherwise stated)

Note 11 : Other intangible assets

Particulars	Software
Gross carrying amount:	
As at 01st April 2019	0.67
Additions during the year	4.76
Disposals during the year	-
As at 31st March 2020	**5.43**
Additions during the year	-
Disposals during the year	-
As at 31st March 2021	**5.43**
Accumulated amortisation and impairment:	
As at 01st April 2019	-
Amortisation charge during the year	1.45
Amortisation on disposals	-
As at 31st March 2020	1.45
Amortisation charge during the year	1.88
Disposals	-
As at 31st March 2021	**3.33**
Net carrying amount as at 31st March 2021	**2.10**
Net carrying amount as at 31st March 2020	**3.98**

(All amounts in INR Lakhs, unless otherwise stated)

Note 12 : Other non-financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	36.61	3.16
Balances with government authorities	339.22	110.45
Deferred rent expense	22.57	22.40
Others	44.03	-
Advance for expenses	1,750.00	-
Total	**2,192.43**	**136.01**

Note 13 : Trade payables

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and small enterprises		
- Principal amount due	-	-
- Interest amount due	-	-
	-	-
Total outstanding dues other than micro enterprises and small enterprises		
- Principal amount due	90.80	56.69
- Interest amount due	-	-
	90.80	**56.69**
Total	**90.80**	**56.69**

Note 14 : Deposits

Particulars	As at 31st March 2021	As at 31st March 2020
At amortised cost		
- from others	2.44	-
Total	**2.44**	-

Note 15 : Other financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Employee expenses payable	115.72	11.51
Lease liability **[Refer Note No. 34]**	452.97	717.27
Others	3.43	-
Total	**572.12**	**728.78**

Note 16 : Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for leave encashment	-	16.49
Provision for gratuity	12.40	13.91
Total	**12.40**	**30.40**

Note 17 : Other non-financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance	-	3.62
Statutory dues payable	212.36	62.50
Total	**212.36**	**66.12**

(All amounts in INR Lakhs, unless otherwise stated)

Note 18 : Equity share capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Authorised share capital [Refer note 'd' below]				
Equity shares of INR. 10/- each	3,44,00,000	3,440.00	1,00,00,000	1,000.00
Compulsorily convertible preference shares of INR 10/- each	-	-	2,00,00,000	2,000.00
Optionally convertible redeemable preference shares of INR 10/- each	6,00,000	60.00	50,00,000	500.00
	3,50,00,000	**3,500.00**	**3,50,00,000**	**3,500.00**
Issued, subscribed and paid up capital				
Equity Shares of INR. 10/- each fully paid up	92,08,557	920.86	41,36,150	413.62
Compulsorily convertible preference shares of INR 10/- each fully paid-up	-	-	1,34,75,000	1,347.50
Optionally convertible redeemable preference shares of INR 10/- each fully paid-up	-	-	5,00,000	50.00
Total issued, subscribed and paid-up share capital	**92,08,557**	**920.86**	**1,81,11,150**	**1,811.12**

a. Terms and rights attached to Equity shares

The Company has only one class of equity shares. The equity shares have a paid up value of INR 10 per share. Each holder of equity shares is entitled to vote in proportion of the share of paid-up capital of the Company held by the shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividend proposed by the Board of Directors are paid when approved by the shareholders at the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company proportionately along with the holders of compulsory convertible preference shares, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the company.

b. Terms and rights attached to Compulsorily convertible preference shares

During the previous year, the Company had 1,34,75,000 Non-cumulative, Participating Compulsorily Convertible Preference Shares ("CCPS") of INR. 10/- each fully paid-up. The CCPS carried a preferential right vis-à-vis Equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital. The shares carried right of participation in the surplus funds, profits and assets on winding up which may remain after the entire capital has been repaid. Any surplus funds shall be distributed proportionately amongst the holders of Equity shares and CCPS.

Each CCPS carried the right to be paid an annual aggregate preferential dividend of an amount of INR. 0.01/- pari-passu with OCRPS. Holder of CCPS was also entitled to receive any dividends as may be declared by the Company on a pro-rata basis, at the same rate as the holders of other equity and preference shares, on an "as converted basis".

Each CCPS had a maximum period of 20 (twenty) years from the date of its issuance on the expiry of which CCPS shall be compulsorily and automatically converted into Equity shares.

All CCPS were converted into Equity shares during the year. The Equity share allotted on conversion of CCPS ranks pari-passu in all respects with the then existing shares of the Company.

(All amounts in INR Lakhs, unless otherwise stated)

c. Terms and rights attached to Optionally convertible redeemable preference shares

During the previous year, the Company had 500,000 Non-cumulative, Non-participating and Non-transferable Optionally convertible redeemable preference shares ("OCRPS"). The OCRPS carried a preferential right vis-à-vis Equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital. The shares do not carry any right of participation in the surplus funds, profits and assets on winding up which may remain after the entire capital has been repaid.

Each OCRPS carried the right to be paid an annual aggregate preferential dividend of an amount of INR. 0.01/-. Holder of OCRPS was also entitled to receive any dividends as may be declared by the Company on a pro-rata basis, at the same rate as the holders of other equity and preference shares, on an "as converted basis".

Each OCRPS have a maximum redemption period of 20 (twenty) years from the date of its issuance (Redemption period), on the expiry of which OCRPS shall be compulsorily and automatically converted into equity shares.

All OCRPS were converted into Equity shares during the year. The Equity share allotted on conversion of OCRPS ranks pari-passu in all respects with the then existing shares of the Company, and shall be subject to the Memorandum and Articles of Association of the Company.

d. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	**41,36,150**	**413.62**	**41,36,150**	**413.62**
Add: Shares issued on conversion of CCPS and OCRPS during the year	50,72,407	507.24	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**92,08,557**	**920.86**	**41,36,150**	**413.62**
Instruments entirely equity in nature				
Compulsorily convertible preference shares				
At the beginning of the year	1,34,75,000	1,347.50	**1,34,75,000**	**1,347.50**
Add: Shares issued during the year	-	-	-	-
Less: Converted to Equity shares during the year	1,34,75,000	1,347.50	-	-
Outstanding at the end of the year	-	-	**1,34,75,000**	**1,347.50**
Optionally convertible redeemable preference shares				
At the beginning of the year	5,00,000	50.00	5,00,000	50.00
Add: Shares issued during the year	-	-	-	-
Less: Converted to Equity shares during the year	5,00,000	50.00	-	-
Outstanding at the end of the year	-	-	**5,00,000**	**50.00**
Total instruments entirely equity in nature	-	-	**1,39,75,000**	**1,397.50**

e. Details of shareholder(s) holding more than 5% of shares of the Company

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares				
Bhupinder Singh[1 & 2]	41,70,759	45.29%	41,36,150	100.00%
MEMG Family office LLP	9,43,704	10.25%	-	0.00%
Paragon Partners Growth Fund-I	9,07,408	9.85%	-	0.00%
Ravi Pillai	6,53,334	7.09%	-	0.00%
Kenstream Ventures LLP	5,44,445	5.91%	-	0.00%
Compulsorily convertible preference share				
Paragon Partners Growth Fund-I	-	-	25,00,000	18.55%
MEMG Family Office LLP (Formerly known as IHE Venture Consultants LLP)	-	-	25,00,000	18.55%
Ravi Pillai	-	-	18,00,000	13.36%
Kenstream Ventures LLP	-	-	15,00,000	11.13%
Anurag Bagaria	-	-	12,50,000	9.28%
Raj Vattikuti	-	-	10,00,000	7.42%
Neelanchal Edifice LLP	-	-	7,50,000	5.57%
Optionally convertible redeemable preference share				
Bhupinder Singh	-	-	5,00,000	100.00%

1. 1 equity share is being held by Mr. Saurabh Jhalaria (Previous year: Saurabh Jhalaria) as nominee shareholder.

2. 38,662 equity shares are being held by Credentia Trusteeship Services Private Limited on behalf of Mr. Bhupinder Singh as agreed under Escrow agreement dated 15th December 2020.

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

f. Changes in authorized share capital of the Company

The Company has increased its Authorized Equity share capital from INR 1,000 Lakhs (10,000,000 Equity Shares of INR 10 each) to INR 3,440 Lakhs (34,400,000 Equity Shares of INR 10 each) & reduced its Authorised Optionally convertible redeemable preference shares to INR 60 Lakhs (600,000 Shares of INR 10 each) from INR 500 Lakhs (5,000,000 Shares of INR 10 each) vide shareholders' approval at the Extraordinary General Meeting (EGM) held on 15th March 2021. The Authorized compulsorily convertible preference share capital has also been reduced to INR Nil from INR 2,000 Lakhs (20,000,000 Shares of INR 10 each).

(All amounts in INR Lakhs, unless otherwise stated)

Note 19 : Other equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities premium		
Balance as at the beginning of the year	29,631.69	29,722.56
Add: Additions during the year:		
- Premium on conversion of CCPS and OCRPS to equity shares during the year	890.24	-
Less: Utilized during the year:		
- Amounts utilized towards share issue expenses	112.22	90.87
Balance as at the end of the year	**30,409.71**	**29,631.69**
Contingency reserve fund		
Balance as at the beginning of the year	0.54	0.54
Add: Addition during the year:		
- Transfer from surplus / (deficit) in statement of profit and loss	-	-
Less: Utilized during the year	-	-
Balance as at the end of the year	**0.54**	**0.54**
Statutory reserve fund pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	95.05	50.50
Add: Addition during the year:		
- Transfer from surplus in statement of profit and loss	-	44.55
Less: Utilized during the year	-	-
Balance as at the end of the year	**95.05**	**95.05**
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as at the beginning of the year	(560.65)	(743.12)
Add: Profit / (loss) after tax for the year	(1,256.37)	222.75
Add: Utilisation on CCPS & OCPS Conversion	0.02	-
Add: Other comprehensive income for the year, net of income tax	8.93	4.27
Amount available for appropriations	**(1,808.07)**	**(516.10)**
Less: Appropriations		
- Transfer to Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	-	44.55
Balance as at the end of the year	**(1,808.07)**	**(560.65)**
Share application money pending allotment	**2,711.75**	-
Total	**31,408.98**	**29,166.63**

(All amounts in INR Lakhs, unless otherwise stated)

Note 20 : Interest income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
On financial assets measured at amortised cost:		
- Interest on loans	2,624.02	2,518.82
- Interest on deposits with banks	206.87	441.62
- Interest on PTC	300.89	-
On financial assets measured at fair value through OCI:		
- Interest on non-convertible debentures	163.77	-
Total	**3,295.56**	**2,960.44**

Note 21 : Fees and commission income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Other fees and charges	156.52	55.78
Total	**156.52**	**55.78**

Note 22 : Net gain on fair value changes

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Net gain on financial instruments at fair value through profit or loss		
- Investments in Mutual Funds	41.24	313.47
- Investments in AIF	23.25	-
Net gain on financial instruments at fair value through OCI:		
- Investments in non-convertible debentures	118.99	-
Total	**183.48**	**313.47**
Fair value changes:		
- Realised	160.23	310.34
- Unrealised	23.25	3.13
Total	**183.48**	**313.47**

Note 23 : Other income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Unwinding of discount on security deposit	15.43	6.98
Miscellaneous income	4.52	-
Total	**19.95**	**6.98**

Note 24 : Finance costs

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Interest on lease liability **[Refer Note No. 34]**	58.86	45.02
Total	**58.86**	**45.02**

Note 25 : Impairment on financial instruments

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
On financial instruments measured at amortised cost		
- Loans (including amount written off, net of recovery)	567.95	1,096.89
- Trade receivables	0.01	-
Total	**567.96**	**1,096.89**

(All amounts in INR Lakhs, unless otherwise stated)

Note 26 : Employee benefits expenses

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Salaries and wages	1,704.71	1,253.17
Contribution to provident and other funds	19.13	27.18
Gratuity **[Refer Note No. 32]**	10.44	10.46
Leave encashment **[Refer Noter No. 32]**	(16.49)	2.49
Staff welfare expenses	5.16	4.53
Total	**1,722.95**	**1,297.83**

Note 27 : Others expenses

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Rent **[Refer Note No. 34]**	15.79	8.11
Communication cost	5.30	8.24
Travelling and conveyance	2.38	139.14
Legal, professional and consultancy charges	2,642.67	211.36
Membership and subscription	23.13	10.61
IT expenses	17.86	5.92
Manpower support services	7.96	9.53
Rates and taxes	5.44	1.52
Printing and stationary	1.02	3.10
Payment to auditors	12.87	11.43
Advertisement, publicity and sales promotion expenses	0.09	4.60
Office expenses	15.72	6.30
Interest on statutory dues	0.28	0.38
Recruitment fees	7.90	28.11
Foreign exchange loss	-	0.24
Loss on sale of fixed assets	34.09	-
Fixed Assets Written off	10.21	-
Miscellaneous expenses	15.68	0.96
Total	**2,818.39**	**449.55**

*** Payment to the auditors:**

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Auditor's remuneration		
- Audit fees	9.39	3.82
In other capacity		
- Certification services	1.90	6.63
- Taxation	1.58	0.98
Total	**12.87**	**11.43**

(All amounts in INR Lakhs, unless otherwise stated)

Note 28 : Current tax

28.1 Amounts recognised in profit and loss

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Current tax expense		
In respect of current period	-	191.61
Earlier years	(1.22)	-
	(1.22)	**191.61**
Deferred tax expense / (income)	**(420.43)**	**(102.70)**
Tax expense for the year	**(421.65)**	**88.91**

28.2 Amounts recognised in other comprehensive income

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Income tax related to items recognised in Other Comprehensive Income during the year		
Remeasurements of defined benefit plans	(3.01)	(1.44)
Net Gain/ (Loss) on instruments through other comprehensive income	-	-
Total Income tax recognised in Other Comprehensive Income	**(3.01)**	**(1.44)**

28.3 Reconciliation of effective tax rate

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Profit before tax as per Statement of profit and loss (A)	**(1,678.02)**	**311.66**
Statutory tax rate (B)	**25.17%**	**25.17%**
Tax using the Company's domestic tax rate (C = A * B)	**(422.31)**	**78.44**
Tax effect of:		
Tax effect of amounts which are not deductible in calculating taxable income	0.70	0.29
Others	(0.04)	10.18
Effective tax expense	**(421.65)**	**88.91**

(All amounts in INR Lakhs, unless otherwise stated)

28.4 Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2021 are as follows:

Particulars	As at 31st March 2020	Recognised in profit or loss	Recognised in OCI	As at 31st March 2021
Deferred tax assets:				
Brought forward losses	109.80	645.75	-	755.54
Retirement benefit plans	7.65	(1.52)	(3.01)	3.12
EIR impact on financial instruments	20.92	(20.92)	-	-
Impairment loss on Loans	268.01	(237.08)	-	30.93
Restructuring related expenses	-	6.88	-	6.88
Leases	14.54	21.20	-	35.74
Difference between written down value of fixed assets as per the books of accounts and income tax	-	11.96	-	11.96
Total Deferred tax assets (A)	**420.92**	**426.26**	**(3.01)**	**844.17**
Deferred tax liabilities:				
Difference between written down value of fixed assets as per the books of accounts and income tax	0.85	(0.85)	-	-
Fair value of investments measured at FVTPL	0.79	5.06	-	5.85
EIR impact on financial instruments	-	1.62	-	1.62
Total Deferred tax liabilities (B)	**1.64**	**5.83**	**-**	**7.47**
Net Deferred tax assets (A-B)	**419.28**	**420.43**	**(3.01)**	**836.70**

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2020 are as follows:

Particulars	As at 31st March 2019	Recognised in profit or loss	Recognised in OCI	As at 31st March 2020
Deferred tax assets:				
Brought forward losses (incl. unabsorbed depreciation)	286.29	(176.49)	-	109.80
Retirement benefit plans	6.02	3.07	(1.44)	7.65
EIR impact on financial instruments	18.20	2.72	-	20.92
Impairment loss on Loans	11.19	256.81	-	268.01
Leases	-	14.54	-	14.54
Total Deferred tax assets (A)	**321.70**	**100.65**	**(1.44)**	**420.92**
Deferred tax liabilities:				
Difference between depreciation and amortisation as per books of account and tax depreciation	1.27	(0.42)	-	0.85
Fair value of investments measured at FVTPL	2.42	(1.63)	-	0.79
Total Deferred tax liabilities (B)	**3.69**	**(2.05)**	**-**	**1.64**
Net Deferred tax assets (A-B)	**318.01**	**102.70**	**(1.44)**	**419.28**

(All amounts in INR Lakhs, unless otherwise stated)

Note 29 : Earning per share (EPS)

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

i. Profit attributable to ordinary shareholders:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit attributable to equity holders of the Company used in calculating basic & dilutive earnings per share	(1,256.37)	222.75

ii. Weighted average number of ordinary shares

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	52,89,601	41,36,150
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	52,89,601	98,04,410

Basic earnings per share	**(23.75)**	**5.39**
Diluted earnings per share	**(23.75)**	**2.27**

Note 30 : Contingent liabilities and commitments

Particulars	As at 31st March 2021	As at 31st March 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Loan commitments	3,500.50	580.50
Contingent liabilities	Nil	Nil

Note 31 : Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

In accordance with Micro, small and Medium Enterprises Development Act, 2006 the Company is required to identify the Micro, small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based on information available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, small and Medium Enterprises Development Act, 2006.

Note 32 : Employee benefits

32.1 Defined contribution plan

The Company has recognised the following amounts in the Standalone Statement of Profit & Loss towards contributions to provident fund:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Provident fund	19.13	27.18

32.2 Defined benefit Plan - Gratuity
Every employee who completes five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service, subject to ceiling of INR 20.00 Lakhs.

Table showing change in the present value of projected benefit obligation:

Particulars	As at 31st March 2021	As at 31st March 2020
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	13.91	9.15
Interest cost	0.87	0.65
Current service cost	9.57	9.81
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(1.12)	0.32
Actuarial (Gains) / Losses on Obligations - Due to Experience	(10.83)	(6.03)
Liability at the end of the year	**12.40**	**13.91**

Table Showing change in the fair value of plan assets:

Particulars	As at 31st March 2021	As at 31st March 2020
Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
(Benefit paid from the fund)	-	-
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes In foreign exchange rates	-	-
Return on plan assets, excluding interest income	-	-
Fair value of plan assets at the end of the year	**-**	**-**

Amount recognized in the Standalone balance sheet:

Particulars	As at 31st March 2021	As at 31st March 2020
Present value of benefit obligation	(12.40)	(13.91)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	(12.40)	(13.91)
Net (Liability) Recognized in the Balance Sheet	**(12.40)**	**(13.91)**

Expenses recognized in the Standalone statement of profit and loss

Particulars	As at 31st March 2021	As at 31st March 2020
Current service cost	9.57	9.81
Net Interest cost	0.87	0.65
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognised	**10.44**	**10.46**

(All amounts in INR Lakhs, unless otherwise stated)

Expenses recognized in the Other comprehensive income (OCI)

Particulars	As at 31st March 2021	As at 31st March 2020
Actuarial (Gains) on obligation for the year	(11.94)	(5.71)
Return on Plan Assets, Excluding Interest Income	-	-
Net (Income) for the year recognized in OCI	**(11.94)**	**(5.71)**

The actuarial assumptions used to determine benefit obligations as at 31st March 2021 and 31st March 2020 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Discount Rate	6.06%	6.24%
Salary escalation rate	5%	5% for next 2 years and 7% thereafter
Expected Rate of return on Plan Assets	NA	NA
Rate of Employee Turnover	15%	15%
Mortality Rate during employment	Indian Assured lives mortality (2006-08) ultimate	Indian Assured lives mortality (2006-08) ultimate

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

Standalone balance sheet reconciliation:

Particulars	As at 31st March 2021	As at 31st March 2020
Opening net liability	13.91	9.15
Expenses recognized in Statement of Profit and Loss	10.44	10.46
Expenses recognized in OCI	(11.94)	(5.71)
Net (Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net liability recognized in the Standalone balance sheet	**12.40**	**13.91**

Category of assets:

Particulars	As at 31st March 2021	As at 31st March 2020
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	-	-

(All amounts in INR Lakhs, unless otherwise stated)

Other details:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Active Members (Absolute number)	22.00	19.00
Per Month Salary For Active Members	28.75	29.15
Weighted Average Duration of the Projected Benefit Obligation	8.00	9.00
Average Expected Future Service	5.00	5.00
Projected Benefit Obligation (PBO)	12.40	13.91
Prescribed Contribution For Next Year (12 Months)	-	-

Cash flow projections:
Maturity analysis of the benefit payments: From the fund

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Projected benefits payable in future years from the date of reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

Maturity analysis of the benefit payments: From the employer

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Projected benefits payable in future years from the date of reporting		
1st following year	0.08	0.07
2nd following year	0.07	0.06
3rd following year	1.48	0.11
4th following year	1.70	1.92
5th following year	1.94	2.30
Sum of years 6 To 10	6.94	8.65
Sum of years 11 and above	7.27	10.26

Sensitivity analysis:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Projected benefit obligation on current assumptions	12.40	13.91
Delta effect of +1% change in rate of discounting	(0.78)	(0.98)
Delta effect of -1% change in rate of discounting	0.86	1.09
Delta effect of +1% change in rate of salary increase	0.87	1.08
Delta effect of -1% change in rate of salary increase	(0.80)	(0.99)
Delta effect of +1% change in rate of employee turnover	(0.33)	(0.54)
Delta effect of -1% change in rate of employee turnover	0.33	0.56

(All amounts in INR Lakhs, unless otherwise stated)

Risk analysis:
The Company is exposed to a number of risks associated with the defined benefit plans. Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows:

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

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

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

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

32.3 Defined benefit Plan - Compensated absences
The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Company is given below:

Particulars	As at 31st March 2021	As at 31st March 2020
Total actuarial liability *	NA	16.49
Assumptions:		
Discount rate	NA	6.24%
Salary escalation rate	NA	5% for next 2 years and 7% thereafter

*As per the revised policy of the company , the accumulated unavailed leave lapses as at 31st March 2021. Thus no liability has been determined for the current year in respect of compensated absences.

Note 33 : Security issue expenses
Security issue expenses related to issuance of equity and other securities are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013. Details of such expenses is mentioned below:

Particulars	As at 31st March 2021	As at 31st March 2020
Legal and professional fees	103.72	90.87
Listing fees	-	-
Stamp duty	8.50	-
Filing fees	-	-
Total	**112.22**	**90.87**

(All amounts in INR Lakhs, unless otherwise stated)

Note 34 : Leases

Accounting policy: The Company as a Lessee

The Company's lease asset classes primarily consists of leases for office premises. The Company has adopted IND AS 116 "Leases" for accounting of lease contracts where the Company is a lessee. As per IND AS 116, the Company assesses whether a contract contains a lease, at the inception of the contract.

A contract is, or contains, a lease if the contract coveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;
ii. the Company has substantially all of the economic benefits from the use of asset through the period of the lease; and
iii. the Company has the right to direct the use of the asset.

At the date of the commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all the lease arrangements in which the Company is a lessee; except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of the lease.

The following is the summary of practical expedients elected on initial application:

i. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment;
ii. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
iii. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

ROU Assets

The ROU assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment loss.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU asset are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The changes in the carrying value of the ROU asset for the period ended 31st March 2021 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	**659.51**	**361.10**
Addition during the year	-	419.61
Deletion during the period	(216.50)	
Depreciation for the year	(132.03)	(121.20)
Balance as at the end of the year	**310.98**	**659.51**

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the Standalone Statement of Profit and Loss.

Lease liability

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The changes in the carrying value of the lease liability for the period ended 31st March 2021 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at the beginning of the year	717.28	361.10
Addition during the year	-	419.61
Finance cost accrued during the year	58.86	45.02
Deletions	(218.09)	
Payment of lease liabilities made during the year	(105.07)	(108.45)
Balance as at the end of the year	**452.98**	**717.28**

The break-up of current and non-current lease liabilities as at 31st March 2021 is as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Current lease liabilities	95.49	128.96
Non-current lease liabilities	357.48	588.32
Total	**452.97**	**717.28**

The table below provides details regarding the contractual maturities of lease liabilities as of 31st March 2021 on an undiscounted

Particulars	As at 31st March 2021	As at 31st March 2020
Less than one year	136.22	135.81
Between one and five years	408.94	760.36
More than five years	-	-
Total	**545.16**	**896.17**

Expenses recognized in the Standalone statement of profit & loss:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation expense on RoU Asset **[Refer Note No. 10]**	132.03	121.20
Interest expense on lease liability **[Refer Note No. 24]**	58.86	45.02
Expense relating to short-term leases and low value leases **[Refer Note No. 27]**	15.79	8.11
Total	**206.68**	**174.33**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Short-term leases

Rental expenses recorded for short-term leases and low value leases was INR. 15.79 lakhs for the year ended 31st March 2021 & INR. 8.11 Lakhs for the year ended 31st March 2020.

(All amounts in INR Lakhs, unless otherwise stated)

Note 35 : Financial instruments

35.1 Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Level of Fair value measurement			
As at 31st March 2021	**Amortised cost**	**At fair value through P&L**	**Total**	**Level 1 - Quoted price in active markets**	**Level 2- Significant Observable inputs**	**Level 3 - Significant Unobservable inputs**	**Total**
Financial assets							
Cash and cash equivalents	4,100.27	-	**4,100.27**	4,100.27	-	-	**4,100.27**
Bank balance other than cash and cash equivalents	-	-	-	-	-	-	-
Trade receivables	3.30	-	**3.30**	-	-	3.30	**3.30**
Loans	20,951.30	-	**20,951.30**	-	-	20,951.30	**20,951.30**
Investments	2,949.79	280.27	**3,230.06**	280.27	-	2,949.79	**3,230.06**
Investments in subsidiaries	1,001.00	-	**1,001.00**	-	-	1,001.00	**1,001.00**
Other financial assets	59.59	-	**59.59**	-	-	59.59	**59.59**
Total Financial assets	**29,065.25**	**280.27**	**29,345.52**	**4,380.54**	-	**24,964.98**	**29,345.52**
Financial liabilities							
Trade payables	90.80	-	90.80	-	-	90.80	90.80
Deposits	2.44	-	2.44	-	-	2.44	2.44
Other financial liabilities	572.12	-	572.12	-	-	572.12	572.12
Total Financial liabilities	**665.36**	-	**665.36**	-	-	**665.36**	**665.36**

	Carrying Amount			Level of Fair value measurement			
As at 31st March 2020	**Amortised cost**	**At fair value through P&L**	**Total**	**Level 1 - Quoted price in active markets**	**Level 2- Significant Observable inputs**	**Level 3 - Significant Unobservable inputs**	**Total**
Financial assets							
Cash and cash equivalents	5,013.77	-	**5,013.77**	5,013.77	-	-	**5,013.77**
Bank balance other than cash and cash equivalents	1,874.89	-	**1,874.89**	1,874.89	-	-	**1,874.89**
Trade receivables	2.31	-	**2.31**	-	-	2.31	**2.31**
Loans	21,777.15	-	**21,777.15**	-	-	21,777.15	**21,777.15**
Investments in mutual funds	-	1,003.13	**1,003.13**	1,003.13	-	-	**1,003.13**
Investments in subsidiaries	600.00		**600.00**	-	-	600.00	**600.00**
Other financial assets	157.09	-	**157.09**	-	-	157.09	**157.09**
Total Financial assets	**29,425.21**	**1,003.13**	**30,428.34**	**7,891.79**	-	**22,536.55**	**30,428.34**
Financial liabilities							
Trade payables	56.69	-	56.69	-	-	56.69	56.69
Other financial liabilities	728.78	-	728.78	-	-	728.78	728.78
Total Financial liabilities	**785.47**	-	**785.47**	-	-	**785.47**	**785.47**

The management assessed that the fair values of cash and balances with bank, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35.2 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(i) Level 1:- Category includes 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.

(ii) 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.

(iii) Level 3:- Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

The fair value of cash and cash equivalents and other bank balances is their carrying amounts.

Investments in liquid Mutual funds are valued at closing Net Asset Value (NAV) of the funds and are classified under Level 1.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31st March 2021 & 31st March 2020.

(All amounts in INR Lakhs, unless otherwise stated)

Note 36 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a 'Capital to Risk weighted asset ratio (CRAR)' as prescribed under "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016" issued by Reserve Bank of India. The capital management process of the Company ensures to maintain a healthy CRAR at all times.

Refer Note No. 40b for further details.

Note 37 : Financial risk management objectives and policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's principal financial liabilities, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, rental deposits, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company's activities expose it to a variety of financial risk namely market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's board of directors reviews and agrees policies for managing each risk, which are summarised as below:-

(a) Market risk:

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely. The Company has Asset and Liability Management Committee (ALCO) and has empowered it to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis.

Exposure to interest rate risk

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

Particulars	As at 31st March 2021	As at 31st March 2020
Loans		
Fixed rate loans	20,951.30	21,777.15
Bank Balance other than cash & cash equivalents	1,050.72	6,746.82
Fixed rate investments in PTCs	2,949.79	-
Borrowings		
Fixed rate borrowings	-	-
Net exposure	**24,951.81**	**28,523.97**

Fair value sensitivity analysis for fixed-rate instruments

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

Other price risk

The Company is exposed to price risk arising from investment in AIF / mutual funds and classified in the standalone balance sheet at fair value through profit & loss. If the NAV of the AIF / mutual fund had been higher / lower by 1% from market price existing as at 31st March 2021, profit or loss (pre-tax) for the year ended 31st March 2021 would increase / decrease by INR. 2.80 Lakhs (For the year ended 31st March 2020: INR 10.03 Lakhs) with a corresponding increase / decrease in the total equity of the Company.

The Company is currently is not exposed to any equity price risk arising from equity investments classified in the standalone balance sheet at fair value through other comprehensive income since the amount outstanding as at 31st March 2021 is Nil (For the year ended 31st March 2020: Nil).

(b) Credit risk:

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from loans and advances, investments carried at amortized cost and deposits with banks and financial institutions. Credit risk has always been managed by the company through continuous monitoring the creditworthiness of customers to which the company grants loans & advances in the normal course of business. Under Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

Credit risk management

The Company key objective is to maintain a strong culture of responsible lending, and robust risk policies and control frameworks. The Company considers various factors, which provide an assessment of the borrower’s ability-to-pay and willingness-to-pay. While the techniques used for assessment vary across product-segments, the credit principles remain a common factor.

The key factors considered include:

Borrower Analysis

A comprehensive analysis must be performed to understand the business model of the borrower, history of the business, key products, growth drivers, working capital cycles, key customers, key competitors, capital structure and leverage.

Industry Analysis

A comprehensive analysis must be conducted to understand a brief history, factors that affect growth, government regulations (if any), key players in the industry, size of the industry, key trends over recent years, demand/supply drivers, and any other significant factors that impact the industry.

Character and quality of management and / or equity sponsors

Consider factors such as experience of key executives / management, succession plans for key positions and assessment of planning and control systems.

Measurement of Expected Credit Losses ('ECL')

The Company has segmented its outstanding portfolio based on the risk profiles i.e. risk management policies, historical experiences with respect to default rates etc. for the computation of ECL.

A three-stage model for impairment based on changes in credit quality since initial recognition has been implemented. The Company has used Days Past Due (‘DPD’) basis for staging of the portfolio and has opted for the rebuttable presumption prescribed by the standard to recognize default in case payments are overdue 90 days and a Significant Increase in Credit Risk (‘SICR’) in case payments are overdue for more than 30 days.

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

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

(All amounts in INR Lakhs, unless otherwise stated)

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

DPD Status	Stage	Basis for recognition of ECL
Current	Stage 1	12 Month's ECL
1-30 days	Stage 1	12 Month's ECL
31-90 days	Stage 2	Life Time ECL
90 + days	Stage 3	Life Time ECL

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as interest rates, gross domestic product, inflation and expected direction of the economic cycle. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed at regular intervals.

As at 31st March 2021

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loans	21,074.17	(105.37)	20,968.80
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loan Commitments	3,500.50	(17.50)	3,483.00
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Loans	-	-	-
Loss allowance measured at 12 month ECL - Trade receivable	Trade Receivable	3.31	(0.01)	3.30
Total		**24,577.98**	**(122.88)**	**24,455.10**

As at 31st March 2020

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loans	21,332.08	(106.77)	21,225.31
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loan Commitments	580.50	(2.90)	577.60
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Loans	1,585.00	(1,030.25)	554.75
Total		**23,497.58**	**(1,139.92)**	**22,357.66**

(All amounts in INR Lakhs, unless otherwise stated)

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised financial instruments. The extent to which collateral and other credit enhancements mitigate the maximum exposure to credit risk is described in the footnotes to the table. For financial assets recognised on the balance sheet, the maximum exposure to credit risk equals their carrying amount.

Particulars	Gross Exposure	
	31st March 2021	31st March 2020
Cash and cash equivalents	4,100.27	5,013.77
Bank balance other than cash and cash equivalents	-	1,874.89
Trade receivables	3.30	2.31
Loans and advances to customers	21,074.17	22,917.08
Investments in PTCs & AIF	3,230.06	1,003.13
Investments in subsidiaries	1,001.00	600.00
Other financial assets	59.59	157.09
Total credit risk exposure	**29,468.39**	**31,568.27**

Value of security of credit impaired assets

The credit impaired assets as at the reporting dates were secured receivables of the borrowers amounting to:

Particulars	As at 31st March 2021	As at 31st March 2020
Value of security	-	554.75
Total	**-**	**554.75**

Reconciliation of ECL balance

(a) Loans

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance as on 31st March 2019	**43.04**	-	-
New Assets Originated or Purchased	1,093.98	-	-
Write – offs			
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	
Transferred to Lifetime ECL credit impaired	(1,030.25)	-	1,030.25
ECL allowance as on 31st March 2020	**106.77**	**-**	**1,030.25**
New Assets Originated or Purchased	73.00		
Changes in loss allowances due to Assets used or released	(74.40)		
Write – offs			(1,585.00)
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	554.75
ECL allowance as on 31st March 2021	**105.37**	**-**	**-**

(All amounts in INR Lakhs, unless otherwise stated)

(b) Loan commitments

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance as on 31st March 2019	-	-	-
New Assets Originated or Purchased	2.90	-	-
Write – offs	-		
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	
Transferred to Lifetime ECL credit impaired	-	-	-
ECL allowance as on 31st March 2020	**2.90**	**-**	**-**
New Assets Originated or Purchased	**17.50**		
Changes in loss allowances due to Assets used or released	(2.90)	-	-
Write – offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
ECL allowance as on 31st March 2021	**17.50**	**-**	**-**

(c) Trade Receivable

Particulars	As at 31st March 2021
ECL allowance as on 31st March 2019	
New Assets Originated or Purchased	-
ECL allowance as on 31st March 2020	-
New Assets Originated or Purchased	0.01
ECL allowance as on 31st March 2021	**0.01**

Concentration of Risk

The Company continues to grow its product offerings by expanding its geographic reach in order to reduce geographic concentrations while continually calibrating its product mix across all categories of lending.

(All amounts in INR Lakhs, unless otherwise stated)

(c) Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

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

As at 31st March 2021:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities:							
Trade payables	**13**	90.80	90.80	90.80	-	-	-
Deposits	**14**	2.44	2.44	-	2.44	-	-
Other financial liabilities	**15**	572.12	664.32	255.38	408.94	-	-
Loan commitments	**30**	3,500.50	3,500.50	3,500.50	-	-	-
Total		**4,165.86**	**4,258.06**	**3,846.68**	**411.38**	**-**	**-**

As at 31st March 2020:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities:							
Trade payables	**13**	56.69	56.68	56.68	-	-	-
Other financial liabilities	**15**	728.78	907.69	147.33	492.75	267.61	-
Loan commitments	**30**	580.50	580.50	580.50	-	-	-
Total		**1,365.97**	**1,544.87**	**784.51**	**492.75**	**267.61**	**-**

(All amounts in INR Lakhs, unless otherwise stated)

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

As at 31st March 2021:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets:							
Cash and cash equivalents	3	4,100.27	4,100.27	4,100.27	-	-	-
Bank balance other than cash and cash e	4	-	-	-	-	-	-
Trade receivables	5	3.30	3.30	3.30	-	-	-
Loans	6	20,951.30	25,882.69	9,462.84	16,419.85	-	-
Investments	7	4,231.06	4,376.35	3,095.08	-	-	1,281.27
Other financial assets	8	59.59	82.25	-	72.11	-	10.14
Total		**29,345.52**	**34,444.87**	**16,661.49**	**16,491.96**	**-**	**1,291.41**

As at 31st March 2020:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets:							
Cash and cash equivalents	3	5,013.77	5,013.77	5,013.77	-	-	-
Bank balance other than cash and cash e	4	1,874.89	1,874.89	1,874.89	-	-	-
Trade receivables	5	2.31	2.31	2.31	-	-	-
Loans	6	21,777.15	27,719.81	14,192.49	8,945.88	4,581.44	-
Investments	7	1,603.13	1,603.13	1,003.13	-	-	600.00
Other financial assets	8	157.09	180.29	59.13	49.05	72.11	-
Total		**30,428.34**	**36,394.20**	**22,145.72**	**8,994.93**	**4,653.55**	**600.00**

(All amounts in INR Lakhs, unless otherwise stated)

Note 38 : Related party disclosures
Related party relationships / transactions warranting disclosures under IND AS-24 "Related Party Disclosures" are as under:

a. List of Related parties where control exists and/or with whom transactions have taken place and relationships:

Nature of Relationship	**Name of the party**
Key managerial personnel ('KMP')	Bhupinder Singh, Director Venkatesh Vishwanathan, Director Saurabh Jhalaria , Director Vivek Bansal, Director (w.e.f 26th March 2019) Siddharth Parekh, Director Rajiv Sukumar, CFO (from 3rd September 2020 to 31st March 2021) Deepak Dhingra, CFO (w.e.f 1st April 2021) Varun Shah, Company Secretary (w.e.f 8th September 2020)
Enterprise over which KMP is able to exercise significant influence	InCred Financial Services Limited InCred Housing Finance Private Limited InCred Management and Technology Private Limited InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited) (w.e.f. 15th October 2019) InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited) (from 11th July 2018 to 17th April 2019 and 28th January 2020 to 31st March 2020)
Subsidiaries	InCred Asset Management Private Limited (formerly known as InCred Capital Investment Advisors and Managers Private Limited) (w.e.f. 01st March 2019) InCred Wealth and Investment Services Private Limited (w.e.f 18th November 2020) InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited) (w.e.f. 20th May 2019 till 14th October 2019) InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited) (From 18th April 2019 to 27th January 2020)
Step down Subsidiary	Vishuddha Capital Management LLP (w.e.f 15th December 2020)

(All amounts in INR Lakhs, unless otherwise stated)

b. Transactions during the year with related parties

Transactions	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Loan & advances given:								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	20,550.00	6,419.50	-	-	**20,550.00**	**6,419.50**
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	210.00	60.50	**210.00**	**60.50**
InCred Financial Services Limited	-	-	450.00	-	-	-	**450.00**	-
	-	**-**	**21,000.00**	**6,419.50**	**210.00**	**60.50**	**21,210.00**	**6,480.00**
Loans & advances repayment received:								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	10,970.00	-	-	-	**10,970.00**	-
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	270.50	-	**270.50**	-
InCred Capital Wealth Portfolio Managers Private Limited **(formerly known as BSH Corporate Advisors and Consultants Private Limited)**	-	-	-	60.62	-	-	-	**60.62**
	-	**-**	**10,970.00**	**60.62**	**270.50**	**-**	**11,240.50**	**60.62**
Purchase of investment in InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited):								
Bhupinder Singh	-	100.00	-	-	-	-	-	**100.00**
	-	**100.00**	**-**	**-**	**-**	**-**	**-**	**100.00**
Investment in Subsidiary:								
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	400.00	600.00	**400.00**	**600.00**
InCred Wealth and Investment Services Pvt Ltd	-	-	-	-	1.00	-	**1.00**	-
	-	**-**	**-**	**-**	**401.00**	**600.00**	**401.00**	**600.00**

(All amounts in INR Lakhs, unless otherwise stated)

Transactions	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Sale of investment in InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited):								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	-	100.00	-	-	-	**100.00**
	-	-	-	**100.00**	-	-	-	**100.00**
Purchase of Investments:								
InCred Financial Services Limited	-	-	6,505.59	-	-	-	**6,505.59**	-
	-	-	**6,505.59**	-	-	-	**6,505.59**	-
Sale of Investments:								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	1,716.99	-	-	-	**1,716.99**	-
	-	-	**1,716.99**	-	-	-	**1,716.99**	-
Loss on Sale Investments:								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	1.01	-	-	-	**1.01**	-
	-	-	**1.01**	-	-	-	**1.01**	-
Interest Income on sale Investments								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	70.02	-	-	-	**70.02**	-
	-	-	**70.02**	-	-	-	**70.02**	-
Remuneration paid to KMPs	633.63	242.65	-	-	-	-	**633.63**	**242.65**
	633.63	**242.65**	-	-	-	-	**633.63**	**242.65**

(All amounts in INR Lakhs, unless otherwise stated)

Transactions	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Interest on Loan and Advances:								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	1,766.68	181.18	-	-	**1,766.68**	**181.18**
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	8.94	0.33	**8.94**	**0.33**
InCred Financial Services Limited	-	-	1.76	-	-	-	**1.76**	-
	-	**-**	**1,768.44**	**181.18**	**8.94**	**0.33**	**1,777.38**	**181.51**
Expenses Reimbursement :								
InCred Financial Services Limited	-	-	31.24	-	-	-	**31.24**	-
	-	**-**	**31.24**	**-**	**-**	**-**	**31.24**	**-**
Sale of Loan Portfolio								
InCred Financial Services Limited	-	-	12,738.68	-	-	-	**12,738.68**	-
	-	**-**	**12,738.68**	**-**	**-**	**-**	**12,738.68**	**-**
Issue of equity shares upon conversion of OCRPS:								
Bhupinder Singh	18.15	-	-	-	-	-	**18.15**	-
	18.15	**-**	**-**	**-**	**-**	**-**	**18.15**	**-**

Terms and conditions of transactions with related parties
The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. For terms of loan provided to InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited), Refer Note No. 6.

(All amounts in INR Lakhs, unless otherwise stated)

c. Closing balances with Related parties as at 31st March 2021 and 31st March 2020:

Closing balance	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Trade payables:								
InCred Financial Services Limited	-	-	15.87	-	-	-	**15.87**	-
	-	-	**15.87**	-	-	-	**15.87**	-
Loans								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	15,999.50	6,419.50	-	-	**15,999.50**	**6,419.50**
InCred Financial Services Limited	-	-	4,500.00	-	-	-	**4,500.00**	-
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	-	60.50	-	**60.50**
	-	-	**20,499.50**	**6,419.50**	-	**60.50**	**20,499.50**	**6,480.00**
Interest receivable on Loan and Advances								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	179.07	54.87	-	-	**179.07**	**54.87**
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	-	0.33	-	**0.33**
InCred Financial Services Limited	-	-	1.76	-	-		**1.76**	-
	-	-	**180.83**	**54.87**	-	**0.33**	**180.83**	**55.20**
Investment in Subsidiary:								
InCred Asset Management Private Limited **(formerly known as InCred Capital Investment Advisors and Managers Private Limited)**	-	-	-	-	1,000.00	600.00	**1,000.00**	**600**
InCred Wealth and Investment Services Pvt Ltd	-	-	-	-	1.00	-	**1.00**	-
	-	-	-	-	**1,001.00**	**600.00**	**1,001.00**	**600**

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Notes to the standalone financial statements for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Note 39 : Current and Non-current classification

Particulars	Note No.	As at 31st March 2021			As at 31st March 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
(A) Financial assets:							
Cash and cash equivalents	3	4,100.27	-	**4,100.27**	5,013.77	-	**5,013.77**
Bank balance other than cash and cash equivalents	4	-	-	-	1,874.89	-	**1,874.89**
Trade receivables	5	3.30	-	**3.30**	2.31	-	**2.31**
Loans	6	7,195.40	13,755.90	**20,951.30**	11,930.14	9,847.01	**21,777.15**
Investments	7	2,949.79	1,281.27	**4,231.06**	1,003.13	600.00	**1,603.13**
Other financial assets	8	10.14	49.45	**59.59**	3.79	153.30	**157.09**
Sub-total (A)		**14,258.90**	**15,086.62**	**29,345.52**	**19,828.03**	**10,600.31**	**30,428.34**
(B) Non-financial assets:							
Current tax assets (Net)	9	381.20	-	**381.20**	58.69	-	**58.69**
Deferred tax assets (Net)	28	-	836.70	**836.70**	-	419.28	**419.28**
Property, plant and equipment	10	-	456.65	**456.65**	-	746.58	**746.58**
Capital work in Progress		-	5.36	**5.36**	-	66.86	**66.86**
Other intangible assets	11	-	2.10	**2.10**	-	3.98	**3.98**
Other non-financial assets	12	2,114.68	77.75	**2,192.43**	128.85	7.16	**136.01**
Sub-total (B)		**2,495.88**	**1,378.56**	**3,874.44**	**187.54**	**1,243.86**	**1,431.40**
Total Assets (A + B)		**16,754.78**	**16,465.18**	**33,219.96**	**20,015.57**	**11,844.17**	**31,859.74**

Particulars	Note No.	As at 31st March 2021			As at 31st March 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES & EQUITY							
(A) Financial liabilities:							
Trade payable	13						
(i) total outstanding dues of micro and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than MSME		90.80	-	**90.80**	56.69	-	**56.69**
Deposits	14	-	2.44	**2.44**	-	-	-
Other financial liabilities	15	119.16	452.96	**572.12**	140.47	588.31	**728.78**
Sub-total (A)		**209.96**	**455.40**	**665.36**	**197.16**	**588.31**	**785.47**
Non-Financial liabilities							
Provisions	16	0.08	12.32	**12.40**	4.09	26.31	**30.40**
Other non-financial liabilities	17	212.36	-	**212.36**	66.12	-	**66.12**
Sub-total (B)		**212.44**	**12.32**	**224.76**	**70.21**	**26.31**	**96.52**
Total Liabilities (A + B)		**422.40**	**467.72**	**890.12**	**267.37**	**614.62**	**881.99**

Note 40 : RBI Disclosures

a. Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934

In terms of Section 45-IC of the RBI Act, NBFCs are required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year. For the FY 2020-21, the company has posted a loss and therefore transfer to Statutory Reserve fund is NIL (31st March 2020: INR. 44.55 Lakhs).

b. Capital to Risk weighted asset ratio ('CRAR')

The Company maintains an actively managed capital base to cover risk inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As per the "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016", RBI requires the Company to maintain a minimum Capital to Risk Weighted Asset Ratio ('CRAR') of 15%. The capital management process of the Company ensures to maintain a health CRAR at all times.

Capital consists of 'Tier - I' and 'Tier - II' capital. Furthermore the Tier - II capital cannot exceed 100% of the Tier - I capital of the Company.

'Tier - I capital' means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year;

'Tier - II capital' includes the following:
(a) preference shares other than those which are compulsorily convertible into equity;
(b) revaluation reserves at discounted rate of fifty five percent;
(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;
(d) hybrid debt capital instruments;
(e) subordinated debt; and
(f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital,
to the extent the aggregate does not exceed Tier I capital.

'Owned funds' means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any;

Calculation of Capital to Risk weighted asset ratio:

Particulars	As at 31st March 2021	As at 31st March 2020
CRAR (%) [Total capital/Risk weighted assets]	38.21%	107.66%
CRAR - Tier - I Capital (%) [Tier - I Capital/Risk Weighted assets]	37.74%	103.14%
CRAR - Tier - II Capital (%) [Tier - II Capital/Risk Weighted assets]	0.47%	4.52%
Amounts of subordinated debts raised as Tier - II Capital	-	-
Amounts raised by issue of Perpetual debt instruments	-	-

c. Frauds reported during the year

The Company has reported frauds aggregating NIL (previous year: NIL) based on management reporting to risk committee and to the RBI through prescribed returns FMR-1.

(All amounts in INR Lakhs, unless otherwise stated)

d. Investments

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
(1) Value of investments		
(i) Gross value of investments		
(a) In India	4,231.06	1,603.13
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	4,231.06	1,603.13
(b) Outside India	-	-
(2) 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	-	-

e. Derivatives

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Transactions/exposure in derivative during the year	Nil	Nil
Unhedged foreign currency exposure as at the year end	Nil	Nil

f. Disclosures relating to securitization

There are no securitisation transactions entered into by the Company during the current year and previous year. Also, the Company does not have any securitisation exposure during the current year and previous year.

The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction and also not undertaken any assignment transactions during the current year and previous year.

The Company has not purchased/sold non-performing assets during the year ended 31st March 2021 and 31st March 2020.

Details of Assignment transactions undertaken by NBFCs :-

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
- No. of accounts	11	-
- Aggregate value (net of provisions) of the accounts sold	12,674.98	-
- Aggregate consideration	12,738.68	-
- Additional consideration realised in respect of accounts transferred in earlier years	-	-
- Aggregate gain/loss over net book value	-	-

(All amounts in INR Lakhs, unless otherwise stated)

h. Exposure to real estate

Particulars	As at 31st March 2021	As at 31st March 2020
Direct Exposure		
Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
Indirect Exposure		
Fund based and non based exposures on National housing Bank and Housing Finance Companies	-	-

i. Exposure to capital markets

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**1,001.00**	-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**16,178.57**	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and	-	-
Total exposure to Capital markets	**17,179.57**	-

j. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

k. Unsecured advances
The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses, authority.

l. Registration obtained from other financial sector regulators:

Particulars	Registration No.
RBI Regulation Number	B-13.02415
Corporate Identification Number	U67120MH1996PTC355036

m. Disclosure of Penalties imposed by RBI and other regulators
Penalty of INR. 0.02 Lakhs paid to RBI for delay in refund of excess share application money.

n. Related party transactions
Refer **Note No. 38** to the standalone financial statements for the transactions with the Related parties.

o. Credit rating
The Company has not taken any financing facility, therefore no credit rating has been obtained.

p. Provisions and contingencies

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	As at 31st March 2021	As at 31st March 2020
Provisions for depreciation on investment	-	-
Provision towards NPA/ Write off	554.75	1,030.25
Provision made towards income tax	-	191.61
Provision for Standard Assets/ (Reversal of Provision)	13.21	66.64

q. Draw-down from reserves
During the year, the Company has not drawn down any amount from Reserves.

r. Concentration of Advances, Exposures and NPAs
Concentration of advances

Particulars	As at 31st March 2021	As at 31st March 2020
Total advances to twenty largest borrowers	21,074.17	22,917.08
Percentage of advances to twenty largest borrowers to total advances of the NBFC	100.00%	100.00%

Concentration of exposures

Particulars	As at 31st March 2021	As at 31st March 2020
Total exposure to twenty largest borrowers/customers	21,074.17	22,917.08
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	100.00%	100.00%

(All amounts in INR Lakhs, unless otherwise stated)

Concentration of NPAs

Particulars	As at 31st March 2021	As at 31st March 2020
Total exposure to top four NPA accounts	-	-

Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at 31st March 2021	As at 31st March 2020
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	100.00%
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

Movement of NPAs

Particulars	As at 31st March 2021	As at 31st March 2020
Net NPAs to net advances (%)	**0.00%**	**2.55%**
Movement of NPAs (Gross)		
(a) Opening balance	1,585.00	-
(b) Additions during the year	-	1,585.00
(c) Reductions during the year	1,585.00	-
(d) Closing balance	-	**1,585.00**
Movement of Net NPAs		
(a) Opening balance	554.75	-
(b) Additions during the year	-	554.75
(c) Reductions during the year	554.75	-
(d) Closing balance	-	**554.75**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,030.25	-
(b) Provisions made during the year	554.75	1,030.25
(c) Write-off of excess provisions	1,585.00	-
(d) Closing balance	-	**1,030.25**

s. Disclosure of complaints
Customer complaints

Particulars	As at 31st March 2021	As at 31st March 2020
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

t. Disclosure of gold loan portfolio
The Company has not lent any loans against gold jewellery during the year ended 31st March 2021 and 31st March 2020.

u. Disclosure as required by Annex II to the "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016" w.r.t Liquidity Risk Management Framework for NBFCs'

Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31st March 2021	As at 31st March 2020
Number of significant counter parties	-	-
Amount (INR. In Lakhs)	-	-
Percentage of funding concentration to total deposits	0.00%	0.00%
Percentage of funding concentration to total liabilities	0.00%	0.00%

Top 20 large deposits

Particulars	As at 31st March 2021	As at 31st March 2020
Total amount of top 20 deposits	-	-
Percentage of amount of top 20 deposits to total deposits	0.00%	0.00%

Top 10 borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
Total amount of top 10 borrowings	-	-
Percentage of amount of top 10 borrowings to total borrowings	0.00%	0.00%

Funding Concentration based on significant instrument/product

Particulars	As at 31st March 2021	% of total liabilities
Non-convertible debentures	-	0.00%
Loans from bank	-	0.00%
Deposits	-	0.00%
External commercial borrowings	-	0.00%
Sub-ordinated debts	-	0.00%
Commercial paper	-	0.00%

Particulars	As at 31st March 2021	% of total liabilities
Non-convertible debentures	-	0.00%
Loans from bank	-	0.00%
Deposits	-	0.00%
External commercial borrowings	-	0.00%
Sub-ordinated debts	-	0.00%
Commercial paper	-	0.00%

(All amounts in INR Lakhs, unless otherwise stated)

Stock ratio

Particulars	As at 31st March 2021	As at 31st March 2020
Commercial papers as a % of total public funds, total liabilities and total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	0.00%	0.00%
Other short-term liabilities, if any as a % of		
- total public funds	0.00%	0.00%
- total assets	1.27%	0.84%
- total liabilities	47.45%	30.31%

Institutional set-up for liquidity risk Management
Refer **Note No. 37** of standalone financials statements.

v. Additional information as per guidelines issued by the Reserve Bank of India is respect of Non-Banking Financial (Non-deposit accepting or holding) Systemically Important (NBFC-ND-SI) is given in Annexure 1.

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g. Asset liability management maturity pattern of certain items of assets and liabilities as at 31st March 2021

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	412.71	-	-	4,477.50	2,305.18	17,256.40	-	-	**24,451.79**
Investments	453.89	403.11	361.96	1,082.63	648.20	-	-	1,281.27	**4,231.06**

**** Includes maturity of undisbursed loan of INR. 3500.50 Lakhs to InCred Wealth Private Limited as per repayment schedule.***

Asset liability management maturity pattern of certain items of assets and liabilities as at 31st March 2020

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	1,148.89	1,042.60	989.05	3,046.47	5,763.46	7,021.50	3,345.69	-	**22,357.65**
Investments	1,003.13	-	-	-	-	-	-	600.00	**1,603.13**

**** Includes maturity of undisbursed loan of INR. 580.50 Lakhs to InCred Wealth Private Limited as per repayment schedule.***

(This space has been intentionally left blank)

(All amounts in INR Lakhs, unless otherwise stated)

Note 41 : Disclosure pursuant to RBI Notification 'RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20' dated 13th March 2020 - Implementation of Indian Accounting Standards (For the year ended 31st March 2021)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E) = (C) - (D)	(F)	(G) = (D) - (F)
Performing assets						
Standard	Stage 1	21,074.17	105.37	20,968.80	84.30	21.07
Subtotal		**21,074.17**	**105.37**	**20,968.80**	**84.30**	**21.07**
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
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	3,500.50	17.50	3,483.00	-	17.50
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**3,500.50**	**17.50**	**3,483.00**	**-**	**17.50**
Total	**Stage 1**	**24,574.67**	**122.87**	**24,451.79**	**84.30**	**38.58**
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	**24,574.67**	**122.87**	**24,451.79**	**84.30**	**38.58**

(All amounts in INR Lakhs, unless otherwise stated)

Disclosure pursuant to RBI Notification 'RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20' dated 13th March 2020 - Implementation of Indian Accounting Standards (For the year ended 31st March 2020)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E) = (C) - (D)	(F)	(G) = (D) - (F)
Performing assets						
Standard	Stage 1	21,332.08	106.77	21,225.31	84.68	22.09
Subtotal		**21,332.08**	**106.77**	**21,225.31**	**84.68**	**22.09**
Non Performing Assets (NPA)						
Substandard	Stage 3	1,585.00	1,030.25	554.75	158.50	871.75
Doubtful Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,585.00**	**1,030.25**	**554.75**	**158.50**	**871.75**
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	Stage 1	580.50	2.90	577.60	-	2.90
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**580.50**	**2.90**	**577.60**	-	**2.90**
Total	**Stage 1**	**21,912.58**	**109.68**	**21,802.91**	**84.68**	**24.99**
	Stage 2	-	-	-	-	-
	Stage 3	**1,585.00**	**1,030.25**	**554.75**	**158.50**	**871.75**
	Total	**23,497.58**	**1,139.93**	**22,357.66**	**243.18**	**896.74**

Note 42 : Disclosure as required in Paragraph 10 of 'RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20' dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	-	-
(ii) Respective amount where asset classification benefits is extended.	-	-
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	NA*	NA*
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	NA	NA

*** The Company, being NBFC, has complied with IND-AS and the guidelines approved by the Board for recognition of the impairments.**

Note 43 : Reversal of compound interest

As per guidelines issued by RBI on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package' dated April 7, 2021 and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the 'interest on interest' charged to borrowers during the moratorium period i.e. March 1, 2020 to August 31, 2020. The Company has provided for reversal of interest on interest amounting to Rs. 2.70 lakhs on such loans in the standalone financial statements for the year ended March 31, 2021.

Note 44 : Management's decision to exit NBFC business

The board of directors vide its meeting dated 07th September 2020 had decided to exit the NBFC lending business and enter into wealth management, asset management, investment banking and debt broking business. Consequently the management had transferred loan portfolio amounting to INR. 12,738.68 Lakhs to InCred Financial Services Limited.

However the management is still in the process of formulating its business plan for exiting NBFC lending business and entering into wealth management business. In the absence of any formal plan the standalone financial statement for the financial year ended 31st March 2021 has been prepared considering the Company as an NBFC and complying with the rules and regulations prescribed by RBI.

Note 45 : Disclosure relating to earnings and expenditure in forieign currency

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A. Expenditure in foreign currency		
Legal, professional and consultancy charges	83.64	23.48
Membership and subscription	7.37	-
	91.02	**23.48**

B. Earnings in foreign currency

There are no earnings in foreign currency for the financial year ended 31st March 2021 and 31st March 2020.

Note 46 : Interest in other entities

Subsidiary

The Company has the following subsidiary held directly by the Company which operate and is incorporated in India. Following are the details of the shareholding in the subsidiary:

Name of the Company	Principal business activities	Country of Incorporation	% of ownership interest 31st March 2021
InCred Asset Management Private Limited (formerly known as InCred Capital Investment Advisors and Managers Private Limited	Financial services, investment banking, Investment manager for Category - II AIF "InCred Impact Corporate Debt Fund"	India	100.00%
InCred Wealth and Investment Services Private Limited	Financial and advisory services	India	100.00%

Note 47 : Other notes to accounts

a. Segment reporting

The Company operates in a single reportable segment that is financing, for the purpose of Ind AS-108 on 'Operating Segment. The Company operates in a single geographical segment i.e. domestic.

b. Corporate social responsibility

The Ministry of Corporate Affairs notified section 135 of the Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The provisions related to Corporate Social Responsibility are not applicable to the Company.

c. Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.07.21 16:43:18 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 21st July 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 21st July 2021

Place : Mumbai
Date : 21st July 2021

(All amounts in INR Lakhs, unless otherwise stated)

Annexure - 1
Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company as required in terms of Non-Banking Financial Company Non-systemically important Non-Deposit taking Company (Reserve Bank) Direction, 2016.

Particulars	As at 31st March 2021		As at 31st March 2020	
LIABILITIES SIDE :	**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**
(1) Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : (other than falling within the meaning of public deposits*)				
-Secured	-	-	-	-
-Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans (specify nature)	-	-	-	-

ASSET SIDE:	As at 31st March 2021	As at 31st March 2020
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	**Amount outstanding**	**Amount outstanding**
(a) Secured	16,472.04	21,716.82
(b) Unsecured	4,479.25	60.33

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	**As at 31st March 2021 Amount outstanding**	**As at 31st March 2020 Amount outstanding**
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

(4) Break-up of Investments :	**As at 31st March 2021 Amount outstanding**	**As at 31st March 2020 Amount outstanding**
Current Investments :		
1. Quoted:		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	1,003.13
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - Pass Through Certificates	2,949.79	-

(All amounts in INR Lakhs, unless otherwise stated)

	As at 31st March 2021 Amount outstanding	As at 31st March 2020 Amount outstanding
Non-Current investments :		
1. Quoted:		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares :		
(a) Equity	1,001.00	600.00
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - AIF	280.27	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :	As at 31st March 2021		As at 31st March 2020	
Category	**Amount net of provisions**		**Amount net of provisions**	
	Secured	**Unsecured**	**Secured**	**Unsecured**
1. Related Parties				
(a) Subsidiaries	-	-	-	60.33
(b) Companies in the same group	16,080.17	4,479.25	6,439.10	-
(c) Other related parties	-	-	-	-
2. Other than related parties	391.87	-	15,277.72	-
Total	**16,472.04**	**4,479.25**	**21,716.82**	**60.33**

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at 31st March 2021		As at 31st March 2020	
Category	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
1. Related Parties				
(a) Subsidiaries	1,001.00	1,001.00	600.00	600.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	3,230.07	3,230.07	1,003.13	1,003.13
Total	**4,231.07**	**4,231.07**	**1,603.13**	**1,603.13**

(7) Other information	**Amount as at 31st March 2021**	**Amount as at 31st March 2020**
(i) Gross Non-Performing Assets	-	-
(a) Related parties	-	-
(b) Other than related parties	-	1,585.00
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	554.75
(iii) Assets acquired in satisfaction of debt	-	-

Independent Auditor's Report

To the Members of InCred Capital Financial Services Private Limited
(Formerly known as Proud Securities and Credits Private Limited)

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **InCred Capital Financial Services Private Limited (formerly known as Proud Securities and Credits Private Limited) ("the Holding Company"),** its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprises the Consolidated Balance sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2021, their consolidated losses including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 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.

Other matter

We draw attention to note 1.2 (G) to the consolidated financial statements which states that the financial statements of subsidiary entity Vishuddha Capital Management LLP considered for consolidation are unaudited as on the date of audit report. The financial statements considered in for consolidation are based on the management confirmation of the balances as on that date. Our report is not qualified in this behalf.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

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

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

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, we report that

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

    b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.

    c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

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

    e. On the basis of the written representations received from the directors of the Holding Company, Subsidiary Company as on 31st March 2021 taken on record by the Board of Directors of the Holding Company, Subsidiary Company, none of the directors of the Group's companies are disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

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

   i. The Group does not have any pending litigation which may impact its consolidated financial position in its consolidated financial statements.

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

   iii. There is no amount that is required to be transferred, to the Investor Education and Protection Fund as on close of the year.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.09.08 18:06:38 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

UDIN: 21513005AAAACK5965
Place: Mumbai
Date: 08th September 2021

Annexure - A to the Independent Auditors' Report

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

Opinion

We have audited the internal financial controls over financial reporting of **InCred Capital Financial Services Private Limited (formerly known as Proud Securities and Credits Private Limited) ('the Holding Company')** and its subsidiaries as of 31st March 2021 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

In our opinion, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 consolidated 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.09.08 18:07:08 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

UDIN: 21513005AAAACK5965
Place: Mumbai
Date: 08th September 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Consolidated Balance Sheet as at 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
A. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	4,434.16	5,650.48
(b) Bank balance other than cash and cash equivalents	4	-	1,874.89
(c) Trade receivables	5	23.85	14.65
(d) Loans	6	20,951.30	21,716.82
(e) Investments	7	3,230.06	1,003.13
(f) Other financial assets	8	100.36	156.59
Total financial assets		**28,739.73**	**30,416.56**
2. Non-financial assets			
(a) Current tax assets (Net)	9	426.33	58.69
(b) Deferred tax assets (Net)	29	1,002.95	449.37
(c) Property, plant and equipment	10	464.08	746.57
(d) Capital work in Progress		7.78	66.86
(e) Other intangible assets	11	2.71	3.98
(f) Other non-financial assets	12	2,246.01	148.02
Total non-financial assets		**4,149.86**	**1,473.49**
Total Assets		**32,889.59**	**31,890.05**
B. LIABILITIES AND EQUITY			
1. Liabilities			
1.1 Financial liabilities			
(a) Borrowings	13	52.00	-
(b) Trade payables	14		
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		178.00	164.21
(c) Deposits	15	2.44	-
(d) Other financial liabilities	16	576.42	743.78
Total financial liabilities		**808.86**	**907.99**
1.2 Non-financial liabilities			
(a) Provisions	17	13.35	30.40
(b) Other non-financial liabilities	18	243.01	73.16
Total non-financial liabilities		**256.36**	**103.56**
Total Liabilities		**1,065.22**	**1,011.55**
2. Equity			
(a) Equity share capital	19	920.86	1,811.12
(b) Other equity	20	30,903.51	29,067.38
Total Equity		**31,824.37**	**30,878.50**
Total Liabilities and Equity		**32,889.59**	**31,890.05**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.09.08 18:08:29 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 08th Sept. 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH
Digitally signed by BHUPINDER SINGH
Date: 2021.09.08 17:13:01 +05'30'

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA
Digitally signed by SAURABH JHALARIA
Date: 2021.09.08 17:13:24 +05'30'

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra
Digitally signed by Deepak Dhingra
Date: 2021.09.08 17:24:02 +05'30'

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH
Digitally signed by VARUN SUNIL SHAH
Date: 2021.09.08 17:24:56 +05'30'

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 08th Sept. 2021

Place : Mumbai
Date : 08th Sept. 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Consolidated Statement of Profit & Loss for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	**Note No.**	**Year ended 31st March 2021**	**Year ended 31st March 2020**
(I)	**Revenue From operations**			
	(i) Interest income	**21**	3,299.22	2,960.50
	(ii) Fees and commission income	**22**	747.74	66.23
	(iii) Net gain on fair value changes	**23**	183.48	313.47
	Total revenue from operations (I = i + ii + iii)		**4,230.44**	**3,340.20**
(II)	Other income	**24**	20.09	6.98
(III)	**Total income (III = I + II)**		**4,250.53**	**3,347.18**
(IV)	**Expenses**			
	(i) Finance costs	**25**	58.86	45.54
	(ii) Impairment on financial instruments	**26**	568.05	1,096.89
	(iii) Employee benefits expenses	**27**	2,298.14	1,327.26
	(iv) Depreciation, amortization and impairment	**10 & 11**	166.45	135.72
	(v) Others expenses	**28**	3,379.44	560.81
	Total expenses (IV = i + ii + iii + iv + v)		**6,470.94**	**3,166.22**
(V)	**Profit/ (Loss) before exceptional items and tax (V = III - IV)**		**(2,220.41)**	**180.96**
(VI)	Exceptional items		-	-
(VII)	**Profit/ (Loss) before tax (VII = V - VI)**		**(2,220.41)**	**180.96**
(VIII)	**Tax Expense:**	**29**		
	(i) Current tax		-	191.61
	(ii) MAT credit written off		-	2.09
	(iii) Deferred tax		(556.60)	(132.80)
	(iv) Pertaining to earlier years		(1.22)	-
	Total tax expense (VIII = i + ii)		**(557.82)**	**60.90**
(IX)	**Profit/ (Loss) for the year (IX = VII - VIII)**		**(1,662.59)**	**120.06**
(X)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		11.94	5.71
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.01)	(1.44)
	Subtotal (A = i + ii)		**8.93**	**4.27**
	(B) Items that will be reclassified to profit or loss			
	(i) Net Gain/ (Loss) on instruments through other comprehensive income		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B = i + ii)		-	-
	Total other comprehensive income (X = A + B)		**8.93**	**4.27**
(XI)	**Total comprehensive income for the period (XI = IX + X)**		**(1,653.66)**	**124.33**
(XII)	**Earnings per share (EPS)**			
	(Face value of INR. 10 each)			
	Basic (INR.)	**30**	(31.43)	2.90
	Diluted (INR.)		(31.43)	1.22

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA Digitally signed by NAKUL SARDA Date: 2021.09.08 18:10:03 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 08th Sept. 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH Digitally signed by BHUPINDER SINGH Date: 2021.09.08 17:13:51 +05'30'

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA Digitally signed by SAURABH JHALARIA Date: 2021.09.08 17:14:16 +05'30'

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra Digitally signed by Deepak Dhingra Date: 2021.09.08 17:22:10 +05'30'

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH Digitally signed by VARUN SUNIL SHAH Date: 2021.09.08 17:23:14 +05'30'

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 08th Sept. 2021

Place : Mumbai
Date : 08th Sept. 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Consolidated Cash flow statement for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars		Year ended 31st March 2021	Year ended 31st March 2020
A. Cash flow from operating activities			
Profit/ (Loss) before tax		**(2,220.41)**	**180.96**
Adjustments to reconcile profit before tax to net cash flows from operating activities			
- Depreciation and amortisation		166.45	14.51
- Profit on sale of investments		(160.23)	(310.34)
- Interest Income on Investments		(464.66)	-
- Fair value gain on financial instruments at fair value through P&L		(23.25)	(3.13)
- Rent expense on deferred lease rentals		14.72	7.67
- Allowance for credit loss		568.05	1,096.89
- Loss on sale of fixed assets		34.09	-
- Assets written off		10.21	-
- Interest on unwinding of financial liabilities		58.86	45.02
- Interest on unwinding of financial assets		(15.43)	(6.98)
Operating profit/loss before working capital changes		**(2,031.60)**	**1,024.60**
Adjustments for (increase) / decrease in operating assets:			
- Trade receivables		(9.20)	(14.65)
- Loans & advances		197.48	(14,318.62)
- Other financial assets		56.23	(116.01)
- Other non-financial assets		(2,097.99)	(22.67)
Adjustments for increase / (decrease) in operating liabilities:			
- Trade payables		13.78	98.31
- Deposits		2.44	-
- Other financial liabilities		96.94	531.23
- Other non-financial liabilities		169.83	(162.00)
- Provisions		(5.11)	7.25
Cash generated from / (used in) operations		**(3,607.20)**	**(12,972.56)**
Direct taxes (paid) net of refunds		(367.64)	(200.54)
Net cash flow from (used in) operating activities	**(A)**	**(3,974.84)**	**(13,173.10)**
B. Cash flows from investing activities			
- Purchase of Property, Plant and Equipment		(143.17)	(98.54)
- Impact of Right of Use Asset		-	(659.50)
- Purchase of Intangible assets (including under development)		(0.75)	(4.76)
- Capital work in progress		59.08	-
- Proceeds from sale of fixed assets		0.43	-
- Purchase of investments		(57,000.95)	(30,400.00)
- Proceeds from sale of investments		55,422.51	38,219.65
- Investment in fixed deposits with maturity of more than 3 months and other bank balan		1,874.89	8,640.25
- Adjustment on disposal of subsidiary			3.45
Net cash flow from / (used in) investing activities	**(B)**	**212.04**	**15,700.55**
C. Cash flows from financing activities			
- Borrowings		52.00	
- Share application money pending allotment		2,711.75	-
- Securities premium (Net of Share issue expenses)		(112.22)	(90.87)
- Payment of lease liabilities		(105.07)	-
- Contribution from Partners		-	
Add: Other comprehensive income for the year, net of income tax			4.27
Net cash flow from / (used in) in financing activities	**(C)**	**2,546.46**	**(86.60)**
Net increase / (decrease) in cash and cash equivalents	**(A + B + C)**	**(1,216.34)**	**2,440.85**
Cash and cash equivalents at the beginning of the year		5,650.49	3,209.64
Cash and cash equivalents at the end of the year **[Refer Note 1 below]**		4,434.15	5,650.49
Net increase / (decrease) in cash and cash equivalents during the year		**(1,216.34)**	**2,440.85**

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Consolidated Cash flow statement for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Notes to Consolidated cash flow statement
1. Components of cash and cash equivalents

Cash on hand **[Refer Note No. 3]**	-	0.07
With banks - on current account & fixed deposits **[Refer Note No. 3]**	4,434.15	5,650.42
	4,434.15	**5,650.49**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA Digitally signed by NAKUL SARDA Date: 2021.09.08 18:11:08 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH Digitally signed by BHUPINDER SINGH Date: 2021.09.08 17:14:34 +05'30'

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA Digitally signed by SAURABH JHALARIA Date: 2021.09.08 17:14:53 +05'30'

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra Digitally signed by Deepak Dhingra Date: 2021.09.08 17:20:52 +05'30'

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH Digitally signed by VARUN SUNIL SHAH Date: 2021.09.08 17:21:29 +05'30'

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 08th Sept. 2021

Place : Mumbai
Date : 08th Sept. 2021

Place : Mumbai
Date : 08th Sept. 2021

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Consolidated Statement of Changes in Equity for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	As at 31st March 2021	As at 31st March 2020
Issued, subscribed and fully paid-up		
Equity share capital of INR 10 each issued		
Balance as at the beginning of the year	413.62	413.62
Changes in equity share capital during the year	507.24	-
Balance as at the end of the year	**920.86**	**413.62**

B. Preference share capital

Particulars	As at 31st March 2021	As at 31st March 2020
Issued, subscribed and fully paid-up		
Compulsorily convertible preference shares of INR 10 each		
Balance as at the beginning of the year	1,347.50	1,347.50
Changes during the year	(1,347.50)	-
Balance as at the end of the year	-	**1,347.50**
Optionally convertible preference shares of INR 10 each		
Balance as at the beginning of the year	50.00	50.00
Changes during the year	(50.00)	-
Balance as at the end of the year	-	**50.00**
Total	-	**1,397.50**

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InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Consolidated Statement of Changes in Equity for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

C. Other equity

Particulars	Share application money pending allotment	Capital reserve	Reserves and Surplus				Total Other Equity
			Contingency reserve	Statutory reserve	Securities premium	Retained earnings	
Balance as at 01st April 2019	-	-	**0.54**	**50.50**	**29,722.55**	**(743.12)**	**29,030.47**
Profit / (Loss) for the year	-	-	-	-	-	120.06	**120.06**
Other comprehensive income for the year	-	-	-	-	-	4.27	**4.27**
Transfer from Capital reserve	-	-	-	-	-	3.45	**3.45**
Total comprehensive income for the year (net of tax)	-	-	-	-	-	**127.78**	**127.78**
Transfer / utilisations:							
On acquisiton of subsidiary	-	24.53	-	-	-	-	**24.53**
Adjustment on disposal of subsidiary	-	(21.08)	-	-	-	-	**(21.08)**
Transferred to retained earnings	-	(3.45)	-	-	-	-	**(3.45)**
Transferred from retained earnings	-	-	-	24.01	-	-	**24.01**
Transferred to statutory reserve from retained earnings	-	-	-	-	-	(24.01)	**(24.01)**
Amounts utilised towards share issue expenses	-	-	-	-	(90.87)	-	**(90.87)**
Balance as at 31st March 2020	-	-	**0.54**	**74.51**	**29,631.68**	**(639.35)**	**29,067.38**
Profit / (loss) for the year	-	-	-	-	-	(1,662.59)	**(1,662.59)**
Other comprehensive income for the year	-	-	-	-	-	8.93	**8.93**
Total comprehensive income for the year (net of tax)	-		-	-	-	**(1,653.66)**	**(1,653.66)**
Transfer / utilisations:							
Contribution of partners	-	-					-
Share application money pending allotment	2,711.75	-	-	-	-	-	**2,711.75**
Utilisation on conversion of Share capital	-	-	-	-	-	0.02	**0.02**
Premium on Share conversion	-	-	-	-	890.24	-	**890.24**
Amounts utilised towards share issue expenses	-	-	-	-	(112.22)	-	**(112.22)**
Transferred to statutory reserve from retained earnings	-	-	-	-	-	-	-
Balance as at 31st March 2021	**2,711.75**	-	**0.54**	**74.51**	**30,409.70**	**(2,292.99)**	**30,903.51**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.09.08 18:12:12 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 08th Sept. 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH
Digitally signed by BHUPINDER SINGH
Date: 2021.09.08 17:15:14 +05'30'

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA
Digitally signed by SAURABH JHALARIA
Date: 2021.09.08 17:15:36 +05'30'

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra
Digitally signed by Deepak Dhingra
Date: 2021.09.08 17:19:41 +05'30'

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH
Digitally signed by VARUN SUNIL SHAH
Date: 2021.09.08 17:20:13 +05'30'

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 08th Sept. 2021

Note 1 : General information

1.1. Corporate information

InCred Capital Financial Services Private Limited ('the Parent') (formerly known as Proud Securities and Credits Private Limited) was incorporated in India on 27th March 1996 under the provision of Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI'), on September 7, 2000 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The parent qualifies to be a NBFC – Non - Systematically Important as per "Master - Direction - Non-Banking Financial Company – Non - Systematically Important Non-Deposit taking Company (Reserve Bank) Directions 2016". The Parent together with its subsidiaries will be hereinafter collectively referred to as the 'Group'. The parent had changed its registered office from Delhi state to Maharashtra state and as such the Company received fresh Certificate of Incorporation dated 10th February 2021 having CIN U67120MH1996PTC355036.

As the total assets of the NBFC in the same group (InCred Financial Services Limited) exceeds INR. 500 crores the parent is covered under Paragraph 16 of the Master Directions the Prudential Norms applicable to the Company are as per the "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016".

The registered office of the parent is Unit No. 1203, 12th Floor, B Wing, The Capital, Bandra Kurla Complex Mumbai - 400051.

1.2. Basis of preparation

A. Compliance with Ind AS

The Consolidated financial statement of the group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as applicable to NBFCs subject to RBI norms and regulations.

These consolidated financial statements are approved for issue by the Board of Directors on 08th September 2021.

B. Functional and presentation currency
The consolidated financial statements are presented in Indian Rupees ('INR'), which is also the group's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement
The consolidated financial statements have been prepared on a going concern basis under historical cost convention and on an accrual method of accounting except for the following items:

(i) Certain financial assets and liabilities that are measured at fair value/amortised cost
(ii) Net defined benefit asset / liability – plan assets are measured at fair value less present value of defined benefit obligation; and
(iii) Share-based payments - measured at fair value

D. Use of estimates and judgements
The preparation of the consolidated financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable.

Significant judgements

Recognition and measurement of defined benefit obligations
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. Further details are disclosed in **Note No. 33**.

Recognition of deferred tax assets/liabilities
Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forward and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forward and unused tax credits could be utilised. Further details are disclosed in **Note No. 29**.

Recognition and measurement of provisions and contingencies
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Discounting of long-term financial assets/liabilities
All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/liabilities which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

Impairment of financial assets
The group recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Leases
The determination of lease term for some lease contracts in which the group is a lessee, including whether the group is reasonably certain to exercise lessee options. The determination of the incremental borrowing rate used to measure lease liabilities.

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

F. Current / Non-current classification of assets and liabilities
All assets and liabilities are classified into current and non-current.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

(i) It is expected to be realised in, or is interested in sale or consumption in, the group's normal operating cycle;
(ii) It is held primarily for being traded;
(iii) It is expected to be realised within 12 months after the reporting date; or
(iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:

(i) It is expected to be settled in the group's normal operating cycle;
(ii) It is held primarily for being traded;
(iii) It is due to be settled within 12 months after the reporting date; or
(iv) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The group has identified 12 months as their operating cycle for classification of their current assets and liabilities.

G. Basis of Consolidation

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

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

As on the date of the financial statements the following are the subsidiary that has been considered in preperation of the consolidated financial statements:

Name of the Company	Country of Incorporation	% Ownership	Consolidated as
InCred Asset Management Private Limited (formerly known as InCred Capital Investment Advisors and Managers Private Limited)	India	100%	Subsidiary
InCred Wealth and Investment Services Private Limited	India	100%	Subsidiary
Vishuddha Capital Management LLP*	India	100%	Subsidiary

** The standalone financial statements of subsidiary Vishuddha Capital Management LLP considered for consolidation are unaudited as on the date of approval of these consolidated financial statements. The standalone financial statements considered in consolidation are based on the management confirmation of the balances as on the date of the approval of the financial statements.*

Note 2 : Significant accounting policies

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

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:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
(ii) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

2.2. Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the group becomes party to the contractual provisions of the instruments.

A. Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition.

B. Classification of financial assets:

Financial assets:
On initial recognition, a financial asset is classified as measured at:
- Amortised Cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

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

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

(ii) the Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Financial assets measured at Fair value through other comprehensive Income ('FVOCI'):
A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

(ii) the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Financial assets measured at Fair Value through Profit and Loss ('FVTPL'):
A financial asset which is not classified in above category is subsequently measured at FVTPL. Where assets are measured at fair value, gains and losses are recognized entirely in the Statement of Profit and Loss.

C. Subsequent recognition of financial assets:
The assets classified in the aforementioned categories are subsequently measured as follows:

Financial assets at amortised cost:
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial assets at FVTPL:
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated Statement of Profit and Loss.

Debt investments at FVOCI:
These assets are subsequently measured at fair value. Interest income under the EIR method, foreign gains and losses and impairment are recognised in consolidated Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated Statement of Profit and Loss.

Equity investments designated at FVOCI:
These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated Statement of Profit and Loss.

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

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

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

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

The group’s financial liabilities include trade payables and other financial liabilities.

F. Derecognition of financial assets and financial liabilities

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

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

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

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

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

H. Reclassification of financial assets and financial liabilities
The group is required to reclassify financial assets when and only when it changes its business model for managing financial assets.

Reclassifications are expected to be very infrequent. Such changes must be determined by the group’s senior management as a result of external or internal changes and must be significant to the group’s operations and demonstrable to external parties.

Further reclassification is not allowed in following cases:
- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified,
- Reclassification of financial liabilities.

2.3. Impairment

A. Impairment of financial assets
In accordance with Ind AS 109, the group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. At each reporting date, the group assesses whether the receivables have been impaired. The group is exposed to credit risk when the customer defaults on his contractual obligations.

The group records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, 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. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the group performs an assessment of whether the loan's / investment'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 asset.

Based on the above, the group categorises its loans into Stage 1, Stage 2 and Stage 3 as under:

Stage 1: When loans are first recognised, the group recognises an allowance based on 12 months' expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2.

Stage 2: When a loan has shown significant increase in credit risk since origination, the group records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

Stage 3: When a loan is credit impaired, the group records an allowance for the life time expected credit loss.

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

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It 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: The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the group would expect to receive, including from the realization of any security.

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

The recoverable amount of the asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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

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

2.5. Investments

Investment in Mutual Fund
The group uses Net Asset Value (NAV) to fair value investments in mutual funds.

2.6. Property, plant and equipment

A. Recognition and measurement
Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the initial estimate of the cost of dismantling, removing the item and restoring the site on which it is located, referred to as 'decommissioning, restoration and similar liabilities', the obligation for which an enterprise incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Borrowing costs relating to acquisition of an item of property, plant and equipment which takes substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital Work-in-Progress'.

Repairs & Maintenance costs are recognized in the net profit in the Statement of Profit and Loss when incurred.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

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

C. Derecognition
The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

D. Depreciation
Depreciation on property, plant and equipment is calculated on a straight-line method (SLM). The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The Companies Act, 2013 prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for the different class of assets.

The useful life as per Schedule II are as follows:

Asset Group	Useful life as per Schedule II
Furniture and fittings	10
Computers	3
Office Equipment's	5
Vehicle	8
Leasehold improvements	Over the life of lease period
ROU Assets	Over the life of lease period

Depreciation is not recorded on capital work in progress until construction and installation is completed and assets are ready for its intended use.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the asset is ready for use. Depreciation on sale/ deduction of property, plant and equipment is provided for up to the date of sale, deduction and discarding as the case may be.

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

2.7. Intangible assets

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

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

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

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

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

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

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

Current tax assets and liabilities are offset only if, the group:
(i) has a legally enforceable right to set off the recognised amounts; and
(ii) intends to realise the asset or settle the liability on a net basis or simultaneously.

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:
(i) the group has a legally enforceable right to set off current tax assets against current tax liabilities; and
(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.9. Borrowing costs
Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

2.10. Share capital

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

2.11. Leases [Refer Note No. 35]
The group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the group’s incremental borrowing rate at the date of initial application.

At the date of commencement of the lease, the group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

2.12. Revenue from operations
The group has adopted Ind AS 115, Revenue from Contracts with Customers.

The group recognised revenue primarily from various activities as follows:

(i) Interest income or expense is recognised using the effective interest rate method.
(ii) Income related to advisory services is accounted on accrual basis
(iii) Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract

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

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

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

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

2.14. Provisions, contingent liabilities and contingent assets

A. Provisions
Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss.

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

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

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

D. Contingent assets

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

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

2.15. Foreign currencies
The functional currency of the group is determined on the basis of the primary economic environment in which it operates. The functional currency of the group is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on transaction/settlement of monetary items are recognised in statement of profit and loss in the period in which they arise.

2.16. Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs.

2.17. Events after the reporting period
Events after the reporting period are those events, both favourable and unfavourable that occur between end of the reporting period and the date on which the consolidated financial statements are approved for issue.

A. Adjusting events
Events which provide further evidence of conditions that existed at the end of the reporting period are adjusting events. Financials have been adjusted for those events.

B. Non-adjusting events
Events which are of indicative of conditions that arise after the end of the reporting period are Non-adjusting events. Disclosure of the nature of event and estimate of its financial effect have been made in the consolidated financial statements.

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

2.18. Related party disclosure
A related party is any party of entity that controls or can significantly influence the management or operating policies of the group during the reporting period.

The group has disclosed names of related parties with relationship and transaction between group and its related parties in the Notes to consolidated financial statements [Refer Note No. 39].

2.19. Employee benefits [Refer Note No. 33]

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

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

C. Post-employment benefits

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution scheme. The group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

Defined benefit plans - Gratuity
The group's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

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

2.19 Statement of Cash flows
Cash flows are reported using the indirect method in accordance with Ind AS 7 Statement of Cash Flows, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

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

Note 3 : Cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Cash on hand	-	0.07
Balances with banks (of the nature of cash and cash equivalent)	3,383.44	778.49
Fixed deposit with bank (original maturity of less than 3 months) *	1,050.72	4,871.92
Total	**4,434.16**	**5,650.48**

* Balance as at 31st March 2020 includes fixed deposits amounting to **INR. 2,023.52 Lakhs,** kept in escrow account.

Note 4 : Bank balance other than cash and cash equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Fixed deposit with bank	-	1,874.89
	-	**1,874.89**
Less : Expected credit Loss	-	-
Total	**-**	**1,874.89**

Note 5 : Trade receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Secured, considered good	-	-
Unsecured, considered good	23.95	14.65
Significant increase in credit risk	-	-
Credit impaired	-	-
	23.95	**14.65**
Less: Allowance for impairment loss	(0.10)	-
Total	**23.85**	**14.65**

Note 6 : Loans

Particulars	As at 31st March 2021 Amortised cost	As at 31st March 2020 Amortised cost
(A) At amortised cost		
(i) Term loans	393.84	14,797.38
(ii) Loans repayable against bill discounting	-	1,585.00
(iii) Term loans to related party[1]	20,680.33	6,474.37
Total - Gross	**21,074.17**	**22,856.75**
Less: Impairment loss allowance	(122.87)	(1,139.93)
Total - Net of impairment loss allowance (A)	**20,951.30**	**21,716.82**
(B) Details of security		
(i) Secured by tangible assets	16,557.21	22,856.75
(ii) Secured by intangible assets	-	-
(iii) Covered by bank/Govt Guarantee	-	-
(iv) Unsecured	4,516.96	-
Total - Gross	**21,074.17**	**22,856.75**
Less: Impairment loss allowance	(122.87)	(1,139.93)
Total - Net of impairment loss allowance (B)	**20,951.30**	**21,716.82**

(C) (I) Loans in India		
(i) Public Sector	-	-
(ii) Others	21,074.17	22,856.75
Total loans in India	**21,074.17**	**22,856.75**
(C) (II) Loans outside India		
(i) Public Sector	-	-
(ii) Others	-	-
Total loans outside India	-	-
Total - Gross	**21,074.17**	**22,856.75**
Less: Impairment loss allowance	(122.87)	(1,139.93)
Total - Net of impairment loss allowance (C)	**20,951.30**	**21,716.82**

1. The Company during the current year has sanctioned a loan of INR 19,500 lakhs [outstanding balance of INR 16,178.57 lakhs including interest accrued of INR 179.07 lakhs as at 31st March 2021] to InCred Wealth Private Limited ("borrower company"), a Company promoted by promoter of the Company. The loan has been provided for the purpose of business expansion of the borrower company. Such loan is secured through pledge of shares held by the promoter in the borrower company. Such loan was duly approved by the Board of Directors in meeting held on 09th November 2019 and gradually, for increased requirements of the borrower company further enhancements were approved in subsequent meetings during the year.

The Company further holds a call option to require a transfer of shares held by Mr. Bhupinder Singh in the borrower company by payment of an amount equivalent to INR 5,00,000. Based on the management certified statement of accounts of the borrower company and relying on the work of an expert, the managment believes that the value of the call option is INR Nil as on 31st March 2021.

However, based on the management analysis of business plan and future projected inflows, confirmation from the Board of Directors of the borrower company on repayment capabilities and credibility and also a confirmation from the promoter validating an intent as a financial support to the borrower company, the Company has a reasonable cause to believe that it shall be able to recover the said loan from the borrower company in accordance with the repayment schedule as stipulated in the loan agreement. During the financial year the loan amount was disbursed to the borrower company for business purposes which was pre-ratified/subsequently ratified in the ensuing board meetings. As at 31st March 2021, the loan amount was within the approved threshold.

Note 7 : Investments

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
(A) Investments carried at fair value through profit or loss		
In Mutual Funds		
Invesco India Liquid Fund Direct Growth (31st March 2021 : Nil Units | 31st March 2020 : 36,768.237 Units)	-	1,003.13
	-	**1,003.13**
In Alternate Investment Fund		
Class B Units of India Value and Growth Fund (31st March 2021 : 18,257.185 Units | 31st March 2020 : Nil Units)	280.27	-
	280.27	-
(B) Investments carried at amortised cost		
In Pass Through Certificates		
KIPlatfrom M22-001 Series A1 PTC 30MAR21	1,521.77	-
CSL TITAN III 2020 SERIES A1 PTC 31AUG20	701.81	-
HOME CREDIT TITAN CSL 2019 TRUST SERIES A PTC 13DC19	726.21	-
	2,949.79	-
Total - Gross (A + B)	**3,230.06**	**1,003.13**
Less: Impairment loss allowance	-	-
Total - Net of impairment loss allowance	**3,230.06**	**1,003.13**

(All amounts in INR Lakhs, unless otherwise stated)

(A) Investments in India	3,230.06	1,003.13
(B) Investments outside India	-	-
Total - Gross (A + B)	**3,230.06**	**1,003.13**
Less: Impairment loss allowance	-	-
Total - Net of impairment loss allowance	**3,230.06**	**1,003.13**

Note 8 : Other financial assets

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Receivable from partners	40.77	-
Carried at amortised cost		
Security Deposits	49.45	153.30
Advances to related parties	-	-
Others	10.14	3.29
Total - Gross	**100.36**	**156.59**
Less: Impairment loss allowance	-	-
Total - Net of impairment loss allowance	**100.36**	**156.59**

Note 9 : Current tax assets (Net)

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Income tax refundable (net of provision for income tax)	426.33	58.69
Total	**426.33**	**58.69**

(All amounts in INR Lakhs, unless otherwise stated)

Note 10 : Property, plant and equipment

Particulars	ROU Assets [Refer Note No. 35]	Furniture and fixtures	Leasehold Improvements	Office equipment	Vehicle	Computer & Printer	Total
Gross carrying amount:							
As at 01st April 2019	-	44.92	-	17.60	-	5.93	**68.45**
On transition to IND AS 116	361.10	-	-	-	-	-	**361.10**
Additions during the year	419.60	16.94	9.47	1.94	-	3.34	**451.29**
Disposals during the year	-	-	-	-	-	-	-
As at 31st March 2020	**780.70**	**61.86**	**9.47**	**19.54**	**-**	**9.27**	**880.84**
Additions during the year	-	11.15	81.84	27.13	12.21	10.84	**143.17**
Disposals during the year	361.10	44.92	-	15.32	-	-	**421.34**
As at 31st March 2021	**419.60**	**28.09**	**91.31**	**31.35**	**12.21**	**20.11**	**602.67**
Accumulated depreciation:							
As at 01st April 2019	-	-	-	-	-	-	-
Depreciation charge during the year	121.20	5.08	0.21	4.74	-	3.04	**134.27**
Accumulated depreciation on disposals	-	-	-	-	-	-	-
As at 31st March 2020	**121.20**	**5.08**	**0.21**	**4.74**	**-**	**3.04**	**134.27**
Depreciation charge during the year	132.03	5.98	13.91	7.06	0.41	5.04	**164.43**
Accumulated depreciation on disposals	144.60	8.77	-	6.74	-	-	**160.11**
As at 31st March 2021	**108.63**	**2.29**	**14.12**	**5.06**	**0.41**	**8.08**	**138.59**
Net carrying amount:							
As at 31st March 2021	**310.97**	**25.80**	**77.19**	**26.29**	**11.80**	**12.03**	**464.08**
As at 31st March 2020	**659.50**	**56.78**	**9.26**	**14.80**	**-**	**6.23**	**746.57**

(All amounts in INR Lakhs, unless otherwise stated)

Note 11 : Other intangible assets

Particulars	Software
Gross carrying amount:	
As at 01st April 2019	0.67
Additions during the year	4.76
Disposals during the year	-
As at 31st March 2020	**5.43**
Additions during the year	0.75
Disposals during the year	-
As at 31st March 2021	**6.18**
Accumulated amortisation and impairment:	
As at 01st April 2019	-
Amortisation charge during the year	1.45
Amortisation on disposals	-
As at 31st March 2020	1.45
Amortisation charge during the year	2.02
Disposals	-
As at 31st March 2021	**3.47**
Net carrying amount as at 31st March 2021	**2.71**
Net carrying amount as at 31st March 2020	**3.98**

(All amounts in INR Lakhs, unless otherwise stated)

Note 12 : Other non-financial assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	37.26	3.16
Balances with government authorities	391.55	122.46
Deferred rent expense	22.57	22.40
Others	44.63	-
Advance for expenses	1,750.00	-
Total	**2,246.01**	**148.02**

Note 13 : Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
From related party	52.00	-
Total	**52.00**	**-**

Note 14 : Trade payables

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and small enterprises		
- Principal amount due	-	-
- Interest amount due	-	-
	-	-
Total outstanding dues other than micro enterprises and small enterprises		
- Principal amount due	178.00	164.21
- Interest amount due	-	-
	178.00	**164.21**
Total	**178.00**	**164.21**

Note 15 : Deposits

Particulars	As at 31st March 2021	As at 31st March 2020
At amortised cost		
- from others	2.44	-
Total	**2.44**	**-**

Note 16 : Other financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Employee expenses payable	119.92	26.51
Lease liability **[Refer Note No. 35]**	452.97	717.27
Others	3.53	-
Total	**576.42**	**743.78**

Note 17 : Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for leave encashment	-	16.49
Provision for gratuity	13.35	13.91
Total	**13.35**	**30.40**

Note 18 : Other non-financial liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance	-	3.62
Statutory dues payable	243.01	69.54
Total	**243.01**	**73.16**

(All amounts in INR Lakhs, unless otherwise stated)

Note 20 : Other equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities premium		
Balance as at the beginning of the year	29,631.68	29,722.55
Add: Additions during the year:		
- Premium on conversion of CCPS and OCRPS to equity shares during the year	890.24	-
Less: Utilized during the year:		
- Amounts utilized towards share issue expenses	112.22	90.87
Balance as at the end of the year	**30,409.70**	**29,631.68**
Contingency reserve fund		
Balance as at the beginning of the year	0.54	0.54
Add: Addition during the year:		
- Transfer from surplus / (deficit) in statement of profit and loss	-	-
Less: Utilized during the year	-	-
Balance as at the end of the year	**0.54**	**0.54**
Statutory reserve fund pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	74.51	50.50
Add: Addition during the year:		
- Transfer from surplus in statement of profit and loss	-	24.01
Less: Utilized during the year	-	-
Balance as at the end of the year	**74.51**	**74.51**
Capital reserve		
Balance as at the beginning of the year		
Add: On acquisition of subsidiary	-	24.53
Less: Adjustment on sale of subsidiary	-	(21.08)
Less: Transferred to Surplus / (Deficit) in Statement of Profit & Loss	-	(3.45)
Balance as at the end of the year	-	-
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as at the beginning of the year	(639.35)	(743.12)
Add: Profit / (loss) after tax for the year	(1,662.59)	120.06
Add: Utilisation on CCPS & OCPS Conversion	0.02	-
Add: Other comprehensive income for the year, net of income tax	8.93	4.27
Amount available for appropriations	**(2,292.99)**	**(618.79)**
Less: Appropriations		
- Transfer to Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	-	24.01
Add: Transfer from capital reserve	-	3.45
Balance as at the end of the year	**(2,292.99)**	**(639.35)**
Share application money pending allotment	**2,711.75**	-
Total	**30,903.51**	**29,067.38**

(All amounts in INR Lakhs, unless otherwise stated)

Note 19 : Equity share capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Authorised share capital [Refer note 'f' below]				
Equity shares of INR. 10/- each	3,44,00,000	3,440.00	1,00,00,000	1,000.00
Compulsorily convertible preference shares of INR 10/- each	-	-	2,00,00,000	2,000.00
Optionally convertible redeemable preference shares of INR 10/- each	6,00,000	60.00	50,00,000	500.00
	3,50,00,000	**3,500.00**	**3,50,00,000**	**3,500.00**
Issued, subscribed and paid up capital				
Equity Shares of INR. 10/- each fully paid up	92,08,557	920.86	41,36,150	413.62
Compulsorily convertible preference shares of INR 10/- each fully paid-up	-	-	1,34,75,000	1,347.50
Optionally convertible redeemable preference shares of INR 10/- each fully paid-up	-	-	5,00,000	50.00
Total issued, subscribed and paid-up share capital	**92,08,557**	**920.86**	**1,81,11,150**	**1,811.12**

a. Terms and rights attached to Equity shares

The Company has only one class of equity shares. The equity shares have a paid up value of INR 10 per share. Each holder of equity shares is entitled to vote in proportion of the share of paid-up capital of the Company held by the shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividend proposed by the Board of Directors are paid when approved by the shareholders at the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company proportionately along with the holders of compulsory convertible preference shares, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the company.

b. Terms and rights attached to Compulsorily convertible preference shares

During the previous year, the Company had 1,34,75,000 Non-cumulative, Participating Compulsorily Convertible Preference Shares ("CCPS") of INR. 10/- each fully paid-up. The CCPS carried a preferential right vis-à-vis Equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital. The shares carried right of participation in the surplus funds, profits and assets on winding up which may remain after the entire capital has been repaid. Any surplus funds shall be distributed proportionately amongst the holders of Equity shares and CCPS.

Each CCPS carried the right to be paid an annual aggregate preferential dividend of an amount of INR. 0.01/- pari-passu with OCRPS. Holder of CCPS was also entitled to receive any dividends as may be declared by the Company on a pro-rata basis, at the same rate as the holders of other equity and preference shares, on an "as converted basis".

Each CCPS had a maximum period of 20 (twenty) years from the date of its issuance on the expiry of which CCPS shall be compulsorily and automatically converted into Equity shares.

All CCPS were converted into Equity shares during the year. The Equity share allotted on conversion of CCPS ranks pari-passu in all respects with the then existing shares of the Company.

(All amounts in INR Lakhs, unless otherwise stated)

c. Terms and rights attached to Optionally convertible redeemable preference shares

During the previous year, the Company had 500,000 Non-cumulative, Non-participating and Non-transferable Optionally convertible redeemable preference shares ("OCRPS"). The OCRPS carried a preferential right vis-à-vis Equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital. The shares do not carry any right of participation in the surplus funds, profits and assets on winding up which may remain after the entire capital has been repaid.

Each OCRPS carried the right to be paid an annual aggregate preferential dividend of an amount of INR. 0.01/-. Holder of OCRPS was also entitled to receive any dividends as may be declared by the Company on a pro-rata basis, at the same rate as the holders of other equity and preference shares, on an "as converted basis".

Each OCRPS have a maximum redemption period of 20 (twenty) years from the date of its issuance (Redemption period), on the expiry of which OCRPS shall be compulsorily and automatically converted into equity shares.

All OCRPS were converted into Equity shares during the year. The Equity share allotted on conversion of OCRPS ranks pari-passu in all respects with the then existing shares of the Company, and shall be subject to the Memorandum and Articles of Association of the Company.

d. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	**41,36,150**	**413.62**	**41,36,150**	**413.62**
Add: Shares issued on conversion of CCPS and OCRPS during the year	50,72,407	507.24	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	**92,08,557**	**920.86**	**41,36,150**	**413.62**
Instruments entirely equity in nature				
Compulsorily convertible preference shares				
At the beginning of the year	1,34,75,000	1,347.50	**1,34,75,000**	**1,347.50**
Add: Shares issued during the year	-	-	-	-
Less: Converted to Equity shares during the year	1,34,75,000	1,347.50	-	-
Outstanding at the end of the year	-	-	**1,34,75,000**	**1,347.50**
Optionally convertible redeemable preference shares				
At the beginning of the year	5,00,000	50.00	5,00,000	50.00
Add: Shares issued during the year	-	-	-	-
Less: Converted to Equity shares during the year	5,00,000	50.00	-	-
Outstanding at the end of the year	-	-	**5,00,000**	**50.00**
Total instruments entirely equity in nature	-	-	**1,39,75,000**	**1,397.50**

e. Details of shareholder(s) holding more than 5% of shares of the Company

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares				
Bhupinder Singh[1 & 2]	41,70,759	45.29%	41,36,150	100.00%
MEMG Family office LLP	9,43,704	10.25%	-	0.00%
Paragon Partners Growth Fund-I	9,07,408	9.85%	-	0.00%
Ravi Pillai	6,53,334	7.09%	-	0.00%
Kenstream Ventures LLP	5,44,445	5.91%	-	0.00%
Compulsorily convertible preference share				
Paragon Partners Growth Fund-I	-	-	25,00,000	18.55%
MEMG Family Office LLP	-	-	25,00,000	18.55%
(Formerly known as IHE Venture Consultants LLP)				
Ravi Pillai	-	-	18,00,000	13.36%
Kenstream Ventures LLP	-	-	15,00,000	11.13%
Anurag Bagaria	-	-	12,50,000	9.28%
Raj Vattikuti	-	-	10,00,000	7.42%
Neelanchal Edifice LLP	-	-	7,50,000	5.57%
Optionally convertible redeemable preference share				
Bhupinder Singh	-	-	5,00,000	100.00%

1. 1 equity share is being held by Mr. Saurabh Jhalaria (Previous year: Saurabh Jhalaria) as nominee shareholder.

2. 38,662 equity shares are being held by Credentia Trusteeship Services Private Limited on behalf of Mr. Bhupinder Singh as agreed under Escrow agreement dated 15th December 2020.

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

f. Changes in authorized share capital of the Company

The Company has increased its Authorized Equity share capital from INR 1,000 Lakhs (10,000,000 Equity Shares of INR 10 each) to INR 3,440 Lakhs (34,400,000 Equity Shares of INR 10 each) & reduced its Authorised Optionally convertible redeemable preference shares to INR 60 Lakhs (600,000 Shares of INR 10 each) from INR 500 Lakhs (5,000,000 Shares of INR 10 each) vide shareholders' approval at the Extraordinary General Meeting (EGM) held on 15th March 2021. The Authorized compulsorily convertible preference share capital has also been reduced to INR Nil from INR 2,000 Lakhs (20,000,000 Shares of INR 10 each).

(All amounts in INR Lakhs, unless otherwise stated)

Note 21 : Interest income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
On financial assets measured at amortised cost:		
- Interest on loans	2,622.01	2,518.88
- Interest on deposits with banks	212.55	441.62
- Interest on PTC	300.89	-
On financial assets measured at fair value through OCI:		
- Interest on non-convertible debentures	163.77	-
Total	**3,299.22**	**2,960.50**

Note: No revenue from transactions with a single customer amounted to 10% or more of the Group's total revenue for the year ended 31st March 2021 & 31st March 2020.

Note 22 : Fees and commission income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Advisory Income	588.92	10.45
Other fees and charges	158.82	55.78
Total	**747.74**	**66.23**

Note 23 : Net gain on fair value changes

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Net gain on financial instruments at fair value through profit or loss		
- Investments in Mutual Funds	41.24	313.47
- Investments in AIF	23.25	-
Net gain on financial instruments at fair value through OCI:		
- Investments in non-convertible debentures	118.99	-
Total	**183.48**	**313.47**
Fair value changes:		
- Realised	160.23	310.34
- Unrealised	23.25	3.13
Total	**183.48**	**313.47**

Note 24 : Other income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Unwinding of discount on security deposit	15.43	6.98
Miscellaneous income	4.66	-
Total	**20.09**	**6.98**

Note 25 : Finance costs

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Interest on lease liability **[Refer Note No. 35]**	58.86	45.02
Interest on Borrowings	-	0.52
Total	**58.86**	**45.54**

(All amounts in INR Lakhs, unless otherwise stated)

Note 26 : Impairment on financial instruments

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
On financial instruments measured at amortised cost		
- Loans (including amount written off, net of recovery)	567.95	1,096.89
- Trade receivables	0.10	-
Total	**568.05**	**1,096.89**

Note 27 : Employee benefits expenses

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Salaries and wages	2,278.86	1,282.60
Contribution to provident and other funds	19.23	27.18
Gratuity **[Refer Note No. 33]**	11.38	10.46
Leave encashment **[Refer Noter No. 33]**	(16.49)	2.49
Staff welfare expenses	5.16	4.53
Total	**2,298.14**	**1,327.26**

Note 28 : Others expenses

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Rent **[Refer Note No. 35]**	26.85	8.11
Communication cost	5.30	2.27
Commission and Brokerage	57.30	
Travelling and conveyance	2.61	139.14
Legal, professional and consultancy charges	3,039.05	278.50
Membership and subscription	25.08	10.61
IT expenses	18.03	11.89
Manpower support services	7.96	9.53
Rates and taxes	5.51	11.14
Printing and stationary	1.02	3.10
Payment to auditors	14.58	13.43
Advertisement, publicity and sales promotion expenses	0.09	4.60
Office expenses	16.41	6.30
Interest on statutory dues	0.28	0.88
Recruitment fees	97.89	58.11
Foreign exchange loss	-	0.24
Stamp Duty & Filing fees	1.40	2.00
Loss on sale of fixed assets	34.09	-
Fixed Assets Written off	10.21	-
Miscellaneous expenses	15.78	0.96
Total	**3,379.44**	**560.81**

*** Payment to the auditors:**

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Auditor's remuneration		
- Audit fees	10.57	5.82
In other capacity		
- Certification services	2.43	6.63
- Taxation	1.58	0.98
Total	**14.58**	**13.43**

(All amounts in INR Lakhs, unless otherwise stated)

Note 29 : Current tax

29.1 Amounts recognised in profit and loss

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current tax expense		
In respect of current period	-	191.61
MAT credit written off		2.09
Earlier years	(1.22)	-
	(1.22)	**193.70**
Deferred tax expense / (income)	**(556.60)**	**(132.80)**
Tax expense for the year	**(557.81)**	**60.90**

29.2 Amounts recognised in other comprehensive income

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Income tax related to items recognised in Other Comprehensive Income during the year		
Remeasurements of defined benefit plans	(3.01)	(1.44)
Net Gain/ (Loss) on instruments through other comprehensive income	-	-
Total Income tax recognised in Other Comprehensive Income	**(3.01)**	**(1.44)**

29.3 Reconciliation of effective tax rate

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit before tax as per Statement of profit and loss (A)	**(2,220.41)**	**180.96**
Statutory tax rate (B)	**25.17%**	**25.17%**
Tax using the Company's domestic tax rate (C = A * B)	**(558.82)**	**45.55**
Tax effect of:		
Tax effect of amounts which are not deductible in calculating taxable income	0.99	3.08
Impact due to change in tax rate on revaluation of deferred tax	-	10.18
Adjustments recognized in current year in relation to previous year	-	2.09
Others	0.02	-
Effective tax expense	**(557.81)**	**60.90**

(All amounts in INR Lakhs, unless otherwise stated)

29.4 Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2021 are as follows:

Particulars	As at 31st March 2020	Recognised in profit or loss	Recognised in OCI	As at 31st March 2021
Deferred tax assets:				
Brought forward losses	138.39	783.21	-	921.61
Employee benefit expenses	7.65	(0.28)	(3.01)	4.36
EIR impact on financial instruments	20.92	(20.92)	-	(0.00)
Impairment loss on Loans	269.51	(238.56)	-	30.95
Restructuring related expenses	-	6.88	-	6.88
Leases	14.54	21.20	-	35.74
Temporary disallowance	-	0.04	-	0.04
Difference between written down value of fixed assets as per the books of accounts and income tax	-	10.85	-	10.85
Total Deferred tax assets (A)	**451.01**	**562.43**	**(3.01)**	**1,010.43**
Deferred tax liabilities:				
Difference between written down value of fixed assets as per the books of accounts and income tax	0.85	(0.85)	-	-
Fair value of investments measured at FVTPL	0.79	5.06	-	5.85
EIR impact on financial instruments	-	1.62	-	1.62
Total Deferred tax liabilities (B)	**1.64**	**5.83**	**-**	**7.47**
Net Deferred tax assets (A-B)	**449.37**	**556.60**	**(3.01)**	**1,002.95**

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2020 are as follows:

Particulars	As at 31st March 2019	Recognised in profit or loss	Recognised in OCI	As at 31st March 2020
Deferred tax assets:				
Brought forward losses (incl. unabsorbed depreciation)	286.29	(147.90)	-	138.39
Employee benefit expenses	6.02	3.07	(1.44)	7.65
EIR impact on financial instruments	18.20	2.72	-	20.92
Impairment loss on Loans	11.19	258.32	-	269.51
Leases	-	14.54	-	14.54
Total Deferred tax assets (A)	**321.70**	**130.75**	**(1.44)**	**451.01**
Deferred tax liabilities:				
Difference between depreciation and amortisation as per books of account and tax depreciation	1.27	(0.42)	-	0.85
Fair value of investments measured at FVTPL	2.42	(1.63)	-	0.79
Total Deferred tax liabilities (B)	**3.69**	**(2.05)**	**-**	**1.64**
Net Deferred tax assets (A-B)	**318.01**	**132.80**	**(1.44)**	**449.37**

(All amounts in INR Lakhs, unless otherwise stated)

Note 30 : Earning per share (EPS)
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS are calculated using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

i. Profit attributable to ordinary shareholders:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Profit attributable to equity holders of the Company used in calculating basic & dilutive earnings per share	(1,662.59)	120.06

ii. Weighted average number of ordinary shares

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	52,89,601	41,36,150
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	52,89,601	98,04,410
Basic earnings per share	**(31.43)**	**2.90**
Diluted earnings per share	**(31.43)**	**1.22**

Note 31 : Contingent liabilities and commitments

Particulars	As at 31st March 2021	As at 31st March 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Loan commitments	3,500.50	580.50
Contingent liabilities	Nil	Nil

Note 32 : Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006
In accordance with Micro, small and Medium Enterprises Development Act, 2006 the Company is required to identify the Micro, small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based on information available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, small and Medium Enterprises Development Act, 2006.

Note 33 : Employee benefits

33.1 Defined contribution plan
The Company has recognised the following amounts in the consolidated Statement of Profit & Loss towards contributions to provident fund:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Provident fund	19.23	27.18

33.2 Defined benefit Plan - Gratuity
Every employee who completes five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service, subject to ceiling of INR 20.00 Lakhs.

Table showing change in the present value of projected benefit obligation:

Particulars	As at 31st March 2021	As at 31st March 2020
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	13.90	9.15
Interest cost	0.87	0.65
Current service cost	10.52	9.81
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(1.12)	0.32
Actuarial (Gains) / Losses on Obligations - Due to Experience	(10.83)	(6.03)
Liability at the end of the year	**13.34**	**13.90**

Table Showing change in the fair value of plan assets:

Particulars	As at 31st March 2021	As at 31st March 2020
Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
(Benefit paid from the fund)	-	-
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes In foreign exchange rates	-	-
Return on plan assets, excluding interest income	-	-
Fair value of plan assets at the end of the year	**-**	**-**

Amount recognized in the consolidated balance sheet:

Particulars	As at 31st March 2021	As at 31st March 2020
Present value of benefit obligation	(13.34)	(13.90)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	(13.34)	(13.90)
Net (Liability) Recognized in the Balance Sheet	**(13.34)**	**(13.90)**

Expenses recognized in the consolidated statement of profit and loss

Particulars	As at 31st March 2021	As at 31st March 2020
Current service cost	10.52	9.81
Net Interest cost	0.87	0.65
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognised	**11.39**	**10.46**

(All amounts in INR Lakhs, unless otherwise stated)

Expenses recognized in the Other comprehensive income (OCI)

Particulars	As at 31st March 2021	As at 31st March 2020
Actuarial (Gains) on obligation for the year	(11.94)	(5.71)
Return on Plan Assets, Excluding Interest Income	-	-
Net (Income) for the year recognized in OCI	**(11.94)**	**(5.71)**

The actuarial assumptions used to determine benefit obligations as at 31st March 2021 and 31st March 2020 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Discount Rate	6.57% to 6.06%	6.24%
Salary escalation rate	5% to 6%	5% for next 2 years and 7% thereafter
Expected Rate of return on Plan Assets	NA	NA
Rate of Employee Turnover	10% to 15%	15%
Mortality Rate during employment	Indian Assured lives mortality (2006-08) ultimate	Indian Assured lives mortality (2006-08) ultimate

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

Consolidated balance sheet reconciliation:

Particulars	As at 31st March 2021	As at 31st March 2020
Opening net liability	13.90	9.15
Expenses recognized in Statement of Profit and Loss	11.38	10.46
Expenses recognized in OCI	(11.94)	(5.71)
Net (Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net liability recognized in the consolidated balance sheet	**13.34**	**13.90**

Category of assets:

Particulars	As at 31st March 2021	As at 31st March 2020
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**-**	**-**

(All amounts in INR Lakhs, unless otherwise stated)

Other details:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Active Members (Absolute number)	22.00	19.00
Per Month Salary For Active Members	42.10	29.15
Weighted Average Duration of the Projected Benefit Obligation	20.00	9.00
Average Expected Future Service	13.00	5.00
Projected Benefit Obligation (PBO)	13.35	13.91
Prescribed Contribution For Next Year (12 Months)	-	-

Cash flow projections:
Maturity analysis of the benefit payments: From the fund

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Projected benefits payable in future years from the date of reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

Maturity analysis of the benefit payments: From the employer

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Projected benefits payable in future years from the date of reporting		
1st following year	0.08	0.07
2nd following year	0.08	0.06
3rd following year	1.48	0.11
4th following year	1.70	1.92
5th following year	2.07	2.30
Sum of years 6 To 10	7.50	8.65
Sum of years 11 and above	8.55	10.26

Sensitivity analysis:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Projected benefit obligation on current assumptions	13.35	13.91
Delta effect of +1% change in rate of discounting	(0.87)	(0.98)
Delta effect of -1% change in rate of discounting	0.97	1.09
Delta effect of +1% change in rate of salary increase	0.97	1.08
Delta effect of -1% change in rate of salary increase	(0.89)	(0.99)
Delta effect of +1% change in rate of employee turnover	(0.37)	(0.54)
Delta effect of -1% change in rate of employee turnover	0.37	0.56

(All amounts in INR Lakhs, unless otherwise stated)

Risk analysis:
The Company is exposed to a number of risks associated with the defined benefit plans. Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows:

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

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

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

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

33.3 Defined benefit Plan - Compensated absences
The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Company is given below:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Total actuarial liability *	NA	16.49
Assumptions:		
Discount rate	NA	6.24%
Salary escalation rate	NA	5% for next 2 years and 7% thereafter

*As per the revised policy of the company , the accumulated unavailed leave lapses as at 31st March 2021. Thus no liability has been determined for the current year in respect of compensated absences.

Note 34 : Security issue expenses
Security issue expenses related to issuance of equity and other securities are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013. Details of such expenses is mentioned below:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Legal and professional fees	103.72	90.87
Listing fees	-	-
Stamp duty	9.50	-
Filing fees	-	-
Total	**113.22**	**90.87**

(All amounts in INR Lakhs, unless otherwise stated)

Note 35 : Leases

Accounting policy: The Company as a Lessee

The Company's lease asset classes primarily consists of leases for office premises. The Company has adopted IND AS 116 "Leases" for accounting of lease contracts where the Company is a lessee. As per IND AS 116, the Company assesses whether a contract contains a lease, at the inception of the contract.

A contract is, or contains, a lease if the contract coveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;
ii. the Company has substantially all of the economic benefits from the use of asset through the period of the lease; and
iii. the Company has the right to direct the use of the asset.

At the date of the commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all the lease arrangements in which the Company is a lessee; except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of the lease.

The following is the summary of practical expedients elected on initial application:

i. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment;
ii. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
iii. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

ROU Assets

The ROU assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment loss.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU asset are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The changes in the carrying value of the ROU asset for the period ended 31st March 2021 are as follows:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Balance at the beginning of the year	**659.51**	**361.10**
Addition during the year	-	419.61
Deletion during the period	(216.50)	
Depreciation for the year	(132.03)	(121.20)
Balance as at the end of the year	**310.98**	**659.51**

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the consolidated Statement of Profit and Loss.

Lease liability

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The changes in the carrying value of the lease liability for the period ended 31st March 2021 are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at the beginning of the year	**717.28**	**361.10**
Addition during the year	-	419.61
Finance cost accrued during the year	58.86	45.02
Deletions	(218.09)	
Payment of lease liabilities made during the year	(105.07)	(108.45)
Balance as at the end of the year	**452.98**	**717.28**

The break-up of current and non-current lease liabilities as at 31st March 2021 is as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Current lease liabilities	95.50	128.96
Non-current lease liabilities	357.48	588.32
Total	**452.98**	**717.28**

The table below provides details regarding the contractual maturities of lease liabilities as of 31st March 2021 on an undiscounted

Particulars	As at 31st March 2021	As at 31st March 2020
Less than one year	136.22	135.81
Between one and five years	408.94	760.36
More than five years	-	-
Total	**545.16**	**896.17**

Expenses recognized in the Consolidated statement of profit & loss:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation expense on RoU Asset **[Refer Note No. 10]**	132.03	121.20
Interest expense on lease liability **[Refer Note No. 25]**	58.86	45.02
Expense relating to short-term leases and low value leases **[Refer Note No. 28]**	26.85	8.11
Total	**217.74**	**174.33**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Short-term leases

Rental expenses recorded for short-term leases and low value leases was INR. 26.85 lakhs for the year ended 31st March 2021 & INR. 8.11 Lakhs for the year ended 31st March 2020.

(All amounts in INR Lakhs, unless otherwise stated)

Note 36 : Financial instruments

36.1 Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Level of Fair value measurement			
As at 31st March 2021	**Amortised cost**	**At fair value through P&L**	**Total**	**Level 1 - Quoted price in active markets**	**Level 2- Significant Observable inputs**	**Level 3 - Significant Unobservable inputs**	**Total**
Financial assets							
Cash and cash equivalents	4,434.16	-	**4,434.16**	4,434.16	-	-	**4,434.16**
Bank balance other than cash and cash equivalents	-	-	-	-	-	-	-
Trade receivables	23.85	-	**23.85**	-	-	23.85	**23.85**
Loans	20,951.30	-	**20,951.30**	-	-	20,951.30	**20,951.30**
Investments	2,949.79	280.27	**3,230.06**	280.27	-	2,949.79	**3,230.06**
Investments in subsidiaries	-	-	-	-	-	-	-
Other financial assets	100.36	-	**100.36**	-	-	100.36	**100.36**
Total Financial assets	**28,459.46**	**280.27**	**28,739.73**	**4,714.43**	-	**24,025.30**	**28,739.73**
Financial liabilities							
Borrowings	52.00		52.00	-	-	52.00	52.00
Trade payables	178.00	-	178.00	-	-	178.00	178.00
Deposits	2.44	-	2.44	-	-	2.44	2.44
Other financial liabilities	576.42	-	576.42	-	-	576.42	576.42
Total Financial liabilities	**808.86**	-	**808.86**	-	-	**808.86**	**808.86**

	Carrying Amount			Level of Fair value measurement			
As at 31st March 2020	**Amortised cost**	**At fair value through P&L**	**Total**	**Level 1 - Quoted price in active markets**	**Level 2- Significant Observable inputs**	**Level 3 - Significant Unobservable inputs**	**Total**
Financial assets							
Cash and cash equivalents	5,650.48	-	**5,650.48**	5,650.48	-	-	**5,650.48**
Bank balance other than cash and cash equivalents	1,874.89	-	**1,874.89**	1,874.89	-	-	**1,874.89**
Trade receivables	14.65	-	**14.65**	-	-	14.65	**14.65**
Loans	21,716.82	-	**21,716.82**	-	-	21,716.82	**21,716.82**
Investments in mutual funds	-	1,003.13	**1,003.13**	1,003.13	-	-	**1,003.13**
Investments in subsidiaries	-		-	-	-	-	-
Other financial assets	156.59	-	**156.59**	-	-	156.59	**156.59**
Total Financial assets	**29,413.43**	**1,003.13**	**30,416.56**	**8,528.50**	-	**21,888.06**	**30,416.56**
Financial liabilities							
Trade payables	164.21	-	164.21	-	-	164.21	164.21
Other financial liabilities	743.78	-	743.78	-	-	743.78	743.78
Total Financial liabilities	**907.99**	-	**907.99**	-	-	**907.99**	**907.99**

The management assessed that the fair values of cash and balances with bank, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

36.2 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:
(i) Level 1:- Category includes 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.
(ii) 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.
(iii) Level 3:- Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

The fair value of cash and cash equivalents and other bank balances is their carrying amounts.

Investments in liquid Mutual funds are valued at closing Net Asset Value (NAV) of the funds and are classified under Level 1.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31st March 2021 & 31st March 2020.

(All amounts in INR Lakhs, unless otherwise stated)

Note 37 : Capital management
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a 'Capital to Risk weighted asset ratio (CRAR)' as prescribed under "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016" issued by Reserve Bank of India. The capital management process of the Company ensures to maintain a healthy CRAR at all times.

Note 38 : Financial risk management objectives and policies
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's principal financial liabilities, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, rental deposits, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company's activities expose it to a variety of financial risk namely market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's board of directors reviews and agrees policies for managing each risk, which are summarised as below:-

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

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely. The Company has Asset and Liability Management Committee (ALCO) and has empowered it to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis.

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

Particulars	As at 31st March 2021	As at 31st March 2020
Loans		
Fixed rate loans	20,951.30	21,716.82
Bank Balance other than cash & cash equivalents	1,050.72	6,746.82
Fixed rate investments in PTCs	2,949.79	-
Borrowings		
Fixed rate borrowings	-	-
Net exposure	**24,951.81**	**28,463.64**

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

Other price risk
The Company is exposed to price risk arising from investment in AIF / mutual funds and classified in the consolidated balance sheet at fair value through profit & loss. If the NAV of the AIF / mutual fund had been higher / lower by 1% from market price existing as at 31st March 2021, profit or loss (pre-tax) for the year ended 31st March 2021 would increase / decrease by INR. 2.80 Lakhs (For the year ended 31st March 2020: INR 10.03 Lakhs) with a corresponding increase / decrease in the total equity of the Company.

The Company is currently is not exposed to any equity price risk arising from equity investments classified in the consolidated balance sheet at fair value through other comprehensive income since the amount outstanding as at 31st March 2021 is Nil (For the year ended 31st March 2020: Nil).

(b) Credit risk:
Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from loans and advances, investments carried at amortized cost and deposits with banks and financial institutions. Credit risk has always been managed by the company through continuous monitoring the creditworthiness of customers to which the company grants loans & advances in the normal course of business. Under Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

Credit risk management
The Company key objective is to maintain a strong culture of responsible lending, and robust risk policies and control frameworks. The Company considers various factors, which provide an assessment of the borrower's ability-to-pay and willingness-to-pay. While the techniques used for assessment vary across product-segments, the credit principles remain a common factor.

The key factors considered include:

Borrower Analysis
A comprehensive analysis must be performed to understand the business model of the borrower, history of the business, key products, growth drivers, working capital cycles, key customers, key competitors, capital structure and leverage.

Industry Analysis
A comprehensive analysis must be conducted to understand a brief history, factors that affect growth, government regulations (if any), key players in the industry, size of the industry, key trends over recent years, demand/supply drivers, and any other significant factors that impact the industry.

Character and quality of management and / or equity sponsors
Consider factors such as experience of key executives / management, succession plans for key positions and assessment of planning and control systems.

Measurement of Expected Credit Losses ('ECL')
The Company has segmented its outstanding portfolio based on the risk profiles i.e. risk management policies, historical experiences with respect to default rates etc. for the computation of ECL.

A three-stage model for impairment based on changes in credit quality since initial recognition has been implemented. The Company has used Days Past Due ('DPD') basis for staging of the portfolio and has opted for the rebuttable presumption prescribed by the standard to recognize default in case payments are overdue 90 days and a Significant Increase in Credit Risk ('SICR') in case payments are overdue for more than 30 days.

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

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

(All amounts in INR Lakhs, unless otherwise stated)

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

DPD Status	Stage	Basis for recognition of ECL
Current	Stage 1	12 Month's ECL
1-30 days	Stage 1	12 Month's ECL
31-90 days	Stage 2	Life Time ECL
90 + days	Stage 3	Life Time ECL

Write-offs
The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as interest rates, gross domestic product, inflation and expected direction of the economic cycle. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed at regular intervals.

As at 31st March 2021

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loans	21,074.17	(105.37)	20,968.80
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loan Commitments	3,500.50	(17.50)	3,483.00
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Loans	-	-	-
Loss allowance measured at 12 month ECL - Trade receivable	Trade Receivable	23.95	(0.10)	23.85
Total		**24,598.62**	**(122.97)**	**24,475.65**

As at 31st March 2020

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loans	21,271.75	(106.77)	21,164.98
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loan Commitments	580.50	(2.90)	577.60
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Loans	1,585.00	(1,030.25)	554.75
Total		**23,437.25**	**(1,139.92)**	**22,297.33**

(All amounts in INR Lakhs, unless otherwise stated)

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised financial instruments. The extent to which collateral and other credit enhancements mitigate the maximum exposure to credit risk is described in the footnotes to the table. For financial assets recognised on the balance sheet, the maximum exposure to credit risk equals their carrying amount.

Particulars	Gross Exposure	
	31st March 2021	31st March 2020
Cash and cash equivalents	4,434.16	5,650.48
Bank balance other than cash and cash equivalents	-	1,874.89
Trade receivables	23.85	14.65
Loans and advances to customers	21,074.17	22,856.75
Investments in PTCs & AIF	3,230.06	1,003.13
Investments in subsidiaries	-	-
Other financial assets	100.36	156.59
Total credit risk exposure	**28,862.60**	**31,556.49**

Value of security of credit impaired assets

The credit impaired assets as at the reporting dates were secured receivables of the borrowers amounting to:

Particulars	As at 31st March 2021	As at 31st March 2020
Value of security	-	554.75
Total	-	**554.75**

Reconciliation of ECL balance

(a) Loans

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance as on 31st March 2019	**43.04**	-	-
New Assets Originated or Purchased	1,093.98	-	-
Write – offs			
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	
Transferred to Lifetime ECL credit impaired	(1,030.25)	-	1,030.25
ECL allowance as on 31st March 2020	**106.77**	-	**1,030.25**
New Assets Originated or Purchased	73.00		
Changes in loss allowances due to Assets used or released	(74.40)		
Write – offs			(1,585.00)
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	554.75
ECL allowance as on 31st March 2021	**105.37**	-	-

(All amounts in INR Lakhs, unless otherwise stated)

(b) Loan commitments

Particulars	Stage 1	Stage 2	Stage 3
ECL allowance as on 31st March 2019	-	-	-
New Assets Originated or Purchased	2.90	-	-
Write – offs	-		
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	
Transferred to Lifetime ECL credit impaired	-	-	-
ECL allowance as on 31st March 2020	**2.90**	-	-
New Assets Originated or Purchased	**17.50**		
Changes in loss allowances due to Assets used or released	(2.90)	-	-
Write – offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
ECL allowance as on 31st March 2021	**17.50**	-	-

(c) Trade Receivable

Particulars	As at 31st March 2021
ECL allowance as on 31st March 2019	
New Assets Originated or Purchased	-
ECL allowance as on 31st March 2020	-
New Assets Originated or Purchased	0.10
ECL allowance as on 31st March 2021	**0.10**

Concentration of Risk

The Company continues to grow its product offerings by expanding its geographic reach in order to reduce geographic concentrations while continually calibrating its product mix across all categories of lending.

(All amounts in INR Lakhs, unless otherwise stated)

(c) Liquidity Risk
Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

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

As at 31st March 2021:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities:							
Borrowings	**13**	52.00	52.00	52.00			
Trade payables	**14**	178.00	178.00	178.00	-	-	-
Deposits	**15**	2.44	2.44	-	2.44	-	-
Other financial liabilities	**16**	576.42	668.62	259.68	408.94	-	-
Loan commitments	**31**	3,500.50	3,500.50	3,500.50	-	-	-
Total		**4,309.36**	**4,401.56**	**3,990.18**	**411.38**	**-**	**-**

As at 31st March 2020:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial liabilities:							
Trade payables	**14**	164.21	164.21	164.21	-	-	-
Other financial liabilities	**16**	743.78	922.69	162.33	492.75	267.61	-
Loan commitments	**31**	580.50	580.50	580.50	-	-	-
Total		**1,488.49**	**1,667.40**	**907.04**	**492.75**	**267.61**	**-**

(All amounts in INR Lakhs, unless otherwise stated)

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

As at 31st March 2021:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets:							
Cash and cash equivalents	3	4,434.16	4,434.16	4,434.16	-	-	-
Bank balance other than cash and cash e	4	-	-	-	-	-	-
Trade receivables	5	23.85	23.85	23.85	-	-	-
Loans	6	20,951.30	25,882.69	9,462.84	16,419.85	-	-
Investments	7	3,230.06	3,375.35	3,095.08	-	-	280.27
Other financial assets	8	100.36	82.25	-	72.11	-	10.14
Total		**28,739.73**	**33,798.30**	**17,015.93**	**16,491.96**	**-**	**290.41**

As at 31st March 2020:-

Particulars	Note No.	Contractual cash flows					
		Carrying amount	Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
Maturities of financial assets:							
Cash and cash equivalents	3	5,650.48	5,650.49	5,650.49	-	-	-
Bank balance other than cash and cash e	4	1,874.89	1,874.89	1,874.89	-	-	-
Trade receivables	5	14.65	14.65	14.65	-	-	-
Loans	6	21,716.82	27,659.48	14,132.16	8,945.88	4,581.44	-
Investments	7	1,003.13	1,003.13	1,003.13	-	-	-
Other financial assets	8	156.59	179.78	58.62	49.05	72.11	-
Total		**30,416.56**	**36,382.42**	**22,733.94**	**8,994.93**	**4,653.55**	**-**

(All amounts in INR Lakhs, unless otherwise stated)

Note 39 : Related party disclosures

Related party relationships / transactions warranting disclosures under IND AS-24 "Related Party Disclosures" are as under:

a. List of Related parties where control exists and/or with whom transactions have taken place and relationships:

Nature of Relationship	Name of the party
Key managerial personnel ('KMP')	Bhupinder Singh, Director Venkatesh Vishwanathan, Director Saurabh Jhalaria , Director Vivek Bansal, Director (w.e.f 26th March 2019) Siddharth Parekh, Director Rajiv Sukumar, CFO (from 3rd September 2020 to 31st March 2021) Deepak Dhingra, CFO (w.e.f 1st April 2021) Varun Shah, Company Secretary (w.e.f 8th September 2020)
Enterprise over which KMP is able to exercise significant influence	InCred Financial Services Limited InCred Housing Finance Private Limited InCred Management and Technology Private Limited InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited) (w.e.f. 15th October 2019) InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited) (from 11th July 2018 to 17th April 2019 and 28th January 2020 to 31st March 2020)

(All amounts in INR Lakhs, unless otherwise stated)

b. Transactions during the year with related parties

Transactions	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Loan & advances given:								
InCred Wealth Private Limited	-	-	20,550.00	6,419.50	-	-	**20,550.00**	**6,419.50**
(formerly known as InCred Capital Inclusion Advisory Services Private Limited)								
InCred Financial Services Limited	-	-	450.00	-	-	-	**450.00**	-
	-	-	**21,000.00**	**6,419.50**	-	-	**21,000.00**	**6,419.50**
Loans & advances repayment received:								
InCred Wealth Private Limited	-	-	10,970.00	-	-	-	**10,970.00**	-
(formerly known as InCred Capital Inclusion Advisory Services Private Limited)								
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	60.62	-	-	-	**60.62**
(formerly known as BSH Corporate Advisors and Consultants Private Limited)								
	-	-	**10,970.00**	**60.62**	-	-	**10,970.00**	**60.62**
Purchase of investment in InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited):								
Bhupinder Singh	-	100.00	-	-	-	-	-	**100.00**
	-	**100.00**	-	-	-	-	-	**100.00**

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Notes to the consolidated financial statements for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Transactions	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Sale of investment in InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited):								
InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited)	-	-	-	100.00	-	-	-	**100.00**
	-	-	-	**100.00**	-	-	-	**100.00**
Purchase of Investments:								
InCred Financial Services Limited	-	-	6,505.59	-	-	-	**6,505.59**	-
	-	-	**6,505.59**	-	-	-	**6,505.59**	-
Sale of Investments:								
InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited)	-	-	1,716.99	-	-	-	**1,716.99**	-
	-	-	**1,716.99**	-	-	-	**1,716.99**	-
Loss on Sale Investments:								
InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited)	-	-	1.01	-	-	-	**1.01**	-
	-	-	**1.01**	-	-	-	**1.01**	-
Interest Income on sale Investments								
InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited)	-	-	70.02	-	-	-	**70.02**	-
	-	-	**70.02**	-	-	-	**70.02**	-
Remuneration paid to KMPs	633.63	242.65	-	-	-	-	**633.63**	**242.65**
	633.63	**242.65**	-	-	-	-	**633.63**	**242.65**

(All amounts in INR Lakhs, unless otherwise stated)

Transactions	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Interest on Loan and Advances:								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	1,766.68	181.18	-	-	**1,766.68**	**181.18**
InCred Financial Services Limited	-	-	1.76	-	-	-	**1.76**	-
	-	-	**1,768.44**	**181.18**	-	-	**1,768.44**	**181.18**
Expenses Reimbursement :								
InCred Financial Services Limited	-	-	31.24	-	-	-	**31.24**	-
	-	-	**31.24**	-	-	-	**31.24**	-
Sale of Loan Portfolio								
InCred Financial Services Limited	-	-	12,738.68	-	-	-	**12,738.68**	-
	-	-	**12,738.68**	-	-	-	**12,738.68**	-
Issue of equity shares upon conversion of OCRPS:								
Bhupinder Singh	18.15	-	-	-	-	-	**18.15**	-
	18.15	-	-	-	-	-	**18.15**	-
Management consultancy fees								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	-	66.67	-	-	-	**66.67**
	-	-	-	**66.67**	-	-	-	**66.67**
Distributor commission								
InCred Wealth Private Limited **(formerly known as InCred Capital Inclusion Advisory Services Private Limited)**	-	-	52.50	-	-	-	**52.50**	-
	-	-	**52.50**	-	-	-	**52.50**	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. For terms of loan provided to InCred Wealth Private Limited (formerly known as InCred Capital Inclusion Advisory Services Private Limited), Refer Note No. 6.

(All amounts in INR Lakhs, unless otherwise stated)

c. Closing balances with Related parties as at 31st March 2021 and 31st March 2020:

Closing balance	KMP		Enterprise over which KMP are able to exercise significant influence		Subsidiaries		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Trade payables:								
InCred Financial Services Limited	-	-	15.87	-	-	-	**15.87**	-
InCred Wealth Private Limited			58.01				**58.01**	
(formerly known as InCred Capital Inclusion Advisory Services Priv	-	-	-	78.67			-	**78.67**
	-	**-**	**73.88**	**78.67**	**-**	**-**	**73.88**	**78.67**
Loans								
InCred Wealth Private Limited	-	-	15,999.50	6,419.50	-	-	**15,999.50**	**6,419.50**
(formerly known as InCred Capital Inclusion Advisory Services Private Limited)								
InCred Financial Services Limited	-	-	4,500.00	-	-	-	**4,500.00**	-
	-	**-**	**20,499.50**	**6,419.50**	**-**	**-**	**20,499.50**	**6,419.50**
Interest receivable on Loan and Advances								
InCred Wealth Private Limited	-	-	179.07	54.87	-	-	**179.07**	**54.87**
(formerly known as InCred Capital Inclusion Advisory Services Private Limited)								
InCred Financial Services Limited	-	-	1.76	-	-		**1.76**	-
	-	**-**	**180.83**	**54.87**	**-**	**-**	**180.83**	**54.87**

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Notes to the consolidated financial statements for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Note 40 : Current and Non-current classification

Particulars	Note No.	As at 31st March 2021			As at 31st March 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
(A) Financial assets:							
Cash and cash equivalents	3	4,434.16	-	**4,434.16**	5,650.48	-	**5,650.48**
Bank balance other than cash and cash equivalents	4	-	-	**-**	1,874.89	-	**1,874.89**
Trade receivables	5	23.85	-	**23.85**	14.65	-	**14.65**
Loans	6	7,195.40	13,755.90	**20,951.30**	11,930.14	9,786.68	**21,716.82**
Investments	7	2,949.79	280.27	**3,230.06**	1,003.13	-	**1,003.13**
Other financial assets	8	10.14	90.22	**100.36**	3.29	153.30	**156.59**
Sub-total (A)		**14,613.34**	**14,126.39**	**28,739.73**	**20,476.58**	**9,939.98**	**30,416.56**
(B) Non-financial assets:							
Current tax assets (Net)	9	426.33	-	**426.33**	58.69	-	**58.69**
Deferred tax assets (Net)	29	-	1,002.95	**1,002.95**	-	449.37	**449.37**
Property, plant and equipment	10	-	464.08	**464.08**	-	746.57	**746.57**
Capital work in Progress		-	7.78	**7.78**	-	66.86	**66.86**
Other intangible assets	11	-	2.71	**2.71**	-	3.98	**3.98**
Other non-financial assets	12	2,114.68	131.33	**2,246.01**	140.86	7.16	**148.02**
Sub-total (B)		**2,541.01**	**1,608.85**	**4,149.87**	**199.55**	**1,273.94**	**1,473.49**
Total Assets (A + B)		**17,154.35**	**15,735.24**	**32,889.60**	**20,676.13**	**11,213.92**	**31,890.05**

Particulars	Note No.	As at 31st March 2021			As at 31st March 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES & EQUITY							
(A) Financial liabilities:							
Borrowings	13	52.00		**52.00**	-	-	-
Trade payable	14						
(i) total outstanding dues of micro and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than MSME		178.00	-	**178.00**	164.21	-	**164.21**
Deposits	15	-	2.44	**2.44**	-	-	-
Other financial liabilities	16	123.46	452.96	**576.42**	140.47	603.31	**743.78**
Sub-total (A)		**353.46**	**455.40**	**808.86**	**304.68**	**603.31**	**907.99**
Non-Financial liabilities							
Provisions	17	0.08	13.27	**13.35**	4.09	26.31	**30.40**
Other non-financial liabilities	18	243.01	-	**243.01**	73.16	-	**73.16**
Sub-total (B)		**243.09**	**13.27**	**256.36**	**77.25**	**26.31**	**103.56**

Total Liabilities (A + B)	**596.55**	**468.67**	**1,065.22**	**381.93**	**629.62**	**1,011.55**

(All amounts in INR Lakhs, unless otherwise stated)

Note 41 : Segment Information

The Parent Company is primarily engaged in the business of financing. All the activities of the Parent revolve around the main business whereas the Subsidiary company is primarily engaged in providing advisory services. Further, the Group does not have any separate geographic segments other than India.

During the year ended March 31, 2021 & March 31, 2020, the Group has been organised into two operating segments i.e. NBFC and Advisory based on products and services.

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocation, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Income, Expenditure, assets and liabilities which relates to the Company as a whole and not allocable to segments are disclosed under “unallocable segment”.

Particulars	Year ended March 31, 2021			Total
	NBFC	Advisory	Unallocable	
Segment Income from Operations	**3,467.45**	**588.92**	**158.82**	**4,215.19**
-Other Income	20.09	15.24	-	**35.34**
Total Segment Income	**3,487.55**	**604.16**	**158.82**	**4,250.53**
Segment results	**(1,667.39)**	**(530.54)**	**143.95**	**(2,053.98)**
Exceptional gain	-	-	-	-
Profit / (loss) before tax	**(1,667.39)**	**(530.54)**	**143.95**	**(2,053.98)**
Tax expenses				
- Current tax		-	-	-
- MAT credit written off	-	-	-	-
- Deferred tax (credit)			(556.60)	**(556.60)**
- Pertaining to earlier years			(1.22)	**(1.22)**
Other Comprehensive Income				
(A) Items that will not be reclassified to profit or loss	8.93	-	-	**8.93**
(B) Items that will be reclassified to profit or loss	-	-	-	-
Segment profit / (loss) for the year	**(1,658.46)**	**(530.54)**	**701.76**	**(1,487.23)**
Segment Assets	**31,001.52**	**#REF!**	**1,429.29**	**#REF!**
Segment Liabilities	**890.42**	**174.27**	**0.53**	**1,065.22**
Depreciation and Amortisation	**165.37**	**1.08**	-	**166.45**

InCred Capital Financial Services Private Limited
(Formerly known As Proud Securities And Credits Private Limited)
CIN: U67120MH1996PTC355036
Notes to the consolidated financial statements for the year ended 31st March 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020			Total
	NBFC	Advisory	Unallocable	
Segment Income from Operations	**3,329.75**	**10.45**	**-**	**3,340.20**
-Other Income	6.98	-	-	**6.98**
Total Segment Income	**3,336.73**	**10.45**	**-**	**3,347.18**
Segment results	**311.33**	**(129.00)**	**(1.36)**	**180.97**
Exceptional gain	**-**	**-**	**-**	**-**
Profit / (loss) before tax	**311.33**	**(129.00)**	**(1.36)**	**180.97**
Tax expenses				
- Current tax	191.61	-	-	**191.61**
- MAT credit written off	-	-	2.09	**2.09**
- Deferred tax (credit)	(102.69)	(29.84)	(0.27)	**(132.80)**
Other Comprehensive Income				
(A) Items that will not be reclassified to profit or loss	4.27	-	-	**4.27**
(B) Items that will be reclassified to profit or loss	-	-	-	-
Segment profit / (loss) for the year	**226.68**	**(99.16)**	**(3.18)**	**124.34**
Segment Assets	**31,859.73**	**690.88**	**(660.56)**	**31,890.05**
Segment Liabilities	**31,859.73**	**690.88**	**(660.56)**	**31,890.05**
Depreciation and Amortisation	**135.71**	**-**	**-**	**135.71**

(All amounts in INR Lakhs, unless otherwise stated)

Note 42 : Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As on 31st March 2021								
Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	As a % of Consolidated net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Other Comprehensive Income	Amount	As a % of Consolidated Comprehensive Income
Parent								
InCred Capital Financial Services Private Limited	32,331.74	101.59%	(1,254.74)	75.47%	8.93	100.00%	(1,245.80)	75.34%
Subsidiary								
InCred Capital Investment Advisors and Managers Private Limited	(451.42)	-1.42%	(351.90)	21.17%	-	0.00%	(351.90)	21.28%
InCred Wealth & Investment Services Private Limited	(0.39)	0.00%	(0.39)	0.02%	-	0.00%	(0.39)	0.02%
Vishuddha Capital Management LLP	(55.56)	-0.17%	(55.56)	3.34%		0.00%	(55.56)	3.36%
	31,824.37	**100.00%**	**(1,662.59)**	**100.00%**	**8.93**	**100.00%**	**(1,653.66)**	**100.00%**

As on 31st March 2020								
Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	As a % of Consolidated net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Other Comprehensive Income	Amount	As a % of Consolidated Comprehensive Income
Parent								
InCred Capital Financial Services Private Limited	30,978.02	100.32%	222.39	185.24%	4.27	100.00%	226.66	182.31%
Subsidiary								
InCred Capital Investment Advisors and Managers Private Limited	(99.52)	-0.32%	(99.16)	-82.59%	-	0.00%	(99.16)	-79.76%
InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited)*	-	0.00%	(3.18)	-2.64%	-	0.00%	(3.18)	-2.55%
InCred Capital Inclusion Advisory Services Private Limited**	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	30,878.50	**100.00%**	**120.06**	**100.00%**	**4.27**	**100.00%**	**124.33**	**100.00%**

* InCred Capital Wealth Portfolio Managers Private Limited (formerly known as BSH Corporate Advisors and Consultants Private Limited) was acquired on 18th April 2019 and was subsequently disposed off on 27th January 2020. The consolidated financial statements includes the result of the subsidiary for the period 18th April 2019 to 26th January 2020.

** InCred Capital Inclusion Advisory Services Private Limited was incorporated on 20th May 2019 as a 100% subsidiary of the Parent Company. However the investment in the subsidiary was disposed off on 14th October 2019. The consolidated financial statements includes the result of the subsidiary for the period 20th May 2019 to 14th October 2019.

Note 43 : Reversal of compound interest
As per guidelines issued by RBI on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package' dated April 7, 2021 and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the 'interest on interest' charged to borrowers during the moratorium period i.e. March 1, 2020 to August 31, 2020. The Company has provided for reversal of interest on interest amounting to Rs. 2.70 lakhs on such loans in the consolidated financial statements for the year ended March 31, 2021.

Note 44 : Management's decision to exit NBFC business
The board of directors vide its meeting dated 07th September 2020 had decided to exit the NBFC lending business and enter into wealth management, asset management, investment banking and debt broking business. Consequently the management had transferred loan portfolio amounting to INR. 12,738.68 Lakhs to InCred Financial Services Limited.

However the management is still in the process of formulating its business plan for exiting NBFC lending business and entering into wealth management business. In the absence of any formal plan the consolidated financial statement for the financial year ended 31st March 2021 has been prepared considering the Company as an NBFC and complying with the rules and regulations prescribed by RBI.

Note 45 : Disclosure relating to earnings and expenditure in forieign currency

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A. Expenditure in foreign currency		
Legal, professional and consultancy charges	313.42	23.48
Membership and subscription	7.37	-
	320.79	**23.48**

B. Earnings in foreign currency
There are no earnings in foreign currency for the financial year ended 31st March 2021 and 31st March 2020.

Note 46 : Other notes to accounts

a. Corporate social responsibility
The Ministry of Corporate Affairs notified section 135 of the Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The provisions related to Corporate Social Responsibility are not applicable to the Company.

b. Previous year figures
Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For **Soni Chatrath & Co.**
Chartered Accountants
ICAI Firm Registration No. 001092N

NAKUL SARDA
Digitally signed by NAKUL SARDA
Date: 2021.09.08 18:13:26 +05'30'

Nakul Sarda
Partner
Membership No.: 513005

Place : Mumbai
Date : 08th Sept. 2021

For and on behalf of the Board of Directors of
InCred Capital Financial Services Private Limited
(Formerly Known As Proud Securities And Credits Private Limited)

BHUPINDER SINGH
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Date: 2021.09.08 17:16:36 +05'30'

Bhupinder Singh
Director
DIN - 07342318

SAURABH JHALARIA
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Date: 2021.09.08 17:17:01 +05'30'

Saurabh Jhalaria
Director
DIN - 07908327

Deepak Dhingra
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Date: 2021.09.08 17:18:05 +05'30'

Deepak Dhingra
Chief Financial Officer

VARUN SUNIL SHAH
Digitally signed by VARUN SUNIL SHAH
Date: 2021.09.08 17:18:47 +05'30'

Varun Shah
Company Secretary
Membership No.: A28901

Place : Mumbai
Date : 08th Sept. 2021

Place : Mumbai
Date : 08th Sept. 2021