Information Memorandum | Private & Confidential
Date: July 15, 2021 | For Private Circulation only
(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Application Form Serial No:- NORTHERN ARC /2021-22/1

Addressed to: NORTHERN ARC CAPITAL LIMITED
No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai TN 600113 IN

LENDINGKART
Think Cash, Think Lendingkart Group!

LENDINGKART FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956
Registered Office: A-303/304, Citi Point, Andheri-Kurla Road, Andheri (East) Mumbai – 400 059
Telephone No.: +91-79-6677 0600; E-mail: umesh.navani@lendingkart.com
Website: www.lendingkart.com. **CIN:** U65910MH1996PLC258722

PRIVATE PLACEMENT OF UPTO 700 (SEVEN HUNDRED) RATED, UNSUBORDINATED, SECURED TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UP TO RS. 70,00,00,000/- (RUPEES SEVENTY CRORE ONLY) ISSUED ON A FULLY PAID BASIS (THE "ISSUE").

THIS PRIVATE PLACEMENT OFFER LETTER IS PREPARED AND ISSUED IN CONFORMITY WITH COMPANIES ACT, 2013, AS AMENDED, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED, FORM PAS-4 PRESCRIBED UNDER SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED FROM TIME TO TIME.

Credit Rating

Infomerics Valuation And Rating Pvt Ltd vide its letter dated July 7, 2021 has assigned/revalidated a credit rating IVR A-/Stable Outlook for the Debentures to be issued in the proposed Issue. Instruments with IVR A- are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The above ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating.

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors of this memorandum of private placement for issue of Debentures on a private placement basis ("Information Memorandum"). This Information Memorandum has not been submitted, cleared or approved by SEBI.

<table>
<tr><th colspan="3">Listing</th></tr>
<tr><td colspan="3">The Debentures are proposed to be listed on the BSE Limited.</td></tr>
<tr><td colspan="2">TRUSTEES FOR THE DEBENTUREHOLDERS
CATALYST
Believe In Yourself... Trust Us!
CIN: U74999PN1997PLC110262
Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune MH 411038 IN
Website: www.catalysttrustee.com
Email: dt@ctltrustee.com</td><td>REGISTRAR TO THE ISSUE
KFIN Technologies Pvt Ltd
Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032
Website: www.kfintech.com
Email: unlservices@kfintech.com</td></tr>
<tr><td>Issue Open/ Issue Close on</td><td>Deemed Date of Allotment</td><td>Pay in Date</td></tr>
<tr><td>July 16, 2021</td><td>July 16, 2021</td><td>July 16, 2021</td></tr>
</table>

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum. Any capitalized terms used but not defined herein shall have the meanings given to them in the Debenture Trust Deed.

Coupon Rate	As per Term Sheet
Application Form	Means the application form issued to investors for the proposed Issue
Application Money	Means the subscription monies paid by the Applicants at the time of submitting the Application Form.
Applicant	Means the persons who have submitted completed Application Forms to the Company and "Applicant" shall mean any one of them, as the context may require.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Assets	Means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP/ Indian AS at such date.
BSE	Means BSE Limited.
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Chennai;
Capital Adequacy Ratio	Means the capital adequacy ratio prescribed by the RBI as applicable for the Company from time to time.
CDSL	Central Depository Services (India) Ltd

Central Registry	Shall have the meaning given to the term in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
Client Loan	Means each loan made by the Company as a lender including managed portfolio.
Constitutional Documents	Means the memorandum of association and the articles of association of the Company.
CERSAI	Means Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Consent Letter	Means the letter dated 12th July, 2021 (bearing reference number CL/MUM/21-22/DEB/251) annexed hereto as Annexure II, pursuant to which the Debenture Trustee has agreed to act as the debenture trustee for the benefit of the Debenture Holder(s).
Debentures / NCDs / Non-convertible Debentures	700 (Seven Hundred) Rated, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakh Only) each, aggregating up to Rs.70,00,00,000 (Rupees Seventy Crore Only)
Debenture Holders / Investors	Means the persons who are, for the time being and from time to time, the holders of the Debentures and, whose names appear in the Register of Beneficial Owners, where such Debentures are held in dematerialized form.
Debenture Trust Deed	Means the debenture trust deed to be executed by and between the Issuer and the Debenture Trustee which sets out the terms upon which the Debentures are being issued and includes the representations, warranties and covenants being provided by the Issuer.
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed or to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustee Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time).
Deed of Hypothecation	Means the deed of hypothecation, dated on or about the Deemed Date of Allotment, to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee securing the due repayment of the Secured Obligations.
Deed of Guarantee	Means the deed of guarantee, dated on or about the Deemed Date of Allotment, to be executed and delivered by the Lendingkart Technologies Private Limited in favour of the Debenture Trustee.

Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	Means the depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, with whom the Company has made arrangements for dematerialising the Debentures, being NSDL and CDSL.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer.
Disclosure Documents	Means collectively, the Private Placement Offer Letter and this Information Memorandum.
Deemed Date of Allotment	Means 16 July, 2021 the date on which debentures will be deemed to be allotted to the Debenture Holders.
DP ID	Depository Participant Identification Number.
Due Date	Means in means the date on which any interest, any Redemption Payment amount and/or any other monies payable, are due and payable.
Equity	Means the total equity of the Company, including shareholders' equity (including premium), reserves, retained earnings or losses, current year cumulated net income or loss adjusted against collateral provided against Off-Balance Sheet Portfolio.
Financial Indebtedness	Means any obligation of the Company (whether incurred as principal, independent guarantor or as a surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent.
Governmental Authority	Shall mean any government (central, state or otherwise) or any governmental agency, semi- governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchangeor any self-regulatory organization, established under any Law.
Hypothecated Assets	Means the continuing security for the payment and discharge of the Secured Obligations, that the Company shall hypothecate to the Debenture Trustee, in respect of, the Receivables as continuing security for the Secured Obligations.
Indebtedness	Means any obligation of the Company (whether incurred as principal, independent guarantor or as a surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent.
Issue	Private Placement of the Debentures.

Issue Opening Date	16-07-2021
Issue Closing Date	16-07-2021
Issuer/ Company	Lendingkart Finance Limited
Information Memorandum	Means this information memorandum.
Law	Means any applicable law, code, ordinance, interpretation, guideline, directive, judgment, injunction, decree, treaty, regulation, rule or order of any court, tribunal or Governmental Authority, in force in India.
Liability	Means, for any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP/ Indian AS at such date.
LODR Regulations	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
Loan	Means an assistance by way of a rupee loan, lent and advanced by the Company to an Obligor pursuant to a Loan Agreement and "Loans" shall mean the aggregate of all such loans lent and advanced by the Company to the Obligors.
Loan Agreement	shall mean the loan agreement(s) as defined in the Deed of Hypothecation, entered into between the Company and the respective Obligors setting out the terms and conditions for the loan facility availed of by the respective Obligors.
Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 51% (Fifty One percent) of the value of the value of the nominal amount of the Debentures for the time being outstanding.
Majority Resolution	Means resolution approved Majority Debenture Holders, either in a poll or in a meeting of the Debenture Holders.
Material Adverse Effect	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect (other than on account of Covid 19 pandemic) on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents;
Maturity Date	Final Redemption Date: January 16, 2023
NBFC	Non-banking financial company
NBFC Master Directions	Means the master directions issued by the RBI on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Company (as amended or modified or restated from time to time).

Net Worth	Has the meaning ascribed to it in the Companies Act, 2013.
NSDL	National Securities Depository Limited
Obligor	shall mean the persons specified in the Deed of Hypothecation who have availed of the Loans from the Company under the Loan Agreement(s) and who are liable to make payments to the Company of the Receivables.
Off Balance Sheet Portfolio	Shall mean principal balance of (i) loans securitized by the Company, (ii) loans assigned by the Company and (iii) loans originated on behalf of other persons.
Outstanding Principal Amount	Means, at any date, the Local Currency principal amount outstanding under the Debentures.
Outstanding Amounts	Means the Outstanding Principal Amounts, together with all interest, fees, costs, commissions, charges, Trustee fees and other amounts due and payable by the Company under or in respect of the NCDs.
Payment Obligations	Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents and shall include the obligation to redeem the Debentures in terms thereof, any outstanding remuneration of the Debenture Trustee, default interest payable, if any, and all fees, costs, charges and expenses and other monies payable by the Company under the Transaction Documents
Person	Shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof
Private Placement Offer Letter	Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 issued by the Issuer for the issue of the Debentures on a private placement basis.
Promoters	Means Lendingkart Technologies Private Limited.
Purpose	Shall have the meaning as mentioned in section Clause 5.21 of this Information Memorandum.
Receivables	shall mean all amounts payable to the Company by the Obligors pursuant to the Loan Agreement(s), including interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, gross of applicable taxes (if any).
Redemption Payment	Means the payment of the Outstanding Principal Amounts of the Debentures on the Maturity Date or on any other date due to premature redemption in accordance with the Debenture Trust Deed.

Register of Beneficial Owners	Means the register of beneficial owners of the Debentures maintained in the records of the Depository, as the case may be.
Register of Debenture Holders	Means the register maintained by the Company at its registered office and containing the names of the Debenture Holders or BENPOS provided by RTA.
Registrar or RTA	Shall mean the registrar and transfer agent appointed for the issue of Debentures, being KFIN Technologies Private Limited.
Risk Weighted Assets	Shall be calculated as per the method prescribed in the NBFC Master Directions.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Regulations	Means the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended or restated from time to time).
Secured Obligations	means the obligation to make payment of any interest and redemption of principal amounts in relation to the Debentures
Special Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 75% (Seventy Five percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Special Resolution	Means resolution approved by Special Majority Debenture Holders, either in a poll or in a meeting of the Debenture Holders.
Tax	Means any present or future tax, levy, duty, charge, fees, deductions, withholdings, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the company under the Transaction Documents.
Tax Deduction	Means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
Tier I Capital	Has the meaning ascribed to it in the NBFC Master Directions
Tier II Capital	Has the meaning ascribed to it in the NBFC Master Directions.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.

Transaction Documents	Shall mean the Debenture Trust Deed, the Information Memorandums, the Deed of Hypothecation, the Debenture Trustee Agreement, the letters issued by the Registrar and all other documents in relation to the issuance of the Debentures, collectively.
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 GENERAL DISCLAIMER

This Private Placement Offer Letter is neither a prospectus nor a statement in lieu of prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. It is prepared in accordance with SEBI Debt Regulations and Companies Act, 2013 and rules framed thereunder. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Issuer. This Private placement offer letter is not intended to be circulated to any person other than the Eligible Investors. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This private placement offer letter does not constitute and shall not be deemed to constitute an offer of the Debentures to the public in general.

2.2 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The Debentures are proposed to be listed on the BSE Limited ("**BSE**") within 4 trading days from the closure of the Issue. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum/ Disclosure Document to be filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared in conformity with the applicable SEBI Debt Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of

the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer Letter are adequate and in conformity with the applicable provisions of SEBI Debt Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the RBI regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will

promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer Letter and all reproductions whether in whole or in part and any other information, statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum, and/or the Private Placement Offer Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.3 DISCLAIMER CLAUSE OF SEBI

Private Placement Offer Letter has not been filed with Securities & Exchange Board of India ("SEBI"). The Non-Convertible Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. The Issue of Non-Convertible Debentures being made on private placement basis, filing of this Private Placement Offer Letter is not required with SEBI. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Private Placement Offer Letter.

2.4 DISCLAIMER OF THE STOCK EXCHANGE(S)

As required, a copy of this Private Placement Offer Letter has been submitted to the BSE Limited ("BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE and or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that Issuer's securities will be listed or continue to be listed on the BSE nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

2.5 DISCLAIMER CLAUSE OF RBI

The Issuer is having a valid certificate of registration dated January 9, 2017 issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or the correctness of any of the statements or representations made or opinion expressed by the Issuer and for repayment of deposits/discharge of liabilities by the Issuer.

2.6 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Chennai. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.7 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The rating will be based on information obtained from sources believed by the Rating Agency to be accurate and reliable. The Rating Agency will not, however, guarantee the accuracy, adequacy or completeness of any information and shall not be responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on

the amount and type of bank facilities/instruments.

2.8 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.9 CONFIDENTIALITY

The person who is in receipt of this private placement offer letter shall maintain utmost confidentiality regarding the contents of this private placement offer letter and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents of this private placement offer letter or deliver this private placement offer letter or any other information supplied in connection with this private placement offer letter or the Debentures to any other person, whether in electronic form or otherwise, without the consent of the Issuer. Any distribution or reproduction of this private placement offer letter in whole or in part or any public announcement or any announcement to third parties regarding the contents of this private placement offer letter or any other information supplied in connection with this private placement offer letter or the Debentures is unauthorized. Failure to comply with this instruction may result in a violation of the Companies Act, the SEBI Debt Regulations or other applicable laws of India and other jurisdictions. This private placement offer letter has been prepared by the Issuer for providing information in connection with the proposed Issue described in this private placement offer letter.

SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Information Memorandum and/or the Private Placement Offer Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the risk factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Letter and reach their own views prior to making any investment decision.

3.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop,

the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

3.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)'amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures**.**

3.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.9 LEGALITY OF PURCHASE

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

3.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from

the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) The loans provided by the Issuer are both secured and unsecured and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.

Though a majority of the Issuer's loans are unsecured, some of the borrowers of these loans may fall under high risk category on account of some degree of uncertainty on the income of the borrowers. There is uncertainty on the client's ability to fulfil its loan obligations and it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations. The fluctuation in the income levels of the borrowers can adversely impact the ability of them to repay their loans and in turn impact our profitability to some extent too.

The Issuer has various procedures and process controls in place to mitigate the risk which include robust loan origination process, continuous monitoring of all accounts and strong collection process.

As at March 31, 2021, the gross NPA was INR 41.1 Crores on a portfolio of INR 2,051 Crores.

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage our NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

(b) Lending to small businesses poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-off that negatively impact results of operations.

Issuer's core business is to provide working capital finance available to entrepreneurs, so that they can focus on business instead of worrying about the gaps in their cash-flows. Any downturn in the area of activity by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

(c) The Issuer is exposed to certain political, regulatory and concentration of risks

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(d) The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are

either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds it's available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(e) The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as a NBFC. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-ND. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND that is subject to numerous conditions.

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31.03.2021, 31.03.2020, and 31.03.2019 are set out in **Annexure IV** hereto.

SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the applicable provisions of SEBI Debt Regulations and, in this section, the Issuer has setout the details required as per Schedule I of the SEBI Debt Regulations.

5.1 Documents Submitted to the Exchanges

The Debentures shall be listed. The Issuer shall submit, amongst others, the following documents to the BSE:

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of the Trust deed or an undertaking from the issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities have been listed, within five working days of execution of the same;
(c) Copy of last 3 (Three) years audited Annual Reports;
(d) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(e) Certified true copy of the resolution passed by the Board of Directors of the Company on August 20, 2020 approving the issuance of non-convertible debentures of various types (listed or unlisted, secured or unsecured) in one or more tranches or series up to a specified amount;
(f) Certified true copy of the resolution passed by the Borrowing Committee Meeting held on July 14, 2021 authorizing the Company to offer non-convertible debentures;
(g) Certified true copies of the special resolutions passed under section 180 (1)(c) by the Company at the Extra Ordinary General Meeting held on February 13, 2020 authorizing the Company to borrow and create security, upon such terms as the Board may think fit, up to an aggregate limit of INR 3,000,00,00,000/- (Rupees Three Thousand Crores Only);
(h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit; and
(i) An undertaking that permission / consent from the prior creditor for a second or pari passu charge being created, where applicable, in favor of the trustees to the proposed issue has been obtained – **Not applicable as assets will be exclusively charged**.

5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;

(b) Copy of last 3 (Three) years audited Annual Reports ;

(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;

(d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;

(e) Half Yearly certificates for maintenance of asset cover as required under SEBI (Debenture Trustees) Regulation, 1993.

(f) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Uniform Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

Name:	Lendingkart Finance Limited
Date of Incorporation:	December 26, 1996
Registered Office of Issuer:	A-303/304, Citi Point, Andheri-Kurla Road, Andheri (East) Mumbai – 400 059.
Corporate Office:	B Block, 6th Floor, The First, The First Avenue Road, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad - 380 015.
Compliance Officer of Issuer:	Mr. Umesh Navani Email: umesh.navani@lendingkart.com Ph No: +91 8347112207
CFO of the Issuer: Email:	Mr. Sudeep Bhatia Email: cfo@lendingkart.com Ph No: +91 72289 56496
Arranger to the Issue:	Not applicable
Corporate Identification Number:	U65910MH1996PLC258722
Phone No.:	079 6677 0600

Fax No :	N. A.
Contact Person:	Mr. Umesh Navani
Email:	umesh.navani@lendingkart.com
Website of Issuer:	www.lendingkartfinance.com
Auditors of the Issuer:	S.R.Batliboi & Co. LLP 12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai- 400028
Trustee to the Issue:	CATALYST TRUSTEESHIP LIMITED GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune MH 411038 IN Website: www.catalysttrustee.com Email: dt@ctltrustee.com
Registrar of the issue:	KFIN Technologies Private Limited Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 Website: www.kfintech.com Email: unlservices@kfintech.com
Credit Rating Agency of the issue:	Infomerics Valuation and Rating Private Limited Mr. Ravi Prakash (Senior Rating Analyst) and Mr. Abhijeet (Rating Analyst) Tel: 011-24654796, 011-41743541, 91-11-24654796, 91-11-24601142 104/106/108, 1st Floor, Golf Apartments, Sujan Singh Park Maharishi Ramanna Marg, New Delhi-110003, India

5.4 A brief summary of business / activities of the Issuer and its line of business

(a) Overview

Lendingkart Finance Limited aims to make working capital finance available at the fingertips of entrepreneurs, so that they can focus on business instead of worrying about the gaps in their cash-flows.

Lendingkart Finance Limited is a wholly owned subsidiary of Lendingkart Technologies Private Limited, which is a fin-tech startup in the working capital space. LTPL has developed technology tools based on big data analysis which facilitates lenders to evaluate borrower's credit worthiness and provides other related services.

Lendingkart Finance Limited (formerly Aadri Infin Limited), is a non-deposit taking NBFC, providing SME lending in India. The Company aims to transform small business lending by making it convenient for SMEs to access credit easily. The Company uses technology and analytics tools, analysing thousands of data points from various data sources to assess the creditworthiness of small businesses rapidly and accurately.

i. Brief Profile of the Board of Directors

S. No.	Name of the Directors	Designation	Date of Birth	Address	DIN	PAN	Director of the company since	Director in other company
1	Harshvardhan Raichand Lunia	Managing Director	10/05/1981	A/93 – May Fair, Opp. Ashwamegh – 1, Opp. IOC Petrol Pump, 132 Ft Ring Road, Vejalpur, Ahmedabad –380051.	01189114	ABPPL0636H	13/05/2015	– Lendingkart Technologies Private Limited – Digital Lenders Association of India – Lendingkart Account Aggregator Private Limited
2	Raichand Sardarmal Lunia	Director	03/08/1947	A/93 – May Fair, Opp. Ashwamegh – 1, Opp. IOC Petrol Pump, 132 Ft Ring Road, Vejalpur, Ahmedabad –380051.	01188845	AAMPL8468K	13/05/2015	- Lendingkart Technologies Private Limited - Lendingkart Account Aggregator Private Limited
3	Anindo Mukherjee	Director	13/10/1967	70, Grange Road #04-01 Singapore – 249 574.	00019375	ADOPM1163F	05/09/2018	- Fullerton India Credit Company Limited - Fullerton India Home Finance Company Limited - Lendingkart Technologies Private Limited

4	Pankaj Makkar	Director	09/06/1980	D-801, Pearl Gateway Towers, Sector-44, Gautam Budh Nagar, Noida –201 301.	03442209	AJMPM6790J	05/09/2018	- I-nurture Education Solutions Private Limited - Penguin Random House India Private Limited - Ulink Agritech Private Limited - Rupeek Fintech Private Limited - Bigfoot Retail Solutions Private Limited - Lendingkart Technologies Private Limited - Bertelsmann Corporate Services India Private Limited
5	Anand Pande	Director	19/04/1965	2 Leonie Hill Rd, #03-02, Singapore – 239 192.	08233960	AAUPP4358G	03/10/2018	- Lendingkart Technologies Private Limited
6	Vikram Godse	Director	27/02/1973	132 Shaan Apartments, Kashinath Dhuru Marg, Dadar (West), Near Kirti College, Mumbai – 400 028.	00230548	AASPG4681M	03/10/2018	– Chetak Farms & Agro Activities Private Limited – Knowlarity Communications Private Limited – Lendingkart Technologies Private Limited – Nehat Tech Solutions Private Limited – Amagi Media Labs Private Limited – Mynd Solutions Private Limited – Leap India Private Limited – Simplilearn Solutions Private Limited – Clover Ventures Private Limited
7	Hong Ping Yeo	Director	09/06/1970	6 Cuscaden Walk # 16-02 Singapore - 249691.	08401270	-	21/04/2019	– Lendingkart Technologies Private Limited – Fullerton India Credit Company Limited
8	Venkateswara Rao Thallapaka	Independent Director	01/07/1952	Flat No. 402, Block A, Mahaveer Sanctum Apts, 7th Cross, L.B Shastry Nagar, Off HAL Airport Road, Bengaluru – 560017.	05273533	ACPPT7494J	13/11/2019	– Natco Pharma Limited – Ladderup Finance Limited – Sanvira Industries Limited - Munz Fintech Private Limited - STCI Primary Dealer Limited

								- BGSE Financials Limited - Easy Home Finance Limited - PNB MetLife India Insurance Company Limited - Canara Bank Securities Limited
9	Uma Subramaniam	Independent Director	18/11/1955	105, Bhaggyam Sadhana, Dargah Road, Zamin Pallavaram, Chennai 600 043	07434953	AAHPS0276K	27/03/2021	- STCI Finance Limited

ii. Brief Profile of the Management

Sr. No.	Name	Designation & Experience
1	Mr. Harshvardhan Raichand Lunia	**Designation:** Managing Director **Qualification:** MBA from Indian School of Business and Chartered Accountant. **Experience:** Mr. Lunia has over 15 years of experience in finance and banking. He has worked with different banks like HDFC Bank, Standard Chartered Bank and ICICI Bank in departments like credit risk, corporate banking, relationship of SME Banking, etc. He also has experience in debt advisory.

PRODUCT DETAILS:

i. Business Segments-

Lendingkart offers unsecured short term working capital solutions to SME borrowers. The company focuses on ticket sizes from INR 50,000 to INR 35 lakh (average ticket size is INR ~4.5 lakh). The Company's niche is serving the needs of sub INR 10 lakh loans for a period of up to 3-36 months. This product category is currently underserved as traditional financial institutions do not see unit economic sense in this segment.

ii. Processes:

Typical customer profile:

A typical Lendingkart customer would have an average annual banking turnover of INR 60-70 lakhs with banking throughput of atleast 50%. 20-25% of Lendingkart's (LK) customers have no credit history and another 50-55% have only credit card/personal loans. Only 20% of LK's customer would have business loans from banks/NBFCs. Lendingkart disburses loan upto only 1 month of the turnover in 78% of the cases and upto 1.5 months of turnover in 91% of the cases.

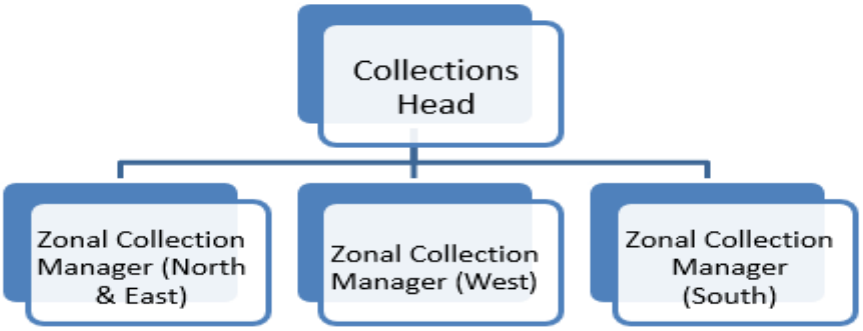
Sourcing:

In terms of sourcing, the focus has shifted from DSA sourced to self-sourcing and strategic partnership. Strategic partneship sourcing accounts for ~40% of disbursement followed by Digital Marketing 32%. And DSA at ~28% . The shift in the sourcing strategy would help the company in following:-

- **Reducing sourcing cost:** The average commission to partners trends ~2.5% to 2.8% compared to DSA partners commission of ~3-4%.
- **Increasing penetration in Tier-II and Tier-III cities:** Given that DSA have limited reach in Tier-II and Tier-III cities, the company uses digital marketing to source leads.
- **Scaling the business with minimal manpower increase**

The company has recently launched a mobile application which also acts as a source for generating leads. The conversion ratio is better in mobile application than through other digital marketing efforts (3% as opposed to 2%).

Collection Process:
The collection framework is designed and led by Mr. Dillip Rout, who has over 18 years of experience in collections and risk functions in reputed organizations like Axis Bank, GE Capital, Tata Motors Finance, ICICI Bank and Bajaj Allianz.



Lendingkart has a 80 member collections team. The Company has divided the overall loan exposure into 5 zones, with each zone being headed by a Zonal Collection Manager. The Zonal Collection Managers (ZCM) based out of the following locations.

- The ZCM based out of Kolkata takes care of collections in East zone. He is supported by on filed collections team that handles the following states – West Bengal, Odisha, Bihar, Assam, Chhattisgarh, Jharkhand, Andamans and all other North Eastern States.
- The ZCM based out of Delhi takes care of collections in North zone. He is supported by on filed collections team that handles the following states – Delhi, Haryana, Uttar Pradesh, Uttara Khand, Rajasthan, Himachal Pradesh, Punjab & entire J&K Region.

- The ZCM based out of Ahmedabad takes care of collections in Central zone. He is supported by on filed collections team that handles the following states – Gujarat, Madhya Pradesh, Dadar Nagar Haveli & Daman Due.
- The ZCM based out of Mumbai takes care of collections in West zone. He is supported by on filed collections team that handles the following stages – Goa & Maharashtra.
- The ZCM based out of Bangalore takes care of collections in South zone. He is supported by on filed collections team that handle the following states – Andhra Pradesh, Telangana, Tamil Nadu, Puducherry, Kerala and Karnataka.

The Company has empanelled nearly 50 external field collection agencies that cover regions that account for about 85% of the overall loan book of Lendingkart. Apart from the above external agencies we have in-house collections executives under off role at some places to manage the collection directly from the customer. These external agencies & in-house collection team are being managed by Collection Managers & Area Collections Manager.

The pay-out to the external agencies is success based (collection cost is incurred only in case of recoveries) and the pay-out vary depending upon the overdue buckets, with higher pay-out for collections in higher overdue buckets.

At the beginning of every month, cases are allocated to collection agencies. The agency assigns a team leader and field executives who follow up on the cases in the field for recovering the default amount from the delinquent customer. The CMs, ACMs & ZCMs conducts daily follow-ups on assigned cases and weekly updates are sent to the collections head.

The collection agencies do not collect cash from delinquent customers. The agencies request the customers to make payments through RTGS / NEFT / IMPS. If the agency is unable to collect using these modes, the agency may also collect cheque / DD / PO from the borrower. In case the customer wants to pay by cash, the customer needs to visit the retailer of Airtel payment bank & follow the laid down OTP process for payment of EMIs through cash. No external agencies are involved in cash collections.

The agency shares repayment updates with the CMs, ACMs & ZCMs. Collection agency performance updates are monitored monthly.

Delinquency Management Process:

Lendingkart collect instalments via below mentioned sources:
• NACH (Auto debit system)
• NEFT, RTGS, Cheque and IMPS (If the repayment is not received via NACH on the due date, post tele-calling follow-up, these modes of payment can be allowed)

EMI Recovery Process	Actions taken
2 days before instalment date	Customers are intimated two days prior to the Instalment date via following ways: · Remainder mails · SMS · IVR calling
1-7 days past due	During this period, the following activities take place for collection of the instalments. · Regular tele-calling · Auto mated 1st Dunning letter at 6 dpd (Gentle reminder mail for overdue instalment) · If the repayment is not received via NACH on the due date, tele-calling follow ups are done with the borrower. In such events borrowers may pay by NEFT, RTGS, Cheque and IMPS as well · Query resolution (if any)
8-30 days past due	Post the above, follow-up is initiated by the in-house team. Steps taken by in this phase are: · E-Collection Activation · Re-presenting the NACH · Calling to the References · Dunning Letter #2 (intimating legal actions that can be taken if the overdue is not regularized).
31-60 days past due	The client is added to the defaulter list. Constant efforts carried out on such cases are as follows: · Visits to customer's business premises by in-house collection team or collection agency team. · Re-presenting the NACH · Security Cheques Deposition for entire foreclosure amount if the loan tenure is expired · If loan tenure has not expired then Loan Recall Notice sent to the customer · Process for Legal case filing is initiated through Section 138 notice
61-90+ days past due	· Filling Legal case under Section 138 · Notice of demand under Section 25 of Payment & Settlement System Act, 2007 for those cases where required. · Re-presenting the NACH · Group visits done by Collection Executive at customer official and at residential address · Continuous follow-up is done with the client · Court Summons post filling Section 138 served to the customers

	· Bailable Warrants or Non Bailable Warrants post service of Summons served to the customers · Initiate Arbitration if required Initiate CIVIL Suit if required

(b) Key Operational and Financial Parameters for last 3 audited years (crores)- Please refer to Annexure IV

(As per IND AS Audited Financials) INR in Crores

Parameters	FY2020-21 (Audited)	FY2019-20 (Audited)	FY2018-19 (Audited)
For Financial Entities			
Networth	741.61	722.87	483.49
Total Debt (including securitisation transactions)	1631.72	1,574.97	1,065.04
Debt Securities	675.50	444.07	387.95
Borrowings (Other than debt securities)	930.93	1,105.61	651.80
Subordinated Debt	25.29	25.28	25.28
Net Property Plant & Equipment	1.61	3.08	2.26
Non Financial Assets	70.18	59.88	38.30
Cash and Cash Equivalents	287.86	50.50	165.51
Current Investments	-	-	-
Financial Assets (other than loans & cash & cash equivalents)	217.64	141.66	77.62
Other Financial Liabilities	111.13	73.75	40.02
Non-Financial liabilities	31.52	10.40	7.77
Assets Under Management (on Book net of provisions)	1938.69	2,126.89	1,312.63
Off Balance Sheet Assets			
Interest Income	480.87	442.68	212.54
Interest Expense	182.48	177.17	81.14
Provisioning & Write-offs	177.69	119.48	50.68
PAT	18.80	29.65	27.75
Gross NPA (%)	2.01%	1.73%	1.09%
Net NPA (%)	0.87%	0.87%	0.55%
Tier I Capital Adequacy Ratio (%)	34.42%	33.81%	34.70%
Tier II Capital Adequacy Ratio (%)	4.32%	2.38%	4.26%

(c) Gross Debt: Equity Ratio of the Company *

Before the issue of debt securities	2.11x
After the issue of debt securities	2.20x

*Provisional figures.

(d) Project cost and means of financing, in case of funding new projects: Not applicable

5.5. Brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on as on latest quarter end i.e. 30th June, 2021:

Share Capital	Rs.
Authorised	50,72,76,000 /-
TOTAL	50,72,76,000 /-
Issued, Subscribed and Fully Paid- up	44,18,79,310/-
Preference Shares	Nil
TOTAL	44,18,79,310/-

(b) Changes in its capital structure as on as on latest quarter end i.e. 30th June, 2021, for the last five years:

Date of Change (AGM/EGM)	**Authorised Capital in Rs.**	**Particulars**
22nd January, 2016	13,50,00,000/-	Increase in the authorized share capital of the Company from Rs. 50,00,000/- to Rs. 13,50,00,000/- in the extra- ordinary general meeting of the Company held on 22nd January, 2016.
25th April, 2016	15,50,00,000/-	Increase in the authorized share capital of the Company from Rs. 13,50,00,000/- to Rs. 15,50,00,000/- in the extra-ordinary general meeting of the Company held on 25th April, 2016.
4th July, 2016	25,50,00,000/-	Increase in the authorized share capital of the Company from Rs. 15,50,00,000/- to Rs. 25,50,00,000/- in the extra-ordinary general meeting of the Company held on 4th July, 2016.
4th August, 2017	28,25,00,000/-	Increase in the authorized share capital of the Company from Rs. 25,50,00,000/- to Rs. 28,25,00,000/- in the extra-ordinary general meeting of the Company held on 4th August, 2017.

21st September, 2017	29,75,00,000/-	Increase in the authorized share capital of the Company from Rs. 28,25,00,000/- to Rs. 29,75,00,000/- in the extra-ordinary general meeting of the Company held on 21st September, 2017.
10th September, 2018	39,34,50,000/-	Increase in the authorized share capital of the Company from Rs. 29,75,00,000/- to Rs. 39,34,50,000/- in the extra-ordinary general meeting of the Company held on 10th September, 2018.
7th August, 2019	44,54,75,000/-	Increase in the authorized share capital of the Company from Rs. 39,34,50,000/- to Rs. 44,54,75,000/- in the extra-ordinary general meeting of the Company held on 7th August, 2019.
28th April, 2020	50,72,76,000 /-	Increase in the authorized share capital of the Company from Rs. 44,54,75,000/- to Rs. 50,72,76,000 /- in the extra-ordinary general meeting of the Company held on 28th April, 2020.

(c) Equity Share Capital History of the Company as on as on latest quarter end i.e. 30th June, 2021, for the last five years:

Date of allotment	Name of Shareholder	No. of equity shares issued	Face value per share (INR)	Premium per share (INR)	Cumulative number of equity Shares	Cumulative paid up share capital in Rs.	Cumulative share premium in Rs.	Form of consideration
18th February, 2016	Lendingkart Technologies Private Limited	90,41,666	10	14	93,25,766	9,32,57,660/-	12,65,83,324/-	Conversion of loan
11th July, 2016	Lendingkart Technologies Private Limited	61,74,200	10	46.9	1,54,99,966	15,49,99,660/-	41,61,53,304/-	Cash
8th August, 2016	Lendingkart Technologies Private Limited	99,95,190	10	54.9	2,54,95,156	25,49,51,560/-	96,48,89,235/-	Cash
24th August, 2017	Lendingkart Technologies Private Limited	25,97,402	10	144	2,80,92,558	28,09,25,580/-	133,89,15,123/-	Cash
29th September, 2017	Lendingkart Technologies Private Limited	12,98,701	10	144	2,93,91,259	29,39,12,590/-	152,59,28,067/-	Conversion of loan
24th September, 2018	Lendingkart Technologies Private Limited	14,76,101	10	328.73	3,08,67,360	30,86,73,600/-	201,11,66,748.73/-	Conversion of loan
24th September,	Lendingkart Technologies	81,18,560	10	328.73	3,89,85,920	38,98,59,200/-	467,99,80,977.53/-	Cash

2018	Private Limited							
11th September, 2019	Lendingkart Technologies Private Limited	52,02,011	10	393.69	4,41,87,931	44,18,79,310/-	672,79,60,688.12/-	Cash

(d) Details of any Acquisition or Amalgamation in the last 1 (one) year:

There has been no Acquisition or amalgamation in last one year.

(e) Details of any Reorganization or Reconstruction in the last 1 (one) year:
Not Applicable

5.6. Details of the shareholding of the Company as on as on latest quarter end i.e. 30th June, 2021:

(a) Shareholding Pattern of the Company as on as on latest quarter end i.e. 30th June, 2021:

Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	Lendingkart Technologies Private Limited	Equity	4,41,87,925	100%	4,41,87,925
2	Mr. Harshvardhan Lunia (Nominee of Lendingkart Technologies Private Limited)	Equity	1	0%	0
3	Mr. Raichand Lunia (Nominee of Lendingkart Technologies Private Limited)	Equity	1	0%	0
4	Mr. Mukul Sachan (Nominee of Lendingkart Technologies Private Limited)	Equity	1	0%	0
5	Ms. Savitridevi Lunia (Nominee of Lendingkart Technologies Private Limited)	Equity	1	0%	0
6	Ms. Varsha Lunia (Nominee of Lendingkart Technologies Private Limited)	Equity	1	0%	0
7	Ms. Parul Singh (Nominee of Lendingkart Technologies Private Limited)	Equity	1	0%	0
	Total Equity Shares		**4,41,87,931**		**4,41,87,925**

Note- There is no pledge on the Promoter's shareholding.

(b) List of top 10 holders of equity shares of the Company as on as on latest quarter end i.e. 30th June, 2021:

Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	Lendingkart Technologies Private Limited (and its 6 nominees)	Equity	4,41,87,931	100%	4,41,87,925
	Total Equity Shares		**4,41,87,931**		**4,41,87,925**

5.7. Following details regarding the directors of the Company:

(a) Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

Sr. No.	Name of the Directors	Designation	Date of Birth	Address	DIN	Director of the company since
1	Harshvardhan Raichand Lunia	Managing Director	10/05/1981	A/93 - May Fair, Opp. Ashwameg h - 1, Opp. IOC Petrol Pump, 132 Ft Ring Road, Vejalpur, Ahmedaba d – 380051.	01189114	13/05/2015
2	Raichand Sardarmal Lunia	Director	03/08/1947	8, Lakeview -1, Jagabhai Park, Rambaug, Maninagar, Ahmedaba d – 380 008.	01188845	13/05/2015
3	Anindo Mukherjee	Director	13/10/1967	70, Grange Road #04-01 Singapore – 249 574.	00019375	05/09/2018
4	Pankaj Makkar	Director	09/06/1980	D-801, Pearl Gateway Towers, Sector-44, Gautam Budh Nagar, Noida – 201 301.	03442209	05/09/2018
5	Anand Pande	Director	19/04/1965	2 Leonie Hill Rd, #03-02, Singapore – 239 192.	08233960	03/10/2018
6	Vikram Godse	Director	27/02/1973	132 Shaan Apartments, Kashinath Dhuru Marg, Dadar (West), Near Kirti College, Mumbai – 400 028.	00230548	03/10/2018
7	Hong Ping Yeo	Director	09/06/1970	6 Cuscaden Walk # 16-02 Singapore-249691.	08401270	21/04/2019

8	Venkateswara Rao Thallapaka	Independent Director	01/07/1952	Flat No. 402, Block A, Mahaveer Sanctum Apts 7th Cross, L.B Shastry Nagar, Off HAL Airport Road, Bengaluru - 560017.	05273533	13/11/2019
9	Uma Subramaniam	Independent Director	18/11/1955	105, Bhaggyam Sadhana, Dargah Road, Zamin Pallavaram, Chennai 600 043	07434953	27/03/2021

Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any:* **None

(b) Details of change in directors since last three years as on as on latest quarter end i.e. 30th June, 2021:

Name	Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Mukul Sachan	Whole time Director	07237991	January 9, 2017	Not applicable	Change in designation from Director to Whole time Director (KMP)
Mr. Mukul Sachan	Whole time Director	07237991	May 31, 2019	January 27, 2016	Cessation
Ms. Divya Jain	Additional Director	07864477	June 30, 2017	Not applicable	Appointment as Independent Director for one year
Ms. Divya Jain	Independent Director	07864477	June 29, 2018	Not applicable	Re-appointment as Independent Director for 1 year
Ms. Divya Jain	Independent Director	07864477	June 28, 2019	June 30, 2017	Cessation
Mr. G. S. Sundararajan	Additional Director	00361030	June 30, 2017	Not applicable	Appointment
Mr. G. S. Sundararajan	Independent Director	00361030	January 25, 2018	June 30, 2017	Cessation
Mr. Gaurav Mittal	Additional Director	01037873	June 29, 2018	Not applicable	Appointment as Independent Director for one year

Mr. Gaurav Mittal	Independent Director	01037873	June 29, 2019	Not applicable	Re-appointment as Independent Director for 2 years
Mr. Anindo Mukherjee	Director	00019375	September 5, 2018	Not applicable	Appointment
Ms. Jennifer Li You Fan	Director	08081062	September 5, 2018	Not applicable	Appointment
Ms. Jennifer Li You Fan	Director	08081062	December 7, 2018	September 5, 2018	Cessation
Mr. Kiranbir Nag	Director	07660247	September 5, 2018	Not applicable	Appointment
Mr. Pankaj Makkar	Director	03442209	September 5, 2018	Not applicable	Appointment
Mr. Anand Pande	Additional Director	08233960	October 3, 2018	Not applicable	Appointment
Mr. Vikram Godse	Additional Director	00230548	October 3, 2018	Not applicable	Appointment
Mr. Hong Ping Yeo	Additional Director	08401270	April 21, 2019	Not applicable	Appointment
Mr. Venkateswara Rao Thallapaka	Additional Director	05273533	November 13, 2019	Not applicable	Appointment
Mr. Kiranbir Nag	Director	07660247	July 6, 2020	September 5, 2018	Cessation
Ms. Uma Subramaniam	Independent Director	07434953	March 27, 2021	Not applicable	Appointment
Mr. Gaurav Mittal	Independent Director	01037873	June 27, 2021	June 29, 2018	Cessation

5.8. Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name	Address	Auditor since	Remark
M/s S.R. Batliboi & Co. LLP	12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai-400028	18th Annual General Meeting of the Company held on September 29, 2015	Reappointed on 23rd Annual general meeting held on 30th September, 2020 till the conclusion of 28th Annual General Meeting.

(b) Details of change in auditors since last three years:

Name	Address	Date of appointment / resignation	Auditor of the Company since (in case of resignation)	Remark
M/S S.R.Batliboi & Co. LLP	12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai- 400028	Appointment September 29, 2015	-	Reappointed on 23rd Annual general meeting held on 30th September, 2020 till the conclusion of 28th Annual General Meeting.

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5.9. Details of borrowings of the Company, as on as on latest quarter end i.e. 30th June, 2021:

(a) Details of Secured Loan Facilities:

Lenders	Type of Facility	Sanctioned	Outstanding	Repayment Date/Schedule (Maturity Date)	Primary Security (book debt hypothecation)	Percentage of Cash Collateral
AAAV SARL & MASALA INVESTMENTS SARL (Symbiotics)	NCD	51,47,50,000.00	51,47,50,000	Principal in 3 installments	1.00	
ADITYA BIRLA FINANCE LIMITED	CC/WCDL	15,00,00,000.00	-	Bullet	1.20	
ALTERIA CAPITAL	NCD	70,00,00,000.00	17,49,99,994	Monthly	1.10	
AMBIT FINVEST PRIVATE LIMITED	Term Loan	50,00,00,000.00	6,94,44,455	Monthly	1.10	
AVENDUS WEALTH MANAGEMENT PVT LTD	NCD	47,50,00,000.00	15,83,33,344	Monthly	1.10	
AVENDUS WEALTH MANAGEMENT PVT LTD	NCD	28,00,00,000.00	20,99,99,996	Monthly	1.10	
CASPIAN IMPACT INVESTMENTS PRIVATE LIMITED	Term Loan	10,00,00,000.00	1,24,99,999	Quarterly	1.10	
CASPIAN IMPACT INVESTMENTS PRIVATE LIMITED	Term Loan		1,87,50,000	Quarterly	1.10	
FEDBANK FINANCIAL SERVICES LTD	Term Loan	15,00,00,000.00	1,66,66,672	Monthly	1.10	
NEDERLANDSE FINANCERINGS-MAATSCHAPPIJVOOR ONTWIKKELLINGLANDEN N.V (FMO)	NCD	30,00,00,000.00	15,00,00,000	Principal in 2 installments	1.10	

HERO FINCORP LIMITED	Term Loan	15,00,00,000.00	-	Monthly	1.10	
HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED	Term Loan	10,00,00,000.00	1,67,00,000	Quarterly	1.10	
IDFC FIRST BANK LIMITED	Term Loan	25,00,00,000.00	25,00,00,000	Monthly	1.10	
IDFC FIRST BANK LIMITED	Term Loan	90,00,00,000.00	50,00,00,001	Monthly	1.10	
IDFC FIRST BANK LIMITED	Term Loan	1,00,00,00,000.00	72,22,22,221	Monthly	1.20	
NORTHERN ARC CAPITAL LTD	Term Loan	60,00,00,000.00	9,89,96,963	Monthly	1.00	
NORTHERN ARC CAPITAL LTD	Term Loan	25,00,00,000.00	13,21,67,477	Monthly	1.00	
NORTHERN ARC CAPITAL LTD	Term Loan	30,00,00,000.00	17,58,84,067	Monthly	1.00	
NORTHERN ARC CAPITAL LTD	NCD	25,00,00,000.00	25,00,00,000	Bullet	1.00	
NORTHERN ARC CAPITAL LTD	NCD	20,00,00,000.00	20,00,00,000	Bullet	1.00	
NORTHERN ARC CAPITAL LTD	NCD	20,00,00,000.00	20,00,00,000	Bullet	1.00	
KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	Term Loan	15,00,00,000.00	7,50,00,000	Semi annually	1.10	
MAANAVEEYA DEVELOPMENT & FINANCE PVT LTD	Term Loan	20,00,00,000.00	12,12,20,000	3 M Moratorium Period, Monthly	1.00	
MANAPPURAM FINANCE LIMITED	Term Loan	15,00,00,000.00	3,88,38,380	Monthly	1.10	
MAS FINANCIAL SERVICES LTD	Term Loan	5,00,00,000.00	-	Monthly	1.10	
MAS FINANCIAL SERVICES LTD	Term Loan	5,00,00,000.00	-	Monthly	1.10	
MAS FINANCIAL SERVICES LTD	Term Loan	5,00,00,000.00	-	Monthly	1.10	

MAS FINANCIAL SERVICES LTD	Term Loan	10,00,00,000.00	1,11,10,944	Monthly	1.10	
NABKISAN Finance Limited	Term Loan	22,00,00,000.00	10,99,97,928	Quarterly	1.10	
SCIENT CAPITAL PRIVATE LIMITED	NCD	12,00,00,000.00	4,00,07,998	3 Equal installments	1.10	
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Term Loan	10,00,00,000.00	3,12,00,000	Monthly	1.33	
STATE BANK OF INDIA	CC/WCDL	50,00,00,000.00	31,63,65,865	Monthly	1.33	
UGRO CAPITAL LIMITED	Term Loan	5,00,00,000.00	34,48,953	Monthly	1.10	
UJJIVAN SMALL FINANCE BANK LTD	Term Loan	25,00,00,000.00	-	Quarterly	1.10	
VENUS INDIA ASSET FINANCE PVT LTD	Term Loan	12,00,00,000.00	1,49,99,999	Quarterly	1.10	
INCRED FINANCIAL SERVICES LIMITED (VISU LEASING AND FINANCE PRIVATE LIMITED)	Term Loan	9,50,00,000.00	2,88,69,735	Monthly	1.10	
INCRED FINANCIAL SERVICES LIMITED (VISU LEASING AND FINANCE PRIVATE LIMITED)	Term Loan		76,02,853	Monthly	1.10	
VIVRITI CAPITAL PRIVATE LIMITED	Term Loan	10,00,00,000.00	1,37,60,494	Monthly	1.10	
VIVRITI CAPITAL PRIVATE LIMITED	Term Loan		1,37,60,493	Monthly	1.10	
VIVRITI CAPITAL PRIVATE LIMITED	Term Loan	15,00,00,000.00	9,49,89,854	Monthly	1.10	
GRAND ANICUT FUND & INVESTOR	NCD	1,50,00,00,000.00	1	Quarterly	1.10	
STATE BANK OF INDIA	CC/WCDL	2,50,00,000.00	1,52,77,789	Monthly	1.33	

CSB BANK LIMITED	NCD	10,00,00,000.00	10,00,00,000	Bullet Principal & Interest Annually	1.10	
Eclear Leasing and Finance Private Limited	Term Loan	10,00,00,000.00	89,34,045	Monthly	1.10	
STATE BANK OF INDIA	NCD	40,00,00,000.00	40,00,00,000	Interest Quarterly, Principal Bullet	1.25	
Bank of Maharashtra	NCD	25,00,00,000.00	25,00,00,000	Interest Annually, Principal Bullet	1.25	
AAAV SARL & MASALA INVESTMENTS SARL (Symbiotics)	NCD	22,50,00,000.00	22,50,00,000	Semi annually & 99.9% principal repaid in 21 months & rest at the end of 45th month	1.00	
Punjab National Bank	NCD	25,00,00,000.00	25,00,00,000	Interest Annually, Principal Bullet	1.25	
Bandhan Bank Limited	Term Loan	50,00,00,000.00	46,66,66,666	6 M Moratorium Period, Monthly	1.10	
BANK OF INDIA	NCD	25,00,00,000.00	25,00,00,000	Interest Annually, Principal Bullet	1.25	
Indian Bank	NCD	25,00,00,000.00	25,00,00,000	Interest Semi Annually, Principal Bullet	1.25	
NABKISAN Finance Limited	Term Loan	15,00,00,000.00	11,24,99,998	Interest Monthly, Principal Quarterly	1.10	
ICICI BANK	CC/WCDL	18,00,00,000.00	18,00,00,000	Bullet	1.10	
FINCARE SMALL FINANCE BANK LTD	Term Loan	15,00,00,000.00	8,67,97,188	Monthly	1.10	
KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	Term Loan	20,00,00,000.00	15,00,00,000	Principal quarterly, Interest Monthly	1.10	
BANK OF BARODA	NCD	25,00,00,000.00	25,00,00,000	4 equal installments payable at the endof 9th / 12th /15th & 18th month	1.25	

IDFC FIRST BANK LIMITED	CC/WCDL	15,00,00,000.00	15,00,00,000	Principal Bullet Repayment	1.10	
INCRED CAPITAL INCLUSION ADVISORY SERV. PVT LTD	NCD	15,00,00,000.00	14,99,99,998	Principal Bullet Repayment	1.10	
Punjab National Bank	NCD	25,00,00,000.00	25,00,00,000	Principal Bullet Repayment	1.25	
Nabsamruddhi Finance Limited	Term Loan	15,00,00,000.00	12,84,48,337	Monthly Principal & Interest	1.10	
MAANAVEEYA DEVELOPMENT & FINANCE PVT LTD	Term Loan	20,00,00,000.00	15,00,00,000	Interest Monthly, Principal Quarterly	1.00	
Jana Small Finance Bank	Term Loan	50,00,00,000.00	40,59,34,595	Monthly Principal & Interest	1.10	
INCRED CAPITAL INCLUSION ADVISORY SERV. PVT LTD	NCD	30,00,00,000.00	30,00,00,000	Bullet	1.10	
Nederlandse Financierings-Maatschappij voor 'Ontwikkelingslanden N.V. (FMO)	NCD	1,08,00,00,000.00	1,08,00,00,000	25% of the Issue Size after 3 years,25% of the Issue Size after 3 and a halfyears and, 50% of the Issue Size after 4 years	1.10	
Cholamandalam Investment and Finance Company Limited	Term Loan	10,00,00,000.00	8,41,69,340	Monthly	1.15	
Sundaram Finance Limited	Term Loan	15,00,00,000.00	13,28,50,525	Monthly	1.20	
SBM Bank	Term Loan	15,00,00,000.00	13,12,49,999	Interest Monthly, Principal Quarterly	1.10	
ESAF Small Finance Bank	Term Loan	25,00,00,000.00	23,57,14,000	Monthly	1.12	
Kotak Mahindra Bank Limited	CC/WCDL	64,00,00,000.00	18,75,00,001	Monthly	1.10	
Unifi AIF	NCD	32,00,00,000.00	28,16,00,000	Monthly	1.10	
RBL BANK LIMITED	CC/WCDL	13,00,00,000.00	10,00,00,000	Bullet	1.10	
RBL BANK LIMITED	CC/WCDL	5,00,00,000.00	4,22,803	Bullet	1.10	
KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	Term Loan	20,00,00,000.00	20,00,00,000	Interest Monthly, Principal Quarterly	1.10	

Capri Global Capital Limited	Term Loan	10,00,00,000.00	10,00,00,000	Quarterly (8 equal Quarterly Instalments)	1.20	
Federal Bank Limited	Term Loan	40,00,00,000.00	15,00,00,000	Equal Half yearly principal payment, Monthly Interest	1.25	
INCRED CAPITAL INCLUSION ADVISORY SERV. PVT LTD	NCD	15,00,00,000.00	15,00,00,000	Bullet Principal & Interest	1.10	
Cred Avenue & Its Investors	NCD	40,00,00,000.00	40,00,00,000	Bullet Principal & Interest	1.26	
IDFC FIRST BANK LIMITED	CC/WCDL	10,00,00,000.00	-	CC Facility, Monthly Interest	1.10	
STATE BANK OF INDIA	CC/WCDL	25,00,00,000.00	3,47,29,500	CC Facility, Monthly Interest	1.33	
ICICI BANK	CC/WCDL	12,00,00,000.00	48,42,543	CC Facility, Monthly Interest	1.10	
Kotak Mahindra Bank Limited	CC/WCDL	1,00,00,000.00	-	CC Facility, Monthly Interest	1.10	
Total		**20,90,47,50,000**	**12,59,52,26,012**			

(b) Details of Unsecured Loan Facilities as on as on latest quarter end i.e. 30th June, 2021:

Lender's Name	Type of Facility	Amount Sanctioned (Rs. Mn.)	Principal Amount Outstanding (Rs. Mn.)	Repayment Date/Schedule
IDFC First Limited	Term Loan (Sub Debt)	10,00,00,000	10,00,00,000	Monthy interest, Bullet payment for principal
IDFC First Limited	Term Loan (Sub Debt)	15,00,00,000	15,00,00,000	Monthy interest, Bullet payment for principal
		25,00,00,000	**25,00,00,000**	

(c) Details of Non-Convertible Debentures as on as on latest quarter end i.e. 30th June, 2021: -

Debenture Series	Tenor/Period of Maturity	Coupon (Rate of Interest)	Amount (in INR)	Outstanding Amount as on 31st March, 2021	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
IFMR FINANCE FOR FREEDOM FUND V (IFMR FIMPACT INCO	43	13.51%	25,00,00,000	25,00,00,000	13/07/2018	10/01/2022	IND PP- MLD	Secured	1.00
IFMR FIMPACT MEDIUM TERM OPPORTUNITIES FUND	50	13.75%	20,00,00,000	20,00,00,000	28/01/2019	31/03/2023	BBB+/Stable	Secured	1.00
NORTHERN ARC INCOME BUILDER FUND (SERIES II)	44	15.60%	20,00,00,000	20,00,00,000	11/03/2020	13/11/2023	CRISIL PPMLD BBB+ r/Positive	Secured	1.00
NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIK	49	13.30%	30,00,00,000	15,00,00,000	21/12/2017	21/12/2021	BBB+/Stable	Secured	1.10
State Bank of India	34	12.80%	40,00,00,000	40,00,00,000	06/07/2020	21/04/2023	BBB+/Stable	Secured	1.25
ALTERIA CAPITAL INDIA FUND I	30	14.05%	70,00,00,000	17,49,99,994	14/06/2019	01/12/2021	NA	Secured	1.10
SCIENT CAPITAL PRIVATE LIMITED	26	13.80%	12,00,00,000	4,00,07,998	19/06/2019	18/08/2021	BBB+/Stable	Secured	1.10
AVENDUS WEALTH MANAGEMENT PVT LTD	24	13.40%	47,50,00,000	15,83,33,344	03/10/2019	04/10/2021	BBB+/Stable	Secured	1.10

AVENDUS WEALTH MANAGEMENT PVT LTD	24	13.30%	28,00,00,000	20,99,99,996	06/03/2020	06/03/2022	BBB+/Stable	Secured	1.10
Symbiotics Group	45	12.39%	51,47,50,000	51,47,50,000	21/08/2020	06/05/2024	NA	Secured	1.00
CSB Bank Limited	36	13.50%	10,00,00,000	10,00,00,000	02/06/2020	02/06/2023	BBB+/Stable	Secured	1.10
Bank of Maharashtra	18	11.00%	25,00,00,000	25,00,00,000	29/07/2020	28/01/2022	BBB+/Stable	Secured	1.25
AAV S.A.R.L & MASALA INVESTMENTS S.A.R.L.	61	13.94%	22,50,00,000	22,50,00,000	28/11/2019	28/11/2024	BBB+/Stable	Secured	1.00
Punjab National Bank	18	11.00%	25,00,00,000	25,00,00,000	28/08/2020	24/02/2022	A-	Secured	1.25
BANK OF INDIA	18	11.00%	25,00,00,000	25,00,00,000	17/09/2020	17/03/2022	A-	Secured	1.25
Indian Bank	18	11.00%	25,00,00,000	25,00,00,000	10/09/2020	09/03/2022	BBB+/Stable	Secured	1.25
BANK OF BARODA	18	10.75%	25,00,00,000	25,00,00,000	13/11/2020	13/05/2022	A-	Secured	1.25
INCRED CAPITAL INCLUSION ADVISORY SERV. PVT LTD	21	11.50%	15,00,00,000	15,00,00,000	04/11/2020	04/08/2022	BBB+/Stable	Secured	1.10
Punjab National Bank	18	11.00%	25,00,00,000	25,00,00,000	19/11/2020	19/05/2022	A-	Secured	1.25
INCRED CAPITAL INCLUSION ADVISORY SERV. PVT LTD	21	12.00%	30,00,00,000	30,00,00,000	04/03/2021	02/12/2022	IND PP- MLD BBB+	Secured	1.10
Unifi AIF	25	11.75%	32,00,00,000	28,16,00,000	31/03/2021	28/04/2023	A-	Secured	1.10

Nederlandse Financierings-Maatschappij voor 'Ontwikkelingslanden N.V. (FMO)	48	13.24%	1,08,00,00,000	1,08,00,00,000	24/03/2021	24/03/2025	na	Secured	1.10
INCRED CAPITAL INCLUSION ADVISORY SERV. PVT LTD	21	12.00%	15,00,00,000	15,00,00,000	04/06/2021	04/03/2023	IND PP-MLD BBB+emr/Positive	Secured	1.10
Cred Avenue & Its Investors	18	11.00%	40,00,00,000	40,00,00,000	30/06/2021	30/12/2022	AA-(CE)	Secured	1.26
Total			**7,66,47,50,000**	**6,48,46,91,332**					

(d) List of top 10 debenture holders as on latest quarter end i.e. 30th June, 2021:

Sr.No.	Name of Debenture Holders	Amount (In Rupees)
1	FMO	1,08,00,00,000
2	AAV S.A.R.L MASALA INVESTMENTS S.A.R.L.	51,47,50,000
3	STATE BANK OF INDIA	40,00,00,000
4	Credavenue & Its Investors	40,00,00,000
5	Incred Capital inclusion Advisory Services Limited	30,00,00,000
6	UNIFI AIF	28,16,00,000
7	BANK OF BARODA	25,00,00,000
8	BANK OF INDIA	25,00,00,000
9	BANK OF MAHARASHTRA	25,00,00,000
10	IFMR FINANCE FOR FREEDOM FUND V (IFMR FIMPACT INCO)	25,00,00,000

(e) The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group, company, etc) on behalf of whom it has been issued (if any)).

Except for corporate guarantee issue in securitization and co-lending transactions, the Issuer has not issued any corporate guarantee for payment obligations of third party.

Sr. No.	Type of Transaction	Name of Counter Party to whom Corporate Guarantee is provided	Amount of Corporate Guarantee (In INR)
1	Securitisation	Moneywise Financial Services Private Limited	1,10,52,895
2	Co-Lending	MAS Financial Services Limited	1,53,20,87,416
3	Co-Lending	Northern Arc Capital	17,78,33,448
4	Co-Lending	IDFC	4,87,30,822
5	Co-Lending	Ambit	5,39,50,614
6	Co-Lending	Ugro	5,03,20,379
7	Co-Lending	SBM	1,27,93,262
8	Co-Lending	ABFL	26,20,800

(f) Details of Commercial Paper (as on as on latest quarter end i.e. 30th June, 2021):

NIL

(g) Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on as on latest quarter end i.e. 30th June, 2021:

NIL

(h) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:

NIL

(i) Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

NIL

5.10. Details of Promoters of the Company:

Details of Promoter Holding in Company as on as on latest quarter end i.e. 30th June, 2021:

Sr No	Name of the shareholders	Total No of Equity shares	No .of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Lendingkart Technologies Private Limited (and its Six Nominees)	4,41,87,931	4,41,87,925	100%	-	-

5.11. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications , if any. - Please refer to Annexure IV

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009 (as may be amended, modified or restated form time to time)]

5.12. Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information and auditors qualifications, if any. Please refer to Annexure IV

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009 (as may be amended, modified or restated form time to time)]

5.13. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that, except for the COVID-19 pandemic and

related consequences thereto, there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.14. Names of the Debentures Trustees and Consents thereof

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.

5.15. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

The Non-convertible Debentures are backed with a Irrevocable and unconditional Corporate Guarantee of Lendingkart Technologies Private Limited, holding company of the Company.

5.16. Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

The Debentures proposed to be issued by the Company will be listed on the BSE Limited ("BSE") within 4 trading days from the closure of the Issue and BSE shall be the designated stock exchange for the issue.

5.17. Other details:

(a) Debenture Redemption Reserve Creation:

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014 and Rule 18(7) of the Companies Act, 2013, non-banking financial companies are exempt from this requirement in respect of privately

placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

(b) Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI Debt Regulations, the LODR Regulations and the applicable RBI guidelines.

(c) Application process:

The application process for the Issue is as provided in SECTION 8 of this Information Memorandum.

(d) DISCLOSURE IN TERMS OF SEBI CIRCULAR NO. SEBI/HO/**MIRSD**/CRADT/CIR/P/2020/218 DATED NOVEMBER 03, 2020

"Debt securities shall be considered as secured only if the charged asset is registered with Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee."

(e) Terms and conditions of Debenture trustee agreement including fees charged by Debenture Trustee:

The Issuer has executed the Debenture Trustee Agreement (DTA) with the debenture trustee on July 15, 2021. Service charges of Debenture Trustee are mentioned in the consent letter dated July 12, 2021 (bearing reference number CL/MUM/21-22/DEB/251) annexed hereto as Annexure II.

(f) Due diligence certificate:

The due diligence certificate issued by the Debenture Trustee as per the format specified in Annexure A of the SEBI circular on creation of security in issuance of listed debt securities and due diligence by debenture trustee(s) dated July 15, 2021 is attached herewith as Annexure VIII.

(g) Process of Due Diligence carried out by the Debenture Trustee:

Due Diligence (DD) will be carried out as per DT regulations and circulars issued by SEBI from time to time, which broadly includes following:

- Chartered Accountant (CA)appointed by Debenture Trustee will be doing independent Due Diligence as per scope provided, regarding Security given

for the issue by the company;

- CA will verify and ensure that the asset provided by the issuer for creation of security are free from any encumbrances;
- CA will be doing independent Due Diligence as per information provided by the Issuer company;
- Periodical Due Diligence will be carried out as per SEBI circulars from time to time as per nature of security provided;
- Necessary Due Diligence certificate will be issued and will be available on Stock Exchanges from time to time for information of Debenture Holders;
- As mentioned in the IM even though debt securities are secured to the extent of 110% of the principal outstanding or as per the terms of offer document/ information Memorandum, in favor of Debenture Trustee, however, the recovery of the amount shall depend on the market scenario prevalent at the time of enforcement of the security; and
- Due Diligence will be carried out for maintenance of security cover depending on information provided by the issuer company and CA appointed by Debenture Trustee or Debenture Trustee himself will not be responsible for misinformation provided by issuer company.

5.18. A statement containing particulars of the dates of, and parties to all material contracts, agreements:

Sr. No.	Nature of Contract
1.	Certified true copy of the Memorandum of Association& Articles of Association of the Issuer
2.	Board Resolution dated August 20, 2020 approving the issuance of non-convertible debentures of various types (listed or unlisted, secured or unsecured) in one or more tranches or series up to the amount specified Therein
3.	Borrowing Committee Resolution dated July 14, 2021 authorizing the offer of Debentures under terms of this Disclosure Document.
4.	Shareholder Resolution dated February 13, 2020 approving borrowing limit of the Company under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013.
5.	Copies of Annual Reports of the Company for the last three financial Years
6.	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee
7.	Consent Letter from Register to the Issue
8.	Certified true copy of the certificate of incorporation of the Company
9.	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL
10.	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the CDSL

11.	Credit Rating letter issued by Infomerics Valuation And Rating Pvt Ltd
12.	Certified True copy of Debenture Trust Agreement, Debenture Trust Deed, Deed of Hypothecation and Deed of Guarantee

5.19. Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 70,00,00,000/- (Rupees Seventy Crores Only) by issue of Rated, Unsubordinated, Secured Transferable, Redeemable, Non-convertible debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.20 of this Information Memorandum.

5.20. Issue Size

The aggregate issue size for the Debentures is Rs. 70,00,00,000/- (Rupees Seventy Crores Only).

5.21. Utilization of the Issue Proceeds

With a view to raising debt for the ongoing business purposes of the Company (including expansion of the Company's To augment the long-term resources of the Company, & to meet working capital requirement loan portfolio).

The proceeds of this Issue shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/other regulatory guidelines

5.22. Issue Details

Security Name	LFL 11% NCDs, January, 2023
Issuer	Lendingkart Finance Limited
Type of Instrument	Non-Convertible Debentures
Seniority	Senior
Mode of issue	Private placement. Dematerialised.
Eligible Investors	a) Banks and Financial Institutions b) FIIs c) Mutual Funds d) Insurance Companies e) Provident and Pension and Gratuity Funds f) Companies and Bodies Corporate including Public Sector Undertakings g) Individuals and Hindu Undivided Families h) Partnership Firms i) Any other investor authorized to invest in these debentures Applications can only be made by the applicants / Institutions to whom this offer is addressed.

Listing	Proposed to be listed on the Wholesale Debt Market Segment (WDM) of Bombay Stock Exchange (BSE). The NCDs are proposed to be listed on the BSE within 4 trading days from the closure of the Issue. In case of a delay by the Issuer in listing the Debentures beyond 4 trading days from the closure of the issue the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 1% p.a. over the Coupon Rate from the expiry of 4 trading days from the closure of the issue until the listing of the Debentures.
Delisting	If the debentures get delisted during the tenor of the NCD, issuer will bear all expenses for listing it again within 30 days from date of delisting. During the period of such delisting, company to pay additional interest @ 2% p.a. over the Coupon Rate per annum for the period commencing from the date of such delisting, till the period it is again listed in the stock exchange.
Rating of the Instrument	IVR A-
Issue Size	Rs. 70 crores (Rupees Seventy Crores Only)
Option to retain oversubscription	N.A.
Objects of the Issue	With a view to raising debt for the ongoing business purposes of the Company (including expansion of the Company's To augment the long-term resources of the Company, & to meet working capital requirement loan portfolio).
Details of the utilization of the proceeds	The Subscription Consideration shall be utilised for providing loans to SME Customers.
Coupon Rate	11 % (Eleven per cent) per annum gross of applicable tax payable
Step-up/down of coupon rate	In the event the Credit Rating of the Debenture issued by the Issuer is downgraded from the current rating of A-, the Coupon Rate shall be increased by 0.5% for every notch of rating downgrade, applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the Debentures.
Coupon Payment Frequency	Quarterly
Coupon Payment Dates	Oct 16, 2021 Jan 16, 2022 April 16, 2022 July 16, 2022 Oct 16, 2022 Jan 16, 2023
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None
Day Count Basis	Actual/Actual
Interest on application money	Where the debt securities are not allotted and/or application moneys are not refunded within thirty days of the closure of the issue, the Company will pay interest at the rate of Eleven per cent per annum.
Default interest rate	In the event the Company fails to pay any amount payable by it on its due date ("Unpaid Sum"), interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment at a rate per annum which is the sum of 5% p.a. and the Interest rate.
Tenor	18 months from the Deemed Date of Allotment.
Redemption Date	Oct 16, 2021 Jan 16, 2022 April 16, 2022

	July 16, 2022 Oct 16, 2022 Jan 16, 2023

<table>
<tr><td>Redemption Amount</td><td>
<table>
<tr><th>Redemption Instalments</th><th>Redemption Date</th><th>Interest per Debenture (in INR)</th><th>Amount to be redeemed per Debenture (in INR)</th></tr>
<tr><td>1</td><td>16-Oct-2021</td><td>27726.03</td><td>142857.14</td></tr>
<tr><td>2</td><td>16-Jan-2022</td><td>23765.17</td><td>142857.14</td></tr>
<tr><td>3</td><td>16-Apr-2022</td><td>19373.78</td><td>142857.14</td></tr>
<tr><td>4</td><td>16-Jul-2022</td><td>15671.23</td><td>142857.14</td></tr>
<tr><td>5</td><td>16-Oct-2022</td><td>11882.58</td><td>142857.14</td></tr>
<tr><td>6</td><td>16-Jan-2023</td><td>7921.72</td><td>285714.29</td></tr>
</table>
</td></tr>
<tr><td>Redemption Premium / Discount</td><td>Nil</td></tr>
<tr><td>Issue price</td><td>Face value of INR 10,00,000 (Rupees Ten Lakh) each per Debenture</td></tr>
<tr><td>Discount at which security Is issued and the effective yield as a result of such discount</td><td>N.A.</td></tr>
<tr><td>Put option</td><td>None</td></tr>
<tr><td>Call option</td><td>None</td></tr>
<tr><td>Put Option Date</td><td>None</td></tr>
<tr><td>Call Option Date</td><td>None</td></tr>
<tr><td>Put Notification Time</td><td>N.A.</td></tr>
<tr><td>Call Notification Time</td><td>N.A.</td></tr>
<tr><td>Prepayment</td><td>N.A.</td></tr>
<tr><td>Face Value</td><td>INR 10,00,000 per Debenture</td></tr>
<tr><td>Minimum Application in multiples of – Debt securities thereafter</td><td>The minimum application amount shall be INR 1 Crore.</td></tr>
<tr><td>Issue Timing</td><td>Issue Opening Date: 16-July-2021
Issue Closing Date: 16-July-2021
Pay-in Date: 16-July-2021
Deemed Date of Allotment: 16-July-2021</td></tr>
<tr><td>Issuance Mode of the instrument</td><td>In Demat mode only</td></tr>
<tr><td>Trading Mode of the instrument</td><td>In Demat mode only</td></tr>
<tr><td>Settlement Mode of the instrument</td><td>Payment of interest and repayment of principal shall be made by way of cheque(s)/ credit through RTGS/ Electronic Fund Transfer or any other electronic mode offered by the Banks</td></tr>
<tr><td>Depositories</td><td>NSDL / CDSL</td></tr>
<tr><td>Business Day Convention</td><td>Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Chennai;</td></tr>
<tr><td>Record Date</td><td>The Record Date shall be 15 calendar days prior to each coupon payment date / redemption date.</td></tr>
<tr><td>All covenants of the issue (including side letters,</td><td>Affirmative Covenants</td></tr>
</table>

accelerated payment clause, etc.)	(a) Notice of winding up or other legal process Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company; (b) Loss or damage by uncovered risks Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties; (c) Costs and expenses Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs; (d) Payment of Rents, etc. Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under this Deed; (e) Preserve corporate status; authorisations Company shall (i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial

	body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and (ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel; (iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures; (f) Pay stamp duty Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand; (g) Furnish information to trustee Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation; (h) Grievance Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

	(i) Specific Information to be provided to the Debenture Trustee Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following: (i) notice of any Event of Default or potential Event of Default, each as listed in Part B- Schedule XIII (Events of Default) of the Debenture Trust Deed; (ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed); (iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed); (iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and (v) the declaration or distribution of dividend; (j) Comply with Investor Education and Protection Fund requirements Company shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it; (k) Further assurances Company shall (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee; (ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;

	(iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed; (iv) comply with: (A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) the Debt Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures; (B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures; (C) the provisions of the Act in relation to the issue of the Debentures; (D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and (E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders. (l) Security The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;

	(ii)	that all the Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. PROVIDED THAT the charge on the monies lying in the Designated Proceeds Account shall be a floating charge with the intent that the Company may use the proceeds lying therein or to the credit thereof for the origination of Loans and the charging of the Receivables thereof in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents and the floating charge shall convert to a fixed charge in accordance with the terms of the Hypothecation Agreement. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;
	(iii)	shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Monthly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full and perfect the first ranking and exclusive charge of the Debenture Trustee over such modified Hypothecated Assets by filing Form CHG-9 with the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable and no later than 30 (thirty) days therefrom;
	(iv)	shall, on the First Security Cover Determination Date and every Reporting Date, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports (including Monitoring Reports as prescribed in the

	Hypothecation Agreement), returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets; (v) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement; (vi) the Hypothecated Assets shall satisfy the eligibility criteria set out in Part B- Schedule X (Eligibility Criteria) of the Debenture Trust Deed; (vii) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and (viii) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures under this Deed; (m) Filings If the Debentures are listed, the Company shall file with the BSE for dissemination, within 45 days from the end of half years September and March, a half-yearly communication, counter signed by the Debenture Trustee, containing inter-alia the following information: (i) credit rating; (ii) asset cover available accompanied with a half yearly certificate regarding maintenance of minimum Security Cover Ratio specified in the Hypothecation Agreement in respect of the Debentures, by either a practicing company secretary or a practicing chartered accountant, within one month from the end of the half year; (iii) debt to Equity ratio accompanied with a certificate of a practicing chartered accountant confirming such debt to Equity ratio; (iv) previous Due Date for the payment of interest/principal and whether the same

	has been paid or not; and (v) next Due Date for the payment of interest/principal. (vi) submit such other disclosure to the Debenture Trustee as may be required under the SEBI (Issue and Listing of Debt Securities) Regulations 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws, each as amended from time-to-time. (n) Amounts to be reimbursed to the Debenture Trustee Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets; (o) Where Debenture Holder is a Foreign Investor Company shall in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "Relevant Payment Date"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail; (p) Delay in Security Creation Company shall in the event of any delay in the creation of first ranking and exclusive charge over the Hypothecated Assets within the timelines stipulated in the Hypothecation Agreement or in the event the Security Cover Ratio is not met on or prior to the First Security Cover Determination Date, the Company will, at the option of the Debenture Holders, either: (i) refund the Application Money as set out in Clause 2.5 of this Deed, to the Debenture Holders; or (ii) pay to the Debenture Holders additional interest at Default Interest Rate on the Outstanding Principal Amounts from the Deemed Date of Allotment till the creation of first ranking and exclusive charge over the Hypothecated Assets pursuant to the terms

	of the Hypothecation Agreement such that the Security Cover Ratio is met. (iii) the charge created by Issuer shall be registered with Sub-registrar, Registrar of CompanieCERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer. (q) Compliance (i) The Company shall (and it shall ensure that all of the Group Entities will) conduct their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same. (ii) The Company shall promptly inform the Debenture Trustee any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. The Company shall promptly inform the Debenture Trustee, on (i) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity, and (ii) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. (iii) The Company shall (and it shall ensure that the Group Entities will) abide by the Workers' Rights Requirements. (r) Books of Account Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating

	to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint. (s) Material Adverse Effect Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof; (t) Insurance Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with; (u) Corporate Governance (i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions; (ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 2 (two) independent director; and (iii) the Company shall at all times comply with the NBFC Master Directions. (v) General (i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents; (ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;

	(iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders; (iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time; and (v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law. (w) Access Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to: (i) check the management of the funds made available through subscription to the Debentures; (ii) inspect and take copies and extracts from the books, accounts and records of the Company; (iii) visit and inspect the premises of the Company; and (iv) meet and discuss matters with senior management employees of the Company. **Negative Covenants** (a) Change of business; Role of Promoter (i) Change the general nature of its business from that which is permitted by the RBI. Provided the Company may subject to receipt of all regulatory approvals/ licenses engage in the sale/ distribution of insurance products. (ii) Change or make any alteration to its Constitutional Documents. The above restriction shall not apply in case the changes are made in the Constitutional Documents pursuant to the funding requirement or which do not have any material adverse effect on the interest of the Debenture Holder(s). (iii) The Company will ensure that prior to the Final Redemption Date, there will be no sale, disposal or transfer in any matter whatsoever

	of the equity shares held by the Promoter in the Company whereby the equity stake of the Promoter in the share capital of the Company falls below 100%, nor will the Promoter encumber (in any manner whatsoever) the equity shares held by the Promoter in the Company. (iv) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of this Deed. (b) Dividend Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless: (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets); (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action; (iii) the Company is in compliance with the financial covenants set forth in Part B-Schedule XI (Financial Covenants) of the Debenture Trust Deed; and (iv) the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures. (c) Merger, consolidation, etc. Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. (d) Associates, Subsidiaries, and Joint Ventures Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures. (e) Acquisition Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated

	with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10.00% (ten percent) of the Equity. (f) Joint Venture Without the prior written consent of the Majority Debenture Holders: (i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or (ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture). (g) Loans and Guarantees (h) Arm's length basis; No profit sharing arrangements The Company shall not, without the prior written consent of the Majority Debenture Holders: (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis; (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person. (i) Immunity Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders. (j) Change in auditor. (k) Liabilities Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures. (l) Change of control

	Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents. No prior written consent of the Debenture Trustee is required if the issue of any additional shares or equity interests, transfer, sale, pledge or encumbrance of its existing shares or equity interests does not result in change in Control of the Company. (m) Disposal of Assets Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business. (n) Management Control Any change in Management Control of the Company. (o) Material compromise or Settlement Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders. (p) Anti-money laundering Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering. (q) Related Party Transactions (r) Financial Year Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee. (s) Exclusion List

	Perform or involve in any of the excluded activities as listed in the Exclusion List or finance any Person or Obligor performing any of the excluded activities as listed in the Exclusion List. (t) Objectionable Practices Engage in any Objectionable Practice, nor authorise or permit any other Person acting on its behalf or on behalf of such Person to do so. (u) Sanctions Neither the Company nor any other person benefiting in any capacity, either directly or indirectly, in connection with or from the Debenture Trust Deed and/or any instruments and/or payments thereunder is included in any OFAC List or otherwise the subject or target of any Sanctions. The Company shall not, and shall require that none of its borrowers engage in any transaction, activity or conduct that would violate any Sanctions. The Company shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Company shall require that none of its borrowers to whom any debt was made available by the Borrower utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions. (v) Exclusion List The Company shall not (i) perform or involve in any of the excluded activities as listed in the Exclusion List or (ii) finance any Person or Obligor performing any of the excluded activities as listed in Exclusion List. (w) Others Without prejudice to Clause (a) (Change of business; Role of Promoter) of this Part B-Schedule IX (Negative Covenants) of the Debenture Trust Deed, permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company. The Company shall ensure and cause to ensure that Mr. Harshvardhan Lunia do not cease to hold executive/ management roles in the Company. The Company shall cause the Promoter to ensure that: a) the aggregate shareholding of Mr. Harshvardhan Lunia, Mr Raichand Lunia in the Promoter does not fall below 9%, and b) the existing shares held by the said persons in the Promoter are not encumbered.
Description regarding Security (where applicable)	The Debentures shall be secured by way of a first

including type of security (movable/ immovable/ tangible etc.), type of charge (pledge / hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum	ranking, exclusive and continuing charge on identified receivables ("**Hypothecated Property**") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Property shall at all times be equal to 1.1 times of the outstanding principal amount of the Debentures. The issuer undertakes: ▪ to maintain the value of security at all times equal to 1.10 (One Decimal Point One Zero) time or 110% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10 (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("**Security Cover**"); ▪ to create the security over the Hypothecated Assets as contemplated above before making the application for listing of debt securities by executing a duly stamped deed of hypothecation ("**Deed of Hypothecation**") and filing CHG-9 within the time period applicable; The Company shall also provide such information sought by the Debenture Trustee for the purpose of filing the prescribed forms and particulars with the Central Registry and Information Utility in connection with the Debentures and the Security Interest over the Hypothecated Property; ▪ to pay a penal interest of 5.0% (Five Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets; ▪ to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting byway of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("**Monthly Hypothecated Asset Report**"); ▪ to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.10 (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least (One decimal point one zero) time or

	110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables; ▪ to replace/top up any Hypothecated Property that become NPA with current receivables in terms of the hypothecation agreement within 30 days of the receivables becoming due. Eligibility criteria for the Hypothecated Receivables (comprising loans with customer exposure not exceeding INR 20 lakhs): ▪ the receivables are existing at the time of selection and have not been terminated or pre-paid. ▪ the receivables have not been restructured and rescheduled and are not overdue. ▪ all "Know Your Customer" norms have been complied with as prescribed by the RBI. **Corporate Guarantee:** Irrevocable and unconditional Corporate Guarantee from Lendingkart Technologies Private Limited
Transaction Documents	This Deed, the Disclosure Documents, the Hypothecation Agreement, the Hypothecation Confirmation Letter, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures.
Creation of Recovery Expense Fund	The Company shall deposit INR 70,000/- (Rupees Seventy Thousand) towards the Recovery Expense Fund with BSE as per the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other Applicable Law, as amended from time to time.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	If one or more of the Event of Default occur(s), the Debenture Trustee may, in its discretion, that is, without requiring any consent or confirmation of the Company, and upon request in writing of Special Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in DTD (*Provisions for the meetings of the Debenture Holders*) hereto by a notice in writing to the Company initiate the following course of action: (a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with

	accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents; (b) declare all or any part of the Debentures to be immediately (or on such dates as the DebentureTrustee may specify) due and payable, whereupon it shall become so due and payable; (c) enforce any security created pursuant to the Hypothecation Agreement in accordance with its terms, as may be set out herein or therein, towards repayment of the Debentures; (d) appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses; (e) take all such other action expressly permitted under this Deed or in the other Transaction Documents or permitted under the Law; and (f) exercise such other rights as the Debenture Trustee may deem fit under applicable Law to protect the interest of the Debenture Holders. (g) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company, (h) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), or any other Applicable Law; (i) Debenture Trustee shall take necessary action of either enforcing the Security or entering into the Inter Creditor Agreement as stated in Clause 10 of this Deed or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the

	Debenture Holder(s) with Special Majority, including the decision of formation of a committee of the Debenture Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions [which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s),from time to time. The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws. (j) The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" issued by SEBI, as amended from time to time for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred
Provision related to cross default clause	The Company defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which Financial Indebtedness was created.
Role and Responsibilities of	The Trustees shall perform its duties and

Trustees	obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.
Disclosure in terms of SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020	"Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee."; ***Terms and conditions of Debenture trustee agreement including fees charged by Debenture Trustee*** The Issuer has executed the Debenture Trustee Agreement (DTA) with the debenture trustee on 15 July 2021 Service charges of Debenture Trustee are mentioned in the consent letter dated 12 July 2021 ***Due diligence certificate*** Due diligence certificate as per the format specified in Annexure A of the SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 has been appended to the IM and will be submitted to BSE Limited along with the draft IM ***Process of Due Diligence carried out by the Debenture Trustee*** Due Diligence (**DD**) will be carried out as per DT regulations and circulars issued by SEBI from time to time, which broadly includes following: • Chartered Accountant (**CA**)appointed by DT will be doing independent DD as per scope provided, regarding Security given for the issue by the company.

	• CA will verify and ensure that the asset provided by the issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders. • CA will be doing independent DD as per information provided by the Issuer company. • Periodical DD will be carried out as per SEBI circulars from time to time as per nature of security provided. • Necessary DD certificate will be issued and will be available on Stock Exchanges from time to time for information of DHs. • *As mentioned in this IM even though debt securities are secured to the extent of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favor of Debenture Trustee, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.* • DD will be carried out for maintenance of security cover depending on information provided by the issuer company and CA appointed by DT or DT himself will not be responsible for misinformation provided by issuer company.
Risk Factors	As more particularly mentioned in Section 3 of Information Memorandum.
Governing Law and Jurisdiction	The Definitive Agreement to be executed between the Parties and this Term Sheet shall in all respects be governed and interpreted by, and construed in accordance with the laws of India, without giving effect to the principles of conflict of laws thereunder, and shall be subject to the exclusive jurisdiction of the courts at Chennai.

5.23. Undertaking for Security

The Company hereby undertakes that the assets provided/to be provided as security to create charge on the non-convertible debentures are free from any encumbrances and that there is/would be no charge on such assets and/or no consent is required to create charge on such assets to secure the Debentures.

A. Illustration of Cash Flow

As per SEBI Circular CIR/IMD.DF/18/2013 dated 29 October 2013 read with SEBI vide Circular No. CIR/IMD/DF-1/122/2016; dated 11 November, 2016, Cash flows emanating from the Debentures are mentioned below by way of an illustration:

Company	LENDINGKART FINANCE LIMITED
Face Value (per Debenture)	Rs.10,00,000 each
Issue Date/Deemed Date of Allotment	The date on which the board of directors of the Issuer passes the resolution to allot the Debentures
Maturity Date	18 months from Deemed Date of Allotment
Coupon Rate	11 % (Eleven per cent) per annum gross of applicable tax
Frequency of the Interest Payment with specified dates	Quarterly 16-Oct-2021 16-Jan-2022 16-Apr-2022 16-Jul-2022 16-Oct-2022 16-Jan-2023
Day Count Convention	Actual/Actual

Sr. No	Cash Flow	Date	No of days in coupon period	Interest Amount (in Rs)	Principal Repayment (in Rs)	Total Cash Flow (in Rs)
0	Cash Inflow	16-Jul-2021	-			
1	Cash Outflow	16-Oct-2021	92	1,94,08,219	10,00,00,000	11,94,08,219
2	Cash Outflow	16-Jan-2022	92	1,66,35,616	10,00,00,000	11,66,35,616
3	Cash Outflow	16-Apr-2022	90	1,35,61,644	10,00,00,000	11,35,61,644
4	Cash Outflow	16-Jul-2022	91	1,09,69,863	10,00,00,000	11,09,69,863
5	Cash Outflow	16-Oct-2022	92	83,17,808	10,00,00,000	10,83,17,808
6	Cash Outflow	16-Jan-2023	92	55,45,205	20,00,00,000	20,55,45,205

Wherever the coupon payment date is falling on a Sunday, the coupon is paid on the following working day and coupon payment period has been calculated for 366/367 days accordingly (after increasing 1 day),
The interest payment has been rounded to nearest rupee as per FIMMDA 'Handbook on market practices', Whenever maturity date of principal falls on a holiday, such principal/redemption amount and accrued interest are calculate as payable on the immediately previous working day and accordingly calculation has been adjusted.

Note
The Issuer requested to note that the above cash flow is only illustrative in nature„ The deemed date of allotment, Coupon rate, redemption date and frequency of the interest payment shall vary in nature and aforesaid dates may be modified upon receipt of consent/ permission from existing lender,
In case of early redemption of any principle repayment as per the provisions of early redemption option in Debenture Trust Deed, the above cash flow may be changed accordingly.

A. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

B. Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

C. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. The interest payment should be rounded to nearest rupee. If the maturity date falls on a holiday, redemption and accrued interest are payable on the immediately previous business day. The Coupon payment /Redemption date convention will be as per SEBI Circular - CIR/IMD/DF-1/122/2016 dated November 11, 2016.

D. Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Debenture Trust Deed/ Disclosure Document, in favour of the debenture trustee and also execute debenture trust deed (DTD) with the Debenture trustee. The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate as per format specified in SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 from debenture trustee confirming creation of charge and execution of the Debenture Trust Deed. The charge created by Issuer shall be registered with Sub-registrar, Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer.

SECTION 6: TRANSACTION DOCUMENTS AND KEY TERMS

6.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

(a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust deed" or "DTD**")

(c) Deed of Hypothecation ("**DoH**"); and

(d) Deed of Guarantee by Lendingkart Technologies Private Limited, holding company of the Company in favor of the Debenture Trustee. The draft Deed of Guarantee is annexed as Annexure-IX;

(e) Such other documents as agreed between the Issuer and the Debenture Trustee.

6.2 Representations and Warranties of the Issuer

The representations and warranties of the Issuer shall be as provided for in Clause 3 of the Debenture Trust Deed.

6.3 Covenants of the Issuer

The representations and warranties of the Issuer shall be as provided for in Clause 3 of the Debenture Trust Deed.

6.4 Events of Default

The representations and warranties of the Issuer shall be as provided for in Clause 4 of the Debenture Trust Deed.

6.5 Notice on the Occurrence of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such event or Event of Default (as applicable).

6.6 Consequences of Events of Default

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.

SECTION 7: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

(A) **Name of the Bank declaring the entity as a Wilful Defaulter:** N.A

(B) **The year in which the entity is declared as a Wilful Defaulter**: N.A

(C) **Outstanding amount when the entity is declared as a Wilful Defaulter**: N.A

(D) **Name of the entity declared as a Wilful Defaulter**: N.A

(E) **Steps taken, if any, for the removal from the list of wilful defaulters**: N.A

(F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions**: N.A

(G) **Any other disclosure as specified by the Board**: N.A

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Registrar to the Issue as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures to be issued in Dematerialised Form.

The Debentures will be issued in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the Registrar to the Issue. The names would be as per the Registrar to the Issue's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the Registrar to the Issue to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/

CDSL/Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Debentures shall be allotted in DEMAT form only.

8.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter/have entered into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the DTD, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the DTD shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.5 Modification of Debentures

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated in accordance with the Applicable Law.

The provisions of the DTD shall not be modified or amended without the written consent of the Debenture Trustee provided that the Debenture Trustee shall consent to a modification or an amendment only if such modification or amendment is in accordance with the Applicable Law.

8.6 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.7 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, electronic mail, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, electronic mail, recognized overnight courier service, hand delivery or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a)in the case of registered mail, 3 (three) calendar days after posting; (b)in the case of electronic mail, at the time of sending; (c) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (d) in the case of facsimile at the time when dispatched with a report confirming proper transmission; or (e) in the case of personal delivery, at the time of delivery.

8.8 Issue Procedure

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

8.9 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription

during the banking hours on each day during the period covered by the Issue Schedule.

8.10 Fictitious Applications

All fictitious applications will be rejected. Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the debentures, or otherwise induced a body corporate to allot, register any transfer of Debentures therein to them or any other person in a fictitious name, shall be punishable under the extant laws

8.11 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.12 Payment Instructions

The Application Form should be submitted directly. The entire amount of 10,00,000/- (Ten Lakh Only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Beneficiary Name :	Lendingkart Finance Limited
Bank Account No. :	10051505189
SWIFT Code :	IDFBINBBMUM
IFSC Code :	IDFB0040301
Bank Name :	IDFC First Bank Limited
Address:	C.G. Road, Ahmedabad Branch TP 20, FP No 80 to 91, Sun Square, Chimanlal Girdharlal Road, Besides Hotel Regenta, Ahmedabad, Gujarat 380006.

8.13 Eligible Investors

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

(a) Banks and Financial Institutions
(b) FIIs
(c) Mutual Funds
(d) Insurance Companies

(e) Provident and Pension and Gratuity Funds
(f) Companies and Bodies Corporate including Public Sector Undertakings
(g) Individuals and Hindu Undivided Families
(h) Partnership Firms
(i) Any other investor authorized to invest in these debentures

Applications can only be made by the applicants / Institutions to whom this offer is addressed.
All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.14 Procedure for Applying for Dematerialised Facility

(a) Investor(s) should have / open a beneficiary account with any Depository Participant of NSDL or CDSL.

(b) For allotment of Debentures in dematerialized form, the beneficiary account number and depository participants ID shall be specified in the relevant columns of the Application Form.

(c) If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the Depository system, the Allotment of Debentures shall be held in abeyance till such time satisfactory demat account details are provided by the investor.

(d) The Debentures allotted to investor in dematerialized form would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the confirmation of the CREDIT of the Debentures to the investor's Depository Account will be provided to the investor by the investor's DP.

(e) Interest or other benefits with respect to the Debentures held in dematerialized form would be paid to those Debentureholders whose names appear on the list of beneficial owners given by the depositories to The issuer as on the Record Date and their names are registered as Debentureholders on the registers maintained by Company/Registrar. In case, the beneficial owner is not identified by the Depository on the Record Date due to any reason whatsoever, The issuer shall keep in abeyance the payment of interest or other benefits, till such time the

beneficial owner is identified by the Depository and intimated to The issuer. On receiving such intimation, The issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.

(f) Investors may please note that the Debentures in dematerialised form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL

8.15 Depository Arrangements

The Issuer shall make necessary arrangement with NSDL and CDSL for issue and holding of Debentures in dematerialised form.

8.16 Minimum Bid

The minimum application amount shall be INR 1 Crore.

8.17 Market Lot

The market lot for trading of Debentures will be one Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

8.18 Trading of Debentures

The marketable lot for the purpose of trading of Debentures shall be 1 (one) Debenture of face value of ₹ 10 lakh each. Trading of Debentures would be permitted in demat mode only in standard denomination of ₹ 10 lakh and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Debentures which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

8.19 Mode of transfer of Debentures

Debentures shall be transferred subject to and in accordance with the rules or procedures as prescribed by the NSDL, CDSL or Depository Participant of the transferor and transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The provisions of the Depositories Act and the Companies Act, Memorandum of Association and Articles of Association shall apply for transfer and transmission of Debentures.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid or redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

Transfer of Debentures to and from NRIs or FPIs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

8.20 Interest on the Debentures

The Debentures shall carry interest at the coupon rates as per term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by The issuer) on the outstanding principal amount of Debentures till final redemption. The credit will be made in the bank account linked to the depository account only.

If any interest payment date falls on a day which is not a Business Day, then payment of interest will be made on the previous working day that is a Business Day without interest for such additional days. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Chennai.

8.21 Computation of Interest

The Debentures will carry interest rates as per the term sheet from the Deemed Date of Allotment. The interest will be paid from the Deemed Date of Allotment (subject to deduction of tax at source at the rates prevailing from time to time under the IT Act, or any other statutory modification or re-enactment thereof) as per term sheet. The Interest shall be computed on "Actual / Actual" day count basis.

8.22 Record Date

Record date of interest shall be 15 calendar days prior to each interest payment date and 15 calendar days prior to the date of Maturity. Interest shall be paid to the person whose name appears as sole/first in the Register of Debenture holders/beneficiaries position of the Depositories on Record Date or to the Debenture holders who have converted the Debentures to physical form and their name is registered on the registers maintained by Company/Registrar. In the event of The issuer not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the maturity date, the transferees for the Debenture shall not have any claim against The issuer in respect of interest so paid to the registered Debenture holder

8.23 Redemption

The face value of the Debentures shall be redeemed at par, on the Redemption Date. The Debentures will not carry any obligation, for interest or otherwise, after the Redemption Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered Debenture holders whose name appear in the Register of Debenture holders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Debenture holders.

In case if the redemption date falls on a day which is not a Business Day, then the payment due shall be made on the previous Business Day but without liability for making payment of interest after actual date of redemption. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Chennai.

8.24 Settlement/ Payment on Redemption

Payment on redemption will be made by way of cheque(s)/ redemption warrants(s)/ demand draft(s)/ CREDIT through RTGS system in the name of the Debenture holders whose name appear on the list of Beneficial Owners given by Depository to The issuer whose names are registered on the register maintained by the Registrar as on the Record Date. The credit will be made in the bank account linked to the depository account only.

The Debentures shall be taken as discharged on payment of the redemption amount by the issuer on maturity to the list of Debenture holders as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of the issuer towards the Debenture holders. On such payment being made, the issuer shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Debenture holders with NSDL/ CDSL/ Depository Participant shall be adjusted.

The issuer's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further The issuer will not be liable to pay any interest or compensation from the date of redemption. On crediting the amount to the Beneficiary(s) as specified above in respect of the Debentures, the liability of The issuer shall stand extinguished.

8.25 Default interest

In pursuance of SEBI Debt Regulations, in case of default in payment of interest and/or principal redemption on the due dates, additional interest at 5% (Five percent) per annum over and above the applicable coupon rate will be payable by the Company from the date of occurrence of the default until the default is cured or debentures are redeemed pursuant to such default, as applicable.

8.26 Effect of Holidays

'Business Day' shall be a day on which commercial banks are open for business in the city of Chennai and when the money market is functioning in Chennai. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.

If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.

If the redemption date of the Debentures falls on a day that is not a Business Day, the redemption amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new redemption date, along with interest accrued on the debentures until but excluding the date of such payment.

8.27 List of Beneficiaries

The Issuer shall request the Depositories to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.28 Timelines in which the allotment shall be completed

Allotment of securities shall be completed within the timelines prescribed as per applicable law. However, the Deemed Date of Allotment shall be the same as the Pay-In Date.

8.29 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of

association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.30 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

(a) SEBI registration certificate
(b) Resolution authorizing investment and containing operating instructions
(c) Specimen signature of authorized signatories

8.31 Documents to be provided by potential Investors

Potential Investors need to submit the following documents, as applicable

(a) Memorandum and Articles of Association or other constitutional documents
(b) Resolution authorising investment
(c) Power of Attorney to custodian
(d) Specimen signatures of the authorised signatories
(e) SEBI registration certificate (for Mutual Funds)
(f) Copy of PAN card
(g) Application Form (including EFT/ RTGS details)

8.32 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

8.33 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator of the concerned Debenture Holder(s), or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

8.34 Mode of Payment

All payments must be made through cheques, demand drafts, EFT/RTGS as set out in the Application Form.

8.35 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the debenture holders at the office of the Registrar &Transfer Agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Interest will be paid to the Debenture Holder subject to deduction of tax deducted at source at the rate prescribed from time to time under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holders, the Company must give written notice to the Debenture Holders (with a copy to the Debenture Trustee) as soon as it becomes aware of such change.

8.36 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is July 16, 2021 by which date the Investors would be intimated of allotment.

8.37 Record Date

The Record Date will be 15 calendar Days prior to any Due Date.

8.38 Refunds

Where the entire subscription amount has been refunded due to failure of the Issuer to allot the Debentures, the interest on Application Money at the Interest Rate will be paid along with the refunded amount. Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant. Details of allotment will be sent to every successful Applicant. In case

the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar to the Issue shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.39 Interest on Application Money

Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in the Issuer's account up to one day prior to the date of allotment. Since the Pay-In Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.

8.40 PAN Number

Every applicant should mention its Permanent Account Number (**"PAN"**) allotted under Income Tax Act, 1961, on the Application Form and attach a self attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.41 Who are not eligible to apply for Debentures

The following categories of persons, and entities, shall not be Eligible Investors to participate in the Issue and any bids or applications from such persons and entities are liable to be rejected:

i. Minors without a guardian name;
ii. Person ineligible to contract under applicable statutory or regulatory requirements.

However, out of the aforesaid class of investors eligible to invest, this Information Memorandum is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the

recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from the Issuer).

8.42 Signatures

Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorized official of the Issuer or by a Magistrate/ Notary Public under his/her official seal.

8.43 Right to Accept or Reject Applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any Application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund if applicable, sent. The Application forms that are not complete in all respects are liable to be rejected and will not be paid any interest on the Application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

(i) Number of Debentures applied for is less than the minimum application size;
(ii) Applications exceeding the issue size;
(iii) Debentureholder account details not given;
(iv) Details for issue of Debentures in dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
(v) In case of Applications under power of attorney by limited companies, corporate bodies, trusts, etc., if relevant documents not submitted;

In the event, if any Debenture(s) applied for is/are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

8.44 Terms of Payment

The full-face value of the Debentures applied for is to be paid along with the Application Form as set out above.

8.45 Tax Benefits to the Debenture holders of the Issuer

The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor or legal counsel.

8.46 Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavours to resolve the investors' grievances within 30 (thirty) days of its receipt. All grievances related to the issue quoting the Application number

(including prefix), number of Debentures applied for, amount paid on application and bank and branch / the Issuer collection centre where the Application was submitted, may be addressed to the Investor Relations unit at the corporate office. All Investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any problem related to this Issue.

8.47 Nomination Facility

Nomination facility is available as per provisions under Companies Act 2013

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

SECTION 9: DECLARATION

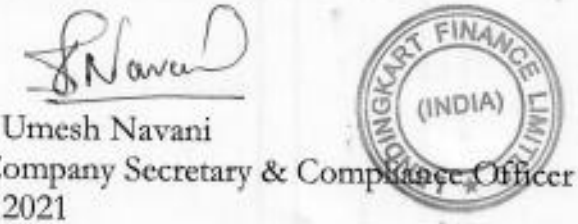
It is hereby declared that this Information Memorandum contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities.

The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Private Placement Offer cum Application Letter.

The Company also confirms that this Information Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Information Memorandum also does not contain any false or misleading statement.

For **Lendingkart Finance Limited**



Name: Umesh Navani
Title: Company Secretary & Compliance Officer
July15, 2021

ANNEXURE I:

TERM SHEET

AS PER CLAUSE 5.22 ISSUE DETAILS

No.	Terms	Particulars
1.	**Debt Amount**	INR 70,00,00,000 (Rupees Seventy Crores only), through the issue of NCDs.
2.	**Instrument**	Rated Unsubordinated Secured Transferable Redeemable Non-convertible debentures
3.	**Tenor**	18 months from the Deemed Date of Allotment.
4.	**Face value per Debenture**	Rs. 10,00,000/-
5.	**Issuer Rating**	IVR A-
6.	**Interest Rate & Payment Frequency**	11 % (Eleven per cent) per annum gross of applicable tax Quarterly repayment.
7.	**Principal Amortization**	14.28% - Quarterly (for first 5 repayments) and 28.57% - Final redemption
8.	**Default Interest Rate**	In the event the Company fails to pay any amount payable by it on its due date ("Unpaid Sum"), interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment at a rate per annum which is the sum of 5% p.a. and the Interest rate.
9.	**Security**	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Property") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Property shall at all times be equal to 1.1 times of the outstanding principal amount of the Debentures. The issuer undertakes: • to maintain the value of security at all times equal to 1.10 (One Decimal Point One Zero) time or 110% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10 (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover"); • to create the security over the Hypothecated Assets as contemplated above before making the

No.	Terms	Particulars
		application for listing of debt securities by executing a duly stamped deed of hypothecation ("**Deed of Hypothecation**") and filing CHG-9 within the time period applicable; The Company shall also provide such information sought by the Debenture Trustee for the purpose of filing the prescribed forms and particulars with the Central Registry and Information Utility in connection with the Debentures and the Security Interest over the Hypothecated Property; • to pay a penal interest of 5.0% (Five Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets; • to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting byway of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report"); • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.10 (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least (One decimal point one zero) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables; • to replace/top up any Hypothecated Property that become NPA with current receivables in terms of the hypothecation agreement within 30 days of the receivables becoming due. Eligibility criteria for the Hypothecated Receivables (comprising loans with customer exposure not exceeding INR 20 lakhs): • the receivables are existing at the time of selection and have not been terminated or pre-paid. • the receivables have not been restructured and rescheduled and are not overdue. • all "Know Your Customer" norms have been complied with as prescribed by the RBI.
10.	**Corporate Guarantee**	Corporate Guarantee by Lendingkart Technologies Private Limited, Holding Company of the Issuer.

ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CL/MUM/21-22/DEB/251

12-Jul-2021

LendingKart Finance Limited
A-303/304, Citi Point, Andheri-Kurla Road,
Andheri (East), Mumbai - 400059

Kind Attn:- **Umesh Navani**

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating to upto INR 70 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, Non-convertible debentures aggregating upto INR 70 Crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance Fee:	INR 1,00,000/- plus applicable taxes (One Time, Non-Refundable payable on appointment as trustee).
Service Charges:	INR 1,50,000/- plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31-Mar-2022

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and reimbursed on actual basis.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory

For LendingKart Finance Limited

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST
(Believe in yourself... Trust us)

12-Jul-2021

CL/MUM/21-22/DEB/251

LendingKart Finance Limited
A-303/304, Citi Point, Andheri-Kurla Road,
Andheri (East), Mumbai - 400059

Kind Attn:-Umesh Navani

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating to upto INR 70 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable non-convertible debentures aggregating upto INR 70 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time

The Company shall enter into Agreement with Trustee as required by Regulation 15 of SEBI (Debenture Trustee) Regulations, 1993 and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory

For LendingKart Finance Limited

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

ANNEXURE III: APPLICATION FORM
LENDINGKART FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: December 26, 1996

Registered Office: A-303/304, Citi Point, Andheri-Kurla Road, Andheri (East) Mumbai – 400 059

Telephone No.: +91-79-6677 0600

Website: www.lendingkart.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.	NORTHERN ARC /2021-22/1

ISSUE OF 700 (SEVEN HUNDRED) RATED UNSUBORDINATED SECURED TRANSFERABLE REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING UP TO RS. 70,00,00,000/- (RUPEES SEVENTY CRORES ONLY) ISSUED ON A FULLY PAID BASIS AND ON A PRIVATE PLACEMENT BASIS (THE "ISSUE")

RS.……/- (RUPEES …….. (RUPEES ……), PAID UP FOR CASH

DEBENTURE SERIES APPLIED FOR:

Number of Debentures……. In words …….
Amount Rs.

DETAILS OF PAYMENT:

RTGS
No. _____
Drawn on_____

Funds transferred to
Dated _____

Total Amount Enclosed
(In Figures)_____
(In words) _____

APPLICANT'S NAME IN FULL (CAPITALS) SPECIMEN SIGNATURE

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		**PHONE**		**FAX**	

APPLICANT'S PAN/GIR NO.
IT CIRCLE/WARD/DISTRICT ____

WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY

We have read and understood the Information Memorandum and the terms and conditions of the issue of Debentures contained therein including the risk factors described in the Information Memorandum and have considered these in making our decision to apply. We bind ourselves to the terms and conditions set out in the Information Memorandum and the terms and conditions of the issue of Debentures contained therein and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL ( ) CDSL ( )**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	
Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	Beneficiary Bank Name: Account No: IFSC Code: Branch:

FOR OFFICE USE ONLY DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee.

Applicant's Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

- ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**									

Received from _____

Address
_____
_____

_____
_____

Cheque/Draft/UTR # _____ Drawn on _____ for

Rs. _____ on account of application of _____ Debenture

ANNEXURE IV:
AUDITED FINANCIAL STATEMENT FOR 31ST MARCH, 2021, 31ST MARCH, 2020, 31ST MARCH, 2019.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Lendingkart Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Lendingkart Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 2.3 to the Ind AS financial statements, which describes the uncertainty caused by the continuing COVID-19 pandemic with respect to the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures

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performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of loans and expected credit loss *(as described in Note 50 of the financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit losses (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: a) unbiased, probability weighted outcome under various scenarios; b) time value of money; c) impact arising from forward looking macro-economic factors and; d) availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as: a) grouping of borrowers based on homogeneity by using appropriate statistical techniques; b) staging of loans and estimation of behavioral life; c) determining macro-economic factors impacting credit quality of receivables; d) estimation of losses for loan products with no/ minimal historical defaults. **Impact of COVID-19** Pursuant to the Reserve Bank of India circular dated August 6, 2020 ("RBI circular") for resolution framework for COVID-19 related stress allowing lending institutions to implement a resolution plan in respect of its eligible exposure without change in ownership, and personal loans, while classifying	• We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India ("RBI") guidelines issued on March 13, 2020. • Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the Probability of default (PD)and Loss given default (LGD) rates. • Read Board approved policy for restructuring of loans under the COVID-19 guidelines issued by the RBI. • Assessed the criteria for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 as per Ind AS 109. • Performed inquiries with the Company's management and its risk management function to assess the impact of COVID-19 on the business activities of the Company. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • We tested the inputs used in the ECL computation, on a sample basis. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109 including the specific disclosures made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

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Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
such exposures as Standard, subject to specified conditions. in accordance with its Board approved policy as described in Note 7. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (COVID-19) pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonable and supportable information. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.	

Other Information

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

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law

S.R. BATLIBOI & CO. LLP
Chartered Accountants

or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

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

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

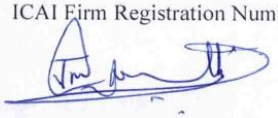
      i. The Company does not have any pending litigations which would impact its financial position;

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

S.R. BATLIBOI & CO. LLP
Chartered Accountants

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADS8341

Place of Signature: Mumbai
Date: May 12, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Re: Lendingkart Finance Limited

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

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

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

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

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.

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

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

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

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

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

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

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

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

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

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

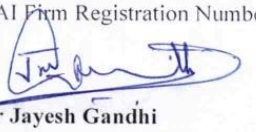
(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

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

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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



per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADS8341

Place of Signature: Mumbai
Date: May 12, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of Lendingkart Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, 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.

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



per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADS8341

Place of Signature: Mumbai
Date: May 12, 2021

Lendingkart Finance Limited
Balance Sheet as at March 31, 2021

(₹ in lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Financial assets			
Cash and cash equivalents	5	28,786.04	5,049.52
Bank balances other than cash and cash equivalents	6	14,096.80	11,296.78
Loans	7	1,93,869.25	2,12,688.51
Other financial assets	8	7,667.62	2,868.74
		2,44,419.71	**2,31,903.55**
Non-financial assets			
Current tax assets (Net)	9	24.55	162.08
Deferred tax asset (Net)	10	3,986.68	1,858.65
Property, plant and equipment	11	160.55	307.92
Intangible assets	12	67.12	119.58
Intangible assets under development		145.41	45.45
Right-of-use assets	11	2,339.07	3,213.65
Other non-financial assets	13	455.27	588.50
		7,178.65	**6,295.83**
Total assets		**2,51,598.36**	**2,38,199.38**
Liabilities and Equity			
Liabilities			
Financial liabilities			
Debt Securities	14	67,550.59	44,407.37
Borrowings (Other than debt securities)	15	93,092.62	1,10,561.24
Subordinated Debt	16	2,529.12	2,528.44
Other financial liabilities	17	11,112.93	7,374.86
		1,74,285.26	**1,64,871.91**
Non Financial liabilities			
Current tax liabilities (net)	18	1,189.18	-
Provisions	19	383.52	378.47
Other non-financial liabilities	20	1,579.03	661.75
		3,151.73	**1,040.22**
Equity			
Equity share capital	21	4,418.79	4,418.79
Other equity	22	69,742.58	67,868.46
		74,161.37	**72,287.25**
Total liabilities and equity		**2,51,598.36**	**2,38,199.38**

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

Per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 12, 2021

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

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

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

Sudeep Bhatia
Chief Financial Officer
Membership No. 098112

Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : May 12, 2021

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
Statement of Profit & Loss for the year ended March 31, 2021

(₹ in lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Interest Income	23	48,086.78	44,267.85
Gain on assignment of loans	24	264.74	1,721.87
Total Revenue from operations		**48,351.52**	**45,989.72**
Other Income	25	693.58	440.56
Total income		**49,045.10**	**46,430.28**
Expenses			
Finance Costs	26	18,247.93	17,716.50
Fees and commission expenses	27	1,237.71	729.80
Impairment of financial instruments	28		
Additional covid provisions (Refer note 28)		6,783.58	1,441.44
Other provisions		10,984.94	10,506.79
Employee Benefit expenses	29	3,638.58	4,943.77
Depreciation and amortisation expenses	30	684.00	629.99
Other Expenses	31	4,652.56	6,267.71
Total Expenses		46,229.30	**42,236.00**
Profit before Tax		**2,815.80**	**4,194.28**
Tax Expense :	32		
- Current tax		3,128.07	1,407.18
- Prior period Tax adjustments		-	3.28
- Deferred tax (income) / expense		(2,144.21)	(185.27)
Total Tax Expenses		983.86	**1,225.19**
Profit after tax		**1,831.94**	**2,969.09**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (losses) on defined benefit plans		64.24	(5.37)
Tax impact on above	32	(16.19)	1.56
Other comprehensive income, net of tax		**48.05**	**(3.81)**
Total Comprehensive Income		1,879.99	**2,965.28**
Earning per equity share: [In absolute ₹]	33		
Basic		4.15	7.09
Diluted		4.15	7.09

Summary of significant accounting policies **3**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

Per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 12, 2021

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

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

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

Sudeep Bhatia
Chief Financial Officer
Membership No. 098112

Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : May 12, 2021

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited

Statement of changes in equity for the year ended March 31, 2021 *(₹ in lakhs unless otherwise stated)*

Equity share capital

Particulars	No of shares	Amount
Balance as at March 31, 2019	3,89,85,920.00	3,898.59
Changes in equity share capital during the year	52,02,011.00	520.20
Balance at March 31, 2020	**4,41,87,931.00**	**4,418.79**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**4,41,87,931.00**	**4,418.79**

Other equity

Particulars	Reserves and Surplus			OCI Reserves	Total other equity
	Securities premium	Retained earnings	Statutory Reserve as per RBI Act		
Balance as at April 01, 2019	46,799.81	(3,041.11)	688.08	3.48	44,450.26
Profit after tax	-	2,965.30	-	-	2,965.30
Other comprehensive income (net of tax)	-	3.81	-	(3.81)	-
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	(593.06)	593.06	-	-
Premium on issue of Equity Shares	20,479.80	-	-	-	20,479.80
Share issue expense	(26.89)	-	-	-	(26.89)
Balance at March 31, 2020	**67,252.72**	**(665.06)**	**1,281.14**	**(0.33)**	**67,868.47**
Profit after tax	-	1,879.99	-	-	1,879.99
Other comprehensive income (net of tax)	-	(48.05)	-	48.05	-
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	(376.00)	376.00	-	-
Premium on issue of Equity Shares	-	-	-	-	-
Share issue expense	(5.88)	-	-	-	(5.88)
Balance at March 31, 2021	**67,246.84**	**790.88**	**1,657.14**	**47.72**	**69,742.58**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

Per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 12, 2021

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

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

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

Sudeep Bhatia
Chief Financial Officer
Membership No. 098112

Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : May 12, 2021

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited

Cash flow statement for the year ended March 31, 2021 *(₹ in lakhs unless otherwise stated)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Operating activities		
Profit before tax	2,815.80	4,194.28
Adjusted for:		
Impact of EIR accounting of financial assets	648.67	668.19
Impact of EIR accounting of financial liabilities	(131.90)	(242.50)
Upfront gain on direct assignment	(264.74)	(1,721.87)
Guarantee fees	(134.30)	1,119.08
Provision for gratuity	(1.98)	76.78
Provision for leave benefit	7.03	(32.89)
Impairment of loans	9,174.38	1,925.10
Impairment of other financial assets	648.27	24.54
Bad debt written offs	7,945.88	10,004.49
Discount on Commercial Paper	2.35	176.97
Depreciation and amortisation	684.01	629.99
Interest on bank deposits	(918.11)	(1,380.87)
Interest on borrowings and debt securities	17,730.24	15,904.34
Interest on financial lease liability	385.79	378.32
Reversal of Lease equalisation reserve	-	(71.30)
Loss/(profit) on sale of property, plant and equipment	3.02	3.11
Actuarial gain / (loss) recognised in other comprehensive income	64.24	(5.37)
Cash from operations before working capital changes	**38,658.65**	**31,650.38**
Changes in working capital:		
- (Increase) / decrease in loans	1,050.34	(1,02,934.76)
- (Increase) / decrease in other financial Assets	(5,182.41)	(994.74)
- (Increase) / decrease in other non financial Assets	267.53	(1,239.20)
- Increase / (decrease) in other financial liabilities	3,738.07	2,570.61
- Increase / (decrease) in other non financial liabilities	917.32	218.98
Cash generated from operating activities	**39,449.50**	**(70,728.75)**
Income tax paid (net)	(1,801.36)	(1,321.61)
Net cash flows from / (used in) operating activities	**37,648.14**	**(72,050.36)**
Investing activities:		
Purchase of property, plant and equipment and intangible assets	287.44	(437.64)
Proceeds from sale of fixed assets	-	0.10
Fixed deposit matured	(2,800.02)	(3,971.16)
Interest received on bank deposit	918.11	1,358.85
Net cash generated from / (used in) investing activities	**(1,594.47)**	**(3,049.85)**
Financing activities:		
Issue of equity share capital (including securities premium)	-	21,000.00
Share issue expenses	(5.88)	(26.89)
Proceeds from inter-corporate loan	-	1,000.00
Repayment of inter-corporate loan	-	(1,000.00)
Proceeds from debt securities	40,750.00	30,897.50
Repayment of debt securities	(19,272.80)	(21,908.18)
Proceeds from other than debt securities	37,510.00	85,598.66
Repayment of other than debt securities	(51,487.61)	(60,929.27)
Change in Cash Credit / Overdraft	3,228.72	1,889.97
Repayment of lease liabilities	(385.79)	(530.73)
Proceeds/(Repayment) from securitisation liability	(1,532.60)	22,660.56
Repayment of finance cost	(21,121.19)	(15,052.63)
Net cash generated from financing activities	**(12,317.15)**	**63,598.99**





Lendingkart Finance Limited
Cash flow statement for the year ended March 31, 2021 *(₹ in lakhs unless otherwise stated)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net increase / (decrease) in cash and cash equivalents	23,736.52	(11,501.22)
Cash and cash equivalents as at the beginning of the year	5,049.52	16,550.74
Cash and cash equivalents as at the end of the year	28,786.04	5,049.52
Components of cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
- With banks in current accounts	6,585.32	5,049.52
- In deposit accounts with original maturity of less than 3 months	22,200.72	-
Cash and cash equivalents	28,786.04	5,049.52

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

Summary of significant accounting policies 3
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

Per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 12, 2021

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

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

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

Sudeep Bhatia
Chief Financial Officer
Membership No. 098112

Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : May 12, 2021

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

1. Corporate information

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

The Company has its registered office at A-303/304, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai, India. As at March 31, 2021, Lendingkart Technologies Private Limited ("Holding Company") owned 100% of the Company's equity share capital and has the ability to control its operating and financial policies.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

2.1 Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 50.

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

2.2 Use of estimates and judgments

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

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

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

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

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

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

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

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

3. Significant accounting policies

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

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Interest income

(i) The Company calculates interest income by using the effective interest rate (EIR) method to gross carrying amount of financial asset other than credit impaired assets.

(ii) When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis

(iii) Loan processing fee/document fees/stamp fees which are an integral part of financials assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through the assignment.

(iv) Additional charges such as penal, dishonour, foreclosure charges, delayed payment charges etc. are recognized on realization basis.

The effective interest rate method

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

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

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

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

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended March 31, 2021

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b. Net gain on fair value changes

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

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

c. Rendering of services

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

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

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

(ii) Recognition of expenditures

a. Finance costs

Borrowing costs on financial liabilities are recognised using the EIR.

b. Fees and commission expenses

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

c. Taxes

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

(iii) Financial Instruments

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

a. Date of recognition

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

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b. Initial measurement of financial instruments

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

c. Day one profit or loss

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

d. Measurement categories of financial assets and liabilities

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

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

(iv) Financial assets and liabilities

a. Bank balances, Loans, Trade receivables and financial assets at amortised cost

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

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

The details of these conditions are outlined below.

- **Business model assessment**

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

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

- **The SPPI test**

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

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

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

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b. Debt securities and other borrowed funds

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

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

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

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

d. Financial assets at FVOCI

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

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

e. Financial guarantees and undrawn loan commitments

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

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

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

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

(v) Reclassification of financial assets and liabilities

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

(vi) Derecognition of financial assets and liabilities

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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The company also

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derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either:
- The company has transferred substantially all the risks and rewards of the asset; Or
- The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset in its entirety, the difference between:
- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

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

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

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

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

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

b. Financial liabilities

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

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(vii) Impairment of financial assets

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

a. Overview of the ECL principles

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

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

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

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

The company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

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

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

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

b. The calculation of ECLs

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

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

- **Probability of Default (PD)**
  The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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- **Exposure at Default (EAD)**
  The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- **Loss given Default (LGD)**
  The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

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

The mechanics of the ECL method are summarised below:

- **Stage-1:**
  The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD. This calculation is made for each of the three scenarios, as explained above.

- **Stage-2:**
  When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

- **Stage-3:**
  For loans considered credit-impaired, the company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

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

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

c. Contract assets

The company follows 'simplified approach' for recognition of impairment loss allowance on contract assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it

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recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on portfolio of its assets. The provision matrix is based on its historically observed default rates over the expected life of the assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

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

CGTMSE has been set up jointly by Ministry of MSME, Government of India and SIDBI to catalyse flow of institutional credit to Micro & Small Enterprises (MSEs). Over the past 18 years, CGTMSE has been instrumental in providing guarantee cover on credit extended by eligible Member Lending Institutions [MLIs] to MSEs.
The Company has also become the MLI in the same scheme and obtained sovereign guarantee cover of its portfolio. Accordingly, the company has incorporated the benefit of this sovereign guarantee cover in calculation of impairment of assets.

(ix) Write-offs

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

(x) Determination of fair value

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

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

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

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

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

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

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

- **Level-1 financial instruments**
  Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the company has access to at the measurement date. The company considers markets

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as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level-2 financial instruments**
  Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the company will classify the instruments as Level 3.

- **Level-3 financial instruments**
  Those that include one or more unobservable input that is significant to the measurement as whole.

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

(xi) Foreign Currency translation

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

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

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

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

(xii) Leases

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

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

- **Right-of-use assets**
  The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-

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of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

- **Lease liabilities**

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

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

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

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

b. **Company as a lessor**

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

(xiii) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(xiv) Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value.

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

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

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

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

(xv) Intangible assets

The company's other intangible assets mainly include the value of computer software and assets under development.

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

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

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

(xvi) Impairment of non–financial assets

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

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

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

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for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(xvii) Financial guarantees

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

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

(xviii) Retirement and other employee benefits

a. Provident fund

b. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

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

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d. Compensated absences

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

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

(xix) Provisions

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

(xx) Taxes

a. Current tax

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

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

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

b. Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

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

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

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of non financial assets or liabilities in the balance sheet.

(xxi) Contingent liabilities, contingent assets and commitments

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

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

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

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

(xxii) Share issue expenses

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

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(xxiii) Earnings per share

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

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

4. Critical accounting estimates and judgments

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

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

- Business model assessment
- Fair value of financial instruments
- Effective Interest Rate (EIR)
- Impairment on financial assets
- Provisions and other contingent liabilities
- Provision for tax expenses
- Residual value and useful life of property, plant and equipment

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5 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	-
Balances with banks		
- in current accounts	6,585.32	5,049.52
- in deposit accounts with maturity upto 3 months	22,200.72	-
Total	**28,786.04**	**5,049.52**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. As at March 31, 2021, fixed deposits of ₹ 362.49 are pledged against credit facilities (March 31, 2020: ₹ NIL)

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed deposits with bank		
Deposits - maturity less than 12 months	12,902.87	8,620.43
Deposits - maturity more than 12 months	1,193.93	2,676.35
Total	**14,096.80**	**11,296.78**

Fixed deposit earns interest at fixed bank deposit rates. As at March 31, 2021, fixed deposits of ₹ 12,244.76 (March 31, 2020: ₹ 11,296.78) are pledged against credit facilities.

7 Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans	2,10,045.78	2,19,624.47
Less: Impairment loss allowance	(16,176.53)	(6,935.96)
	1,93,869.25	**2,12,688.51**
(Refer note 50 (C) for Credit risk)		
(A) Out of Above		
(i) Secured	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Unsecured	2,10,045.78	2,19,624.47
Less: Impairment loss allowance	(16,176.53)	(6,935.96)
Total (ii)	**1,93,869.25**	**2,12,688.51**
Total (A) = (i) + (ii)	**1,93,869.25**	**2,12,688.51**
(B) Out of Above		
(i) Public Sector	-	-
Less: Impairment loss allowance	-	-
Total (i)	-	-
(ii) Others	2,10,045.78	2,19,624.47
Less: Impairment loss allowance	(16,176.53)	(6,935.96)
Total (ii)	1,93,869.25	2,12,688.51
Total (B) = (i) + (ii)	**1,93,869.25**	**2,12,688.51**

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

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

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

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

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

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

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

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

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

8 Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable on assignment of loans	1,092.60	780.12
Security deposits	674.49	581.69
Receivable from co-lenders	4,866.34	1,311.20
Others	1,750.79	226.28
Total	**8,384.22**	**2,899.30**
(Less) : Impairment allowance on other financial assets	(716.60)	(30.56)
Total	**7,667.62**	**2,868.74**

9 Current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax*	24.55	162.08
Total	**24.55**	**162.08**

*(net of provision for tax March 31, 2021: Nil (March 31, 2020: ₹ 1,902.50))

10 Deferred tax asset (Net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset on account of:		
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	112.71	110.21
Expected credit loss	3,787.61	1,750.18
Unamortised processing fee	318.42	221.01
Deferred tax on account of Ind AS 116	50.24	23.90
Deferred tax on account of Guarantee fees	247.85	325.88
Deferred tax on account of unwinding discount of Security Deposit	32.99	51.44
Difference between tax depreciation and depreciation charged for the financial reporting	36.83	27.84
Interest on market linked debentures	285.10	111.26
MAT credit entitlement	-	42.10
Gross Deferred Tax Assets	**4,871.75**	**2,663.82**
Deferred tax liability on account of:		
On account of securitisation and direct assignment	683.70	562.39
Unamortised borrowing cost	201.37	242.78
Gross Deferred Tax Liabilities	**885.07**	**805.17**
Deferred Tax Assets (Net)	**3,986.68**	**1,858.65**
Deferred tax asset recognized	**3,986.68**	**1,858.65**

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11 Property, plant and equipment

Particulars	Property, plant and equipment				Right-of-use assets
	Computers and Networks	Furniture and fixtures	Office equipments	Total	
Cost					
As at April 01, 2019	**251.69**	**33.09**	**30.01**	**314.79**	**1,796.85**
Additions	215.73	9.55	71.13	**296.40**	1,908.21
Disposals	3.42	1.29	1.95	**6.66**	-
As at March 31, 2020	**464.00**	**41.35**	**99.18**	**604.53**	**3,705.07**
Additions	15.98	1.98	-	**17.96**	298.86
Disposals	3.94	-	0.17	**4.11**	811.76
As at March 31, 2021	**476.04**	**43.33**	**99.01**	**618.38**	**3,192.17**
Accumulated depreciation					
As at April 01, 2019	74.75	7.06	6.82	**88.64**	**124.18**
Charge for the period	179.05	8.00	24.37	**211.42**	367.24
Disposals	1.91	0.46	1.08	**3.45**	-
As at March 31, 2020	**251.89**	**14.61**	**30.11**	**296.61**	**491.42**
Charge for the period	123.84	6.98	31.04	**161.86**	**463.75**
Disposals	0.53	-	0.11	**0.64**	**102.07**
As at March 31, 2021	**375.20**	**21.59**	**61.04**	**457.83**	**853.10**
Net book value					
As at March 31, 2020	**212.11**	**26.74**	**69.07**	**307.92**	**3,213.65**
As at March 31, 2021	100.84	**21.74**	**37.97**	**160.55**	**2,339.07**

12 Intangible assets

Particulars	Computer softwares
Cost	
As at April 01, 2019	81.96
Additions	110.55
Disposals	-
As at March 31, 2020	**192.51**
Additions	5.93
Disposals	-
As at March 31, 2021	**198.44**
Accumulated amortisation	
As at April 01, 2019	21.61
Charge for the period	51.32
Disposals	-
As at March 31, 2020	**72.93**
Charge for the period	58.39
Disposals	-
As at March 31, 2021	**131.32**
Net book value	
As at March 31, 2020	**119.58**
As at March 31, 2021	**67.12**

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13 **Other non financial assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Indirect tax credits available for utilisation	50.60	115.65
Prepaid expenses	213.37	222.26
Capital advances	32.43	-
Other advances	158.87	250.59
Total	**455.27**	**588.50**

14 **Debt Securities**

Particulars	As at 31 March 2021	As at 31 March 2020
(A) At amortised cost		
(i) Secured*		
Privately placed redeemable non-convertible debentures	58,676.97	38,785.80
(ii) Unsecured		
Borrowings by issue of commercial papers	-	498.63
Total	**58,676.97**	**39,284.43**
(B) At FVTPL		
(i) Secured*		
Privately placed redeemable non-convertible debentures	8,873.62	5,122.94
Total	**8,873.62**	**5,122.94**
(C) Out of above		
In India	46,273.31	36,080.13
Outside India	21,277.28	8,327.23
Total	**67,550.59**	**44,407.37**

***The debenture are secured by:**

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

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

Terms of Repayment - Debentures as at March 31, 2021

Original Maturity / Repayment frequency	Monthly/Quarterly repayment			Total
Rate of interest	9%-12%	12%-15%	15%-16%	
Due within 1 year				
No. of instalments	19	33	-	**52**
Amount	13,411.00	15,598.15	-	**29,009.15**
Due 1 to 2 years				
No. of instalments	16	4	-	**20**
Amount	9,161.00	9,397.02	-	**18,558.02**
Due 2 to 3 years				
No. of instalments	1	3	1	**5**
Amount	128.00	7,700.00	2,000.00	**9,828.00**
Due 3 to 4 years				
No. of instalments	-	4.00	-	**4**
Amount	-	8,100.48	-	**8,100.48**
Interest accrued and impact of EIR				**2,054.94**
Total	**22,700.00**	**40,795.65**	**2,000.00**	**67,550.59**

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Terms of Repayment - Debentures as at March 31, 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment		Total
Rate of interest	12%-15%	15%-16%	
Due within 1 year			
No. of instalments	57	-	57
Amount	14,640.49	-	14,640.49
Due 1 to 2 years			
No. of instalments	33	1	34
Amount	14,495.87	1,000.00	15,495.87
Due 2 to 3 years			
No. of instalments	3	4	7
Amount	7,147.24	4,000.00	11,147.24
Due 3 to 4 years			
No. of instalments	-	1	1
Amount	-	2,000.00	2,000.00
Due 4 to 5 years			
No. of instalments	1	-	1
Amount	0.26	-	0.26
Interest accrued and impact of EIR			624.87
Total	36,283.86	7,000.00	43,908.73

Terms of Repayment - Commercial papers as at March 31, 2021

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

Terms of Repayment - Commercial papers as at March 31, 2020

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

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15 Borrowings (Other than debt securities)

Particulars	As at 31 March 2021	As at 31 March 2020
(A) At amortised cost		
(i) Secured*		
Term loans		
from banks	42,601.78	46,233.94
from other than banks	24,492.04	34,639.77
Securitisation liabilities	21,127.96	22,660.56
Loans repayable on demand		
Overdraft from bank	1,035.76	948.38
Cash credit from banks	2,698.59	3,941.58
Cash credit from other than banks	1,136.49	1,511.54
	93,092.62	**1,09,935.77**
(ii) Unsecured		
Term loans		
from other than banks	-	625.46
	-	**625.46**
Total	**93,092.62**	**1,10,561.24**
(B) Out of above		
In India	93,092.62	1,10,561.24
Outside India	-	-
Total	**93,092.62**	**1,10,561.24**

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

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Company (to the extent of 1 to 1.33 times of outstanding loan amount).

ii) Corporate guarantee of the Holding Company as at March 31, 2021 is ₹ 69,651.89 (March 31, 2020: ₹ 82,223.03)

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

iv) First loss default guarantee (FLDG) in the form of fixed deposits as at March 31, 2021 is ₹ 1,451.00 (March 31, 2020: ₹ 4,422.32)

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

vi) Overdraft and cash credit availed from banks secured by pledge fixed deposits as at March 31, 2021 is ₹ 6,231.62 (March 31, 2020: ₹ 3,587.97)

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

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

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

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

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

16 Subordinated Debt

Particulars	As at 31 March 2021	As at 31 March 2020
(A) At amortised cost		
(i) Unsecured		
Term loans		
from banks	2,529.12	2,528.44
Total	**2,529.12**	**2,528.44**

Terms of Repayment - Subordinated Debt as at March 31, 2021

Original Maturity / Repayment frequency	Bullet repayment	Total
Rate of interest		
Due 3 to 4 years	12%-15%	
No. of instalments	1.00	**1.00**
Amount	1,000.00	**1,000.00**
Due 4 to 5 years		
No. of instalments	1.00	**1.00**
Amount	1,500.00	**1,500.00**
Interest accrued and impact of EIR		**29.12**
Total	**2,500.00**	**2,529.12**

Terms of Repayment - Subordinated Debt as at March 31, 2020

Original Maturity / Repayment frequency	Bullet repayment	Total
Rate of interest		
Due 4 to 5 years	12%-15%	
No. of instalments	1.00	**1.00**
Amount	1,000.00	**1,000.00**
Due Above 5 years		
No. of instalments	1.00	**1.00**
Amount	1,500.00	**1,500.00**
Interest accrued and impact of EIR		**28.44**
Total	**2,500.00**	**2,528.44**

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17 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Expense and other payables	1,619.51	1,388.00
Payable towards Co-lending	2,278.07	179.29
Payable towards direct assignment of loans	1,124.63	1,383.33
Payables to employees	214.39	111.70
Payables to holding company	71.98	66.02
Lease obligation	2,540.05	3,336.70
Guarantee Liability	3,260.65	900.66
Service obligation on account of securitisation	3.65	9.17
Total	**11,112.93**	**7,374.86**

18 Current Tax Liability

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

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

19 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity benefits	157.29	159.27
Provision for leave benefits	226.23	219.20
Total	**383.52**	**378.47**

20 Other non financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers	1,324.28	340.74
Statutory dues	254.75	321.00
Total	**1,579.03**	**661.75**

21 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorized Shares		
Equity shares of Rs.10 each	5,072.76	4,454.75
Total	**5,072.76**	**4,454.75**
Issued, subscribed and fully paid up Equity shares of Rs.10 each		
At the beginning of the period	4,418.79	3,898.59
Add: Issued during the period	-	520.20
Total	**4,418.79**	**4,418.79**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Shares held by holding / ultimate holding company and / or their subsidiaries / associates
Out of equity shares issued by the Company, shares held by its holding company i.e. Lendingkart Technologies Private Limited, are as below:

Particulars	As at 31 March 2021	As at 31 March 2020
No. of shares held	4,41,87,931	4,41,87,931
% of share holding	100%	100%

Details of each Shareholder holding more than 5% shares and the number of share held
Holding company i.e. Lendingkart Technologies Private Limited has 100% shares of the Company.

Particulars	As at 31 March 2021	As at 31 March 2020
No. of shares held	4,41,87,931	4,41,87,931
% of share holding	100%	100%

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

22 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities Premium		
Balance at the beginning of the year	67,252.72	46,799.81
Add: Premium on issue of Equity Shares	-	20,479.80
(Less): Expenses on issue of shares	(5.88)	(26.89)
Balance at the end of the year	**67,246.84**	**67,252.72**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(665.06)	(3,041.11)
Add: Profit for the year	1,879.99	2,965.30
GAAP Adjustments (P/L)		
Less: Item of other comprehensive income		
Remeasurement gains / (losses) on defined benefit plan (net of tax)	(48.05)	3.81
Less : Transferred to Statutory Reserve u/s section 45-IC of Reserve Bank of India Act, 1934	(376.00)	(593.06)
Balance at the end of the year	**790.88**	**(665.06)**
Other Comprehensive Income		
Balance at the beginning of the year	(0.33)	3.48
Remeasurement gains / (losses) on defined benefit plan (net of tax)	48.05	(3.81)
Balance at the end of the year	**47.72**	**(0.33)**
Statutory Reserve u/s section 45-IC of Reserve Bank of India Act, 1934		
Balance at the beginning of the year	1,281.14	688.08
Add : Amount transferred during the year	376.00	593.06
Balance at the end of the year	**1,657.14**	**1,281.14**
Total of other equity	**69,742.58**	**67,868.47**

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23 Interest Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at Amortised Cost		
Interest on term loans	46,214.43	42,499.50
Guarantee revenue from colending	663.21	122.34
Interest on fixed deposits with banks	918.11	1,380.87
Other charges	233.85	242.06
Other interest income	57.18	23.08
Total	**48,086.78**	**44,267.85**

24 Gain on assignment of loans

Gain on assignment of loans for the year ended March 31, 2021 is ₹ 278.25 (March 31, 2020 : ₹ 1,941.16) and loss on modification of loans is ₹ 13.51 (March 31, 2020: ₹ 219.30) which is presented as net in the Statement of Profit and Loss.

25 Other Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Commission Income from Insurance	229.96	331.21
Gain on derecognition of Asset	166.60	-
Unwinding discount of security deposit	102.85	44.92
Other Income	194.17	64.43
Total	**693.58**	**440.56**

26 Finance Costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On Financial liabilities measured at amortised cost		
On debt securities	6,376.85	5,302.32
On borrowings (other than debt securities)	10,379.23	11,466.65
On commercial papers	2.35	180.37
On lease obligation	385.79	307.03
Others	353.03	78.05
On Financial liabilities measured at fair value		
On debt securities	750.68	382.09
Total	**18,247.93**	**17,716.50**

27 Fees and commission expenses

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

28 Impairment on financial instruments at amortised cost

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

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

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29 Employee Benefit Expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	3,197.10	4,459.99
Contribution to provident and other funds	111.59	152.65
Reimbursement of ESOP expenses	37.44	58.82
Leave benefit expense	86.36	17.20
Gratuity	81.44	72.06
Staff welfare expenses	124.65	183.05
Total	**3,638.58**	**4,943.77**

30 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortisation expenses	684.00	629.99
Total	**684.00**	**629.99**

31 Other Expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	55.75	78.47
Rent	48.99	47.03
Repairs and maintenance	32.66	46.86
Insurance	19.87	17.58
Telephone and communication expense	139.55	171.25
Franking and stamping expenses	66.50	515.84
Marketing and sales promotion expense	50.21	57.00
Auditor's fees and expenses (Refer note 31.1 below)	36.89	30.90
Legal and Professional charges	637.18	1,211.01
Service charges of outsourced employees	702.48	1,028.36
Guarantee fees	1,371.55	1,266.56
License fees	356.55	498.33
Business support services	82.21	218.20
Printing and stationery	8.34	10.51
Travelling expenses	14.45	92.74
Bank charges	82.61	118.08
Courier expenses	61.12	58.10
Software license fees	745.48	710.60
Rates & taxes	32.55	19.54
Security expenses	15.16	12.73
Loss on sale of fixed assets (net)	3.02	3.11
Director sitting fees	6.54	2.64
Housekeeping expenses	25.49	16.17
CSR Expenditure	34.45	-
Miscellaneous expenses	22.96	36.11
Total	**4,652.56**	**6,267.71**

31.1 Auditor's Remuneration

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fee	23.98	22.89
Tax audit fee	2.18	3.27
In other capacity :		
Certification services	10.36	3.76
Reimbursement of expenses	0.37	0.98
Total	**36.89**	**30.90**

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32 Tax expense

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

32.1 Tax reconciliation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before income tax expense	2,815.80	4,194.28
Effective Tax Rate	25.17%	29.12%
Tax at statutory income tax rate	708.68	1,221.37
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses disallowed	44.86	0.53
Impact of change in tax rate	246.51	-
Deferred tax expense on account of OCI	(16.19)	-
Prior period adjustments	-	3.28
Income tax expense	**983.86**	**1,225.18**

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

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32.2 Deferred tax movement related to the following:

March 31, 2020 to March 31, 2021

Deferred tax assets (net)	As at 31 March 2021	Recognised in Statement of Profit or loss	Recognised in OCI	As at 31 March 2020
Deferred tax asset on account of:				
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	112.71	(18.69)	16.19	110.21
Expected credit loss	3,787.61	(2,037.43)	-	1,750.18
Unamortised processing fee	318.42	(97.41)	-	221.01
Deferred tax on account of Ind AS 116	50.24	(26.34)	-	23.90
Deferred tax on account of Guarantee fees	247.85	78.03	-	325.88
Deferred tax on account of unwinding discount of Security Deposit	32.99	18.45	-	51.44
Difference between tax depreciation and depreciation charged for the financial reporting	36.83	(8.99)	-	27.84
Interest on market linked debentures	285.10	(173.84)	-	111.26
MAT credit entitlement	-	42.10	-	42.10
	4,871.75	**(2,224.12)**	**16.19**	**2,663.82**
Deferred tax liability on account of:				
On account of securitisation and direct assignment	683.70	121.31	-	562.39
Unamortised borrowing cost	201.37	(41.41)	-	242.78
	885.07	**79.90**	**-**	**805.17**
Deferred tax charge/(credit) for the year	**3,986.68**	**(2,144.22)**	**16.19**	**1,858.65**

33 Earning Per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(A) Net profit/(loss) after tax for the year	1,831.94	2,969.09
(B) Weighted average number of equity shares for basic earnings per share	4,41,87,931	4,18,71,188
(C) Weighted average number of equity shares for diluted earnings per share	4,41,87,931	4,18,71,188
Basic earning per share in ₹ (A/B)	4.15	7.09
Diluted earning per share in ₹ (A/C)	4.15	7.09
[Nominal value of shares ₹ 10 each (Previous Year : ₹ 10)]		

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34. Segment Information

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended March 31, 2021 and March 31, 2020. The Company operates in a single geographical segment i.e. domestic, and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with operating segments.

35. Related party transactions

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below.

(a) Name of Related parties with whom the Company had transactions

Nature of Relationship	Name of Related Parties
Holding company	Lendingkart Technologies Private Limited
Entity having significant influence in Holding company	Fullerton Financial Private Limited

(b) Name of Key Managerial Persons

Nature of Relationship	Name of Related Parties
Independent director	Mr. Gaurav Mittal
Independent director	Mr. Thallapaka Venakateswara Rao
Independent director (Appointed w.e.f March 27, 2021)	Mrs. Uma Subramaniam

(c) Transactions during the year with related parties

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	**Lendingkart Technologies Private Limited**		
	Unsecured inter-corporate loan taken	-	1,000.00
	Unsecured inter-corporate loan repaid	-	1,000.00
	Interest paid on inter-corporate loans	-	3.54
	Issue of equity share capital (including share premium on issue of equity shares) (refer note 1 below)	-	21,000.00
	License fee paid for use of software (Excludes 50% reversal of goods and services tax input credit) (refer note 2 below)	327.11	457.18
	Business support charges paid (Excludes 50% reversal of goods and services tax input credit)	75.42	200.18
	Reimbursement of ESOP expenses (Excludes 50% reversal of goods and services tax input credit)	34.35	53.96
2	**Mr. Gaurav Mittal**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	1.25	0.90
3	**Mr. Thallapaka Venakateswara Rao**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	4.75	1.50

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

Sr. No.	Nature of transactions	31 March 2021	31 March 2020
1	Lendingkart Technologies Private Limited	(71.98)	(66.02)
2	Mr. Gaurav Mittal	(0.09)	-

(e) Guarantees given by holding company*

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

* In respect of Guarantee fees- no payment is required to be made to Holding Company, as allowed under ITFG issue 2 bulletin 13, no guarantee commission is recognised in books of the company

* Total sanction amount of Loans borrowed from financial institutions and banks against which guarantee is given by holding company is ₹ 1,61,550.00 and sanction amount of Non-Convertible debentures issued to financial institutions, banks and other company is ₹ 63,750.00

Note 1: During the year ended March 31, 2020, the company issued 52,02,011 equity shares of ₹ 10 each fully paid-up at a premium of ₹ 393.69 per share to Holding Company. For detailed terms of the equity shares, please refer note 21 to the Financial Statements.

Note 2: The Company has entered into License Agreement with Holding Company dated June 19, 2015 for a term of 5 years, which was further renewed on September 03, 2020 for a term of 5 years, for use of the licensed software to digitally lend money to its customers.

The services provided by the Holding Company to the Company are of a specialised nature and hence difficult to benchmark with other external sources. The Company has engaged the services of an expert to assess the arm's length price for this inter-company transaction.

36. Employee stock option plans

The Holding Company has Employee Stock Option Plans ("ESOP") scheme in force. As per the ESOP scheme, Holding Company has granted ESOP options to acquire its equity shares that would vest in a graded manner to Company's employees. Based on the group policy/ arrangement, Holding Company has cross charged the fair value of such ESOP. The Company has recognised the same under the employee cost amounting to ₹ 37.44 for the year ended March 31, 2021 (March 31, 2020: ₹ 58.82).

37. Leases

Where the company is lessee:
The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. These leases have an average life of between one and nine years. Lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than twelve months has been accounted as short term leases.

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

Particulars	Amount
Balance as at April 01, 2019	**1,672.67**
Additions	1,908.21
Closure	-
Depreciation expense	367.24
Balance as at March 31, 2020	**3,213.65**
Additions	298.86
Closure	709.69
Depreciation expense	463.75
Balance as at March 31, 2021	**2,339.07**

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

Particulars	31 March 2021	31 March 2020
Opening Balance	**3,336.70**	**1,685.52**
Additions	163.64	1,803.59
Accretion of interest	385.79	307.03
Closure	(741.06)	-
Payments	(605.02)	(459.43)
Closing Balance	**2,540.05**	**3,336.70**

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

Particulars	31 March 2021	31 March 2020
Short-term leases	48.99	47.03

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

Lease Liability	31 March 2021	31 March 2020
Not later than one year	541.68	681.08
Later than one year and not later than five years	2,134.76	3,309.99
Later than five years	1,263.07	1,407.48
Total undiscounted lease liabilities	**3,939.51**	**5,398.55**

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

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

Particulars	31 March 2021	31 March 2020
Depreciation expense right of use of assets	463.75	367.24
Interest expense on lease liabilities	385.79	307.03
Expense relating to short term leases (included in other expenses)	48.99	47.03
Loss/ (Gain) on derecognition of assets	(166.60)	-
Total Amount recognized in statement of profit and loss account	**731.93**	**721.30**

38. **Expenditure in foreign currency (on accrual basis)**

Particulars	31 March 2021	31 March 2020
Professional Fees	117.27	80.77
Software Expenses	1.53	17.15
Total	**118.80**	**97.92**

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39. Contingent liability and Commitments

a) Contingent Liability

Description of the contingent liability	31 March 2021	31 March 2020
Credit enhancements provided by the company towards securitisation (including corporate guarantee, cash collateral and loan assets retained as Minimum retention Requirement (MRR)	9,108.00	7,282.41
Corporate guarantee in case of co-lending transactions	10,533.59	6,283.15

b) Capital and other commitments

Description of the capital and other commitments	31 March 2021	31 March 2020
Loan sanctioned not yet disbursed*	3,130.30	-
A S Software Services Private Limited (Omnifin Software) (Excludes 50% reversal of goods and service tax input credit)	13.60	98.55

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

40. Retirement benefit plans

A. Defined benefit obligation

Contribution to Gratuity fund:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

i. Key actuarial assumptions:

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

ii. Movement in defined benefit obligation:

Particulars	31 March 2021	31 March 2020
Defined benefit obligation at the beginning of the year	159.27	82.50
Interest on defined benefit obligation	10.39	6.17
Current service cost	71.05	65.89
Benefits paid	(19.18)	(0.66)
Remeasurements due to :		
Actuarial loss/(gain) arising from change in demographic assumptions	-	(0.03)
Actuarial loss/(gain) arising from change in financial assumptions	1.32	11.71
Actuarial loss/(gain) arising on account of experience changes	(65.56)	(6.31)
Present Value of obligation at the end of the year	**157.29**	**159.27**

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iii. **Assets and liabilities recognised in the balance sheet:**

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligation at the end of the year	157.29	159.27
Fair Value of Plan Assets at the end of the year	-	-
Funded Status (Surplus/ (Deficit))	-	-
Net liability recognised in the balance sheet	**157.29**	**159.27**

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

Particulars	31 March 2021	31 March 2020
Current Service Cost	71.05	65.89
Interest cost	10.39	6.17
Net gratuity cost recognised in the current year	**81.44**	**72.06**

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

Particulars	31 March 2021	31 March 2020
Actuarial loss / (gain) on post-employment benefit obligation	(64.24)	5.37
Total remeasurement cost / (credit) for the year recognised in OCI	**(64.24)**	**5.37**

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

Particulars	31 March 2021	31 March 2020
Net defined benefit liability/(asset) as at the beginning of the year	159.27	82.50
Expense charged to Statement of Profit and Loss	81.44	72.06
(Benefit paid directly by the employer)	(19.18)	(0.66)
Amount recognised in other comprehensive income	(64.24)	5.37
Net Liability/(Asset) Recognized in the Balance Sheet	**157.29**	**159.27**

vii. **Sensitivity analysis:**

Particulars	31 March 2021	31 March 2020
Impact of increase in 0.5% on rate of discounting	150.86	152.59
Impact of decrease in 0.5% on rate of discounting	164.19	166.44
Impact of increase in 0.5% on rate of salary increase	161.57	163.61
Impact of decrease in 0.5% on rate of salary increase	152.99	154.92
Impact of increase in 10% on rate of employee turnover	152.70	153.76
Impact of decrease in 10% on rate of employee turnover	161.89	164.80

viii. **Maturity analysis of projected benefit obligation:**

Particulars	31 March 2021	31 March 2020
Expected benefits for year 1	6.98	3.75
Expected benefits for year 2	10.42	9.66
Expected benefits for year 3	12.31	13.08
Expected benefits for year 4	16.67	15.20
Expected benefits for year 5	16.88	18.62
Expected benefits for years 6 to 10	77.18	81.80

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ix. The Experience adjustment on plan assets:

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Defined benefit obligation	157.29	159.27	82.50	44.72	21.38
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(157.29)	(159.27)	(82.50)	(44.72)	(21.38)
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	(65.56)	(6.31)	(5.26)	(10.45)	8.52

B. Compensated absences:

Maturity Profile

Particulars	31 March 2021	31 March 2020
Present value of unfunded obligations	226.23	219.20
Expense recognised in the Statement of Profit and Loss	86.36	17.20
Discount rate (p.a.)	6.50%	6.60%
Salary escalation rate (p.a)	12.00%	12.00%

C. Provident Fund:
The Company contributes in Provident Fund towards employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 108.90 (March 31, 2020: ₹ 145.88) for provident fund contributions in the Statement of profit and loss.

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

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

43. Based on the information available with the Company, there are no micro, small and medium enterprises to whom the Company has paid interest or any interest payable on outstanding (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended March 31, 2021.

44. The Company does not have any outstanding loans against gold jewellery as at March 31, 2021 (March 31, 2020: Nil).

45. Capital:

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

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i. **Capital management**

Objective:
The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning:
The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The management monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis and the same is also monitored in Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

ii. **Regulatory capital**

Particulars	31 March 2021	31 March 2020
Tier I capital	67,847.88	68,381.90
Tier II capital	8,525.29	4,823.83
Total capital	**76,373.17**	**73,205.73**
Risk weighted assets (RWA)	**1,97,127.66**	**2,02,276.70**
Tier I CRAR	34.42%	33.81%
Tier II CRAR	4.32%	2.38%
CRAR	**38.74%**	**36.19%**

46. **Transfers of assets:**

i. **Transferred of financial assets that are not derecognised in their entirety**

Securitisation
The company has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

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

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

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

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48. **Fair values:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

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

Valuation framework

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation methodologies adopted

- Fair values of financial assets and financial liabilities are measured at amortised cost except for market linked debentures and cash and bank balances which are measured at fair value through profit and loss.
- Fair value of Market linked debentures is derived from independent valuer. The valuation is done based on discounted cashflow method. The option portion is projected using Monte Carlo simulations and Geometric Brownian Motion is used to project the Index levels into the future. The Index levels are projected based on certain assumptions and the value of debenture is then arrived at by discounting the respective cashflows.
- The Company has determined that the carrying values of expenses payables, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

49. **Fair value hierarchy:**

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This is the case for contingent consideration and indemnification assets.

Financial instruments by category

Financial instruments by category	31 March 2021		31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and cash equivalent	28,786.04	-	5,049.52	-
Other bank balances	14,096.80	-	11,296.78	-
Loans	1,93,869.25	-	2,12,688.51	-
Other financial assets	7,667.62	-	2,868.74	-
Total financial assets	**2,44,419.71**	**-**	**2,31,903.54**	

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Financial instruments by category	31 March 2021		31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities:				
Debt Securities	58,676.97	8,873.62	39,284.43	5,122.94
Borrowings (other than debt securities)	93,092.62	-	1,10,561.24	-
Subordinated Debt	2,529.12	-	2,528.44	-
Other financial liabilities	11,112.93	-	7,374.86	-
Total financial liabilities	**1,65,411.64**	**8,873.62**	**1,59,748.96**	**5,122.94**

Fair value of financial instruments measured at amortised cost:

Particulars	Level of hierarchy	31 March 2021	31 March 2020
Financial assets:			
Cash and cash equivalent	Level 1	28,786.04	5,049.52
Other bank balances	Level 1	14,096.80	11,296.78
Loans	Level 3	1,93,869.25	2,12,688.51
Other financial assets	Level 3	7,667.62	2,868.74
Total financial assets		**2,44,419.71**	**2,31,903.54**
Financial liabilities:			
Debt Securities	Level 3	58,676.97	39,284.43
Borrowings (other than debt securities)	Level 3	93,092.62	1,10,561.24
Subordinated Debt	Level 3	2,529.12	2,528.44
Other financial liabilities	Level 3	11,112.93	7,374.86
Total financial liabilities		**1,65,411.64**	**1,59,748.96**

Fair value of financial instruments designated at FVTPL:

Particulars	Level of hierarchy	31 March 2021	31 March 2020
Financial liabilities:			
Debt Securities	Level 2	8,873.62	5,122.94

50. Financial risk management:

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk and foreign currency risk. The Company's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Principal objective in Company 's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications. For credit risk refer note 50 (C).

A. Liquidity Risk:

The company's Board of Directors has overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with approved risk tolerance limits.

The Asset Liability Committee of the Company consisting of the Company's senior management, is responsible for ensuring adherence to the risk tolerance limits as well as implementing the liquidity risk management strategy of the Company.

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The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company also has a Risk Oversight Committee reporting to the Board and responsible for evaluating overall risks faced by the Company including liquidity risk.

The Company maintains a judicious mix of borrowings from banks, money markets and public and other deposits. The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company to maintain a healthy asset liability position.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

Financial assets	31 March 2021		31 March 2020	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Cash and cash equivalents	28,786.04	-	5,049.52	-
Bank balances other than cash and cash equivalents	12,902.87	1,193.93	8,620.43	2,676.35
Loans	1,26,914.82	1,53,015.83	1,42,804.67	1,37,707.36
Other financial assets	4,104.78	3,562.84	1,697.61	1,171.13
Total	**1,72,708.51**	**1,57,772.60**	**1,58,172.23**	**1,41,554.84**

Financial liabilities	31 March 2021		31 March 2020	
	Within 1 year	After 1 year	Within 1 year	After 1 year
Debt Securities	35,633.77	43,040.19	19,920.08	32,171.39
Borrowings (other than debt securities)	52,398.77	27,551.79	59,842.82	40,091.12
Subordinated Debt	358.50	3,555.47	358.86	3,913.97
Securitisation liabilities	16,855.28	4,272.68	16,202.82	6,457.74
Other financial liabilities	4,331.55	4,916.54	3,809.41	4,717.47
Total	**1,09,577.87**	**83,336.67**	**1,00,134.00**	**87,351.68**

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

As at March 31, 2021	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and cash equivalents	28,786.04	-	28,786.04
Bank balances other than cash and cash equivalents	12,902.88	1,193.92	14,096.80
Loans	79,443.40	1,14,425.85	1,93,869.25
Other financial assets	4,104.79	3,562.83	7,667.62
Non-financial assets			
Current tax assets (Net)	-	24.55	24.55
Deferred tax asset (Net)	-	3,986.68	3,986.68
Property, plant and equipment	-	160.55	160.55
Other Intangible assets	-	67.12	67.12
Intangible assets under development	-	145.41	145.41
Right-of-use assets	-	2,339.07	2,339.07
Other non-Financial assets	422.84	32.43	455.27
Total assets	**1,25,659.95**	**1,25,938.41**	**2,51,598.36**

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As at March 31, 2021	Within 1 year	After 1 year	Total
Liabilities			
Financial liabilities			
Debt Securities	30,898.20	36,652.39	67,550.59
Borrowings (Other than debt securities)	63,472.46	29,620.16	93,092.62
Subordinated Debt	30.45	2,498.67	2,529.12
Other financial liabilities	5,216.42	5,896.51	11,112.93
Non Financial liabilities			
Current tax liabilities (net)	1,189.18	-	1,189.18
Provisions	29.21	354.31	383.52
Other non financial liabilities	254.75	1,324.28	1,579.03
Total liabilities	**1,01,090.67**	**76,346.32**	**1,77,436.99**

As at March 31, 2020	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and cash equivalents	5,049.52	-	5,049.52
Bank balances other than cash and cash equivalents	8,620.43	2,676.35	11,296.78
Loans	99,730.34	1,12,958.17	2,12,688.51
Other financial assets	1,696.01	1,172.73	2,868.74
Non-financial assets			
Current tax assets (net)	-	162.08	162.08
Deferred tax asset (Net)	-	1,858.65	1,858.65
Property, plant and equipment	-	307.92	307.92
Other Intangible assets	-	119.58	119.58
Intangible assets under development	-	45.45	45.45
Right-of-use assets	-	3,213.65	3,213.65
Other non-Financial assets	533.46	55.04	588.50
Total assets	**1,15,629.75**	**1,22,569.62**	**2,38,199.37**
Liabilities			
Financial liabilities			
Debt Securities	15,357.79	29,049.58	44,407.37
Borrowings (Other than debt securities)	68,596.58	41,964.65	1,10,561.24
Subordinated Debt	30.10	2,498.34	2,528.44
Other financial liabilities	3,801.36	3,573.50	7,374.86
Non Financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	27.09	351.39	378.48
Other non financial liabilities	661.75	-	661.75
Total liabilities	**88,474.68**	**77,437.45**	**1,65,912.13**

B. Market Risk:

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to equity price risk.

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(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables.

Foreign currency exposure risk

The Company's exposure for foreign currency risk at the end of reporting period are as follows:

Particulars	31 March 2021		31 March 2020	
	USD	₹ in Lakhs	USD	₹ in Lakhs
Expenses payable	1,43,646.00	105.93	-	-

Foreign currency sensitivity

Foreign current rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Foreign currency exposure risk		
Increase by 5%	5.30	-
Decrease by 5%	(5.30)	-

(ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Carrying value of borrowings:

Particulars	31 March 2021	31 March 2020
Debt Securities (variable)	8,873.62	9,500.00
Debt Securities (fixed)	58,676.97	34,907.37
Borrowings (other than debt securities) (variable)	24,489.69	42,076.05
Borrowings (other than debt securities) (fixed)	68,602.93	68,485.19
Subordinated debts (variable)	-	-
Subordinated debts (fixed)	2,529.12	2,528.44
Total Borrowings	**1,63,172.33**	**1,57,497.04**

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of profit and loss:

Interest rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Borrowings, debt securities & subordinate debt		
Increase by 50 basis points	(166.82)	(257.88)
Decrease by 50 basis points	166.82	257.88

C. Credit Risk:

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The lending model focuses on SME Lending. The nature of the product is unsecured.

The Company assesses the credit quality of all financial instruments that are subject to credit risk.

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Classification of financial assets under various stages

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

- **Stage 1:** unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised.
- **Stage 2:** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised.
- **Stage 3:** objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions.

Financial instruments other than loans, Interest receivable on assignment of loans and Receivable from co-lenders were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

Below is the summary for the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD using empirical data where relevant:

- **Probability of Default (PD)**
  The Company's operates with its internal rating models in which its customers are rate from "A" to "F" using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. PDs are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

  PD is based on a internal rating model, days past due and various historical, current and forward-looking information.

  Stage 1: based on internal rating model
  Stage 2: based on days past due
  Stage 3: 100%

- **Exposure at Default (EAD)**
  The exposure at default represents the outstanding and interest accrued of the financial instruments subject to the impairment calculation.

- **Loss given Default (LGD)**
  LGD values are assessed based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics as well as borrower characteristics.

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

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Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows:

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

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

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

As At March 31, 2021:

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

As At March 31, 2020:

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

Measurement uncertainty and sensitivity analysis of ECL estimates:
Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below.

The recognition and measurement of ECL involves the use of estimation. It is necessary to formulate multiple forward looking economic forecasts and its impact as an integral part of ECL model.

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

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

ECL sensitivity to future economic conditions
ECL coverage of financial instruments under forecast economic conditions:

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

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51. Disclosure as per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time ('RBI Directions').

As per the RBI directions the Company was classified as a Systemically Important Non-Deposit taking Company during the previous financial year based on its assets size. Accordingly, disclosures applicable to Systemically Important Non-Deposit taking Company as per RBI directions are given.

A. Capital Risk Asset Ratio

Sr. No.	Particulars	31 March 2021	31 March 2020
(a)	Capital Risk Asset Ratio (%)	38.74%	36.19%
(b)	Capital Risk Asset Ratio (%) - Tier I Capital (%)	34.42%	33.81%
(c)	Capital Risk Asset Ratio (%) - Tier II Capital (%)	4.32%	2.38%
(d)	Amount of subordinated debt raised as Tier-II capital (Raised during the year ₹ Nil, previous year ₹ Nil)	2,500.00	2,500.00

B. Details of investments

Particulars	31 March 2021	31 March 2020
Current Investments:		
1. Quoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		
2. Unquoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		
Long Term investments:		
1. Quoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		
2. Unquoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		

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C. Disclosure for securitisation*

a. The information on securitisation of the Company as an originator in respect of outstanding amount of assets securitised under par structure is given below:

Sr. No.	Particulars	31 March 2021	31 March 2020
1	No. of SPVs sponsored by the NBFC for securitisation transactions	15	11
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	26,939.96	25,016.49
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
	a. Off balance sheet exposure		
	First Loss	110.53	110.53
	Others	-	-
	b. On balance sheet exposure		
	First Loss	3,904.20	3,243.67
	Others (Overcollateralization)	5,093.27	3,928.21
4	Amount of exposures to securitisation transactions other than MRR		
	a. Off balance sheet exposure		
	I. Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	II. Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-
	b. On balance sheet exposure		
	I. Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	II. Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-

(*The above figures are based on the information duly certified by the SPV's auditors).

b. During the year, the Company has transferred loans through securitisation. The information on securitisation activity of the Company as an originator is given below:

Particulars	31 March 2021	31 March 2020
Total number of loans securitised	4,025	6,311
Total book value of the loans securitised	19,664.75	34,064.42
Total book value of the loans securitised including loans placed as collateral	19,664.75	34,064.42
Sale consideration received for the loan asset securitised	17,619.03	31,016.86
Overcollateralization of the loans securitised	2,045.72	3,047.55
Excess interest spread recognised in the statement of profit and loss	203.94	584.38

Particulars	31 March 2021	31 March 2020
Credit enhancements provided and outstanding (Gross):		
Cash Collateral	1,193.93	2,710.27
Corporate Guarantee	-	110.53
Loan assets retained as MRR	2,045.72	3,047.55

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D. Disclosure for direct assignment

Details of assignment transactions undertaken by the Company during the year

Particulars	31 March 2021	31 March 2020
No. of accounts	406	6,211
Aggregate value (net of provisions) of accounts sold	1,775.91	23,322.06
Aggregate consideration	1,775.91	23,322.06
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

E. Details of non-performing financial assets sold

Sr. No.	Particulars	31 March 2021	31 March 2020
1	No. of accounts sold	2,337	1,456
2	Aggregate outstanding	4,912.31	2,623.60
3	Aggregate consideration received	147.37	157.42

F. Maturity pattern of certain items of assets and liabilities

Particulars	Year ended March 31, 2021		
	Advances	Investments	Borrowings
0 day to 7 days	3,678.66	-	2,231.21
8 day to 14 days	1,666.03	-	991.11
15 days to 1 month	3,779.51	-	4,315.78
Over 1 month to 2 months	6,265.11	-	5,516.31
Over 2 months upto 3 months	6,749.26	-	9,609.46
Over 3 months to 6 months	22,386.84	-	19,919.16
Over 6 months to 1 year	46,020.41	-	51,818.10
Over 1 year to 3 years	1,12,690.75	-	58,172.05
Over 3 years to 5 years	1,617.03	-	10,599.15
Over 5 years	5,192.18	-	-
Total	**2,10,045.78**	**-**	**1,63,172.33**

Particulars	Year ended March 31, 2020		
	Advances	Investments	Borrowings
0 day to 7 days	3,779.00	-	1,588.22
8 day to 14 days	1,483.51	-	2,388.40
15 days to 1 month	6,471.04	-	4,299.62
Over 1 month to 2 months	7,233.95	-	12,130.69
Over 2 months upto 3 months	8,500.12	-	7,634.38
Over 3 months to 6 months	25,254.42	-	23,943.64
Over 6 months to 1 year	50,237.01	-	31,999.53
Over 1 year to 3 years	1,11,592.95	-	67,045.06
Over 3 years to 5 years	253.77	-	4,967.51
Over 5 years	4,818.70	-	1,500.00
Total	**2,19,624.47**	**-**	**1,57,497.04**

G. Exposures

(a) Exposure to capital market
The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

(b) Exposure to Real Estate Sector
The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.

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H. Registration with other financial sector regulator

The company has obtained registration as a Corporate Agent (Composite) in **February 2019** with Insurance Regulatory and Department Authority of India (IRDAI). The Registration no. is **CA0641** and is valid till **February 27, 2022**.

I. No penalties imposed on the Company by the Reserve Bank of India or any other regulator during the year ended March 31, 2021 (March 31, 2020: NIL).

J. Ratings assigned by credit rating agencies and migration of ratings during the year

The overall rating of the Company by India Ratings & research and CRISIL is BBB+/A2 positive. Further, the Company has obtained rating from ICRA Limited, India Ratings & research and CRISIL in respect of Term loans, Non-Convertible Debentures and Commercial Paper. The ratings obtained for the said transactions are provided below.

Instrument	Year ended March 31, 2021			
	Rating Date	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	13-Jun-20	Infomerics ratings	IVR A-/Stable/IVR A2+(Short Term rating)	09-Jun-21
	30-Jul-20	ICRA	[ICRA]BBB+(Stable)/ [ICRA]A2 assigned	29-Jul-21
	31-Aug-20	ICRA	[ICRA]BBB+(Stable)/ [ICRA]A2 assigned	30-Aug-21
Non-Convertible Debentures/ CP	13-Jun-20	Infomerics ratings	IVR A-/Stable	12-Jun-21
	31-Aug-20	ICRA	[ICRA]BBB+(Stable)	30-Aug-21
	30-Jul-20	ICRA	[ICRA]BBB+(Stable)	29-Jul-21
	02-Mar-21	India Ratings and Research	IND PP-MLD BBB+emr/Positive	01-Mar-22
	29-Sep-20	India Ratings and Research	IND PP-MLD BBB+emr/Positive, IND A2 (Commercial Paper)	28-Sep-21
	23-Nov-20	CRISIL LTD	CRISIL PP-MLD BBB+r	22-Nov-21

Instrument	Year ended March 31, 2020			
	Rating Date	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	12-Mar-20	ICRA	[ICRA]BBB+(Stable)/ [ICRA]A2 assigned	12-Mar-21
	30-Sep-19	India Ratings & Research	IND BBB+/Positive	29-Sep-20
	14-May-19	CRISIL	CRISIL BBB+/Positive	13-May-20
Non-Convertible Debentures/ CP	13-Mar-20	CRISIL	CRISIL PP-MLD BBB+/Positive	13-Mar-21
	12-Mar-20	ICRA	[ICRA]BBB+(Stable); outstanding	12-Mar-21
	30-Sep-19	India Ratings & Research	IND PP-MLD BBB+EMR/Positive, IND A2 (Commercial Paper)	30-Sep-20

K. Break up of 'Impairment on financial instruments at amortised cost' shown under the head Expenditure in the statement of profit and loss

Break up of 'Impairment and allowance' shown under the head Expenditure in Profit and Loss Account	31 March 2021	31 March 2020
Loans	9,174.37	2,148.15
Other financial assets	648.27	24.54
Write offs	7,945.88	9,775.54

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L. Concentration of Deposits, Advances, Exposures and NPAs

i. Concentration of Advances

Particulars	31 March 2021	31 March 2020
Total Advances to twenty largest borrowers	787.80	891.38
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.38%	0.41%

ii. Concentration of Exposures

Particulars	31 March 2021	31 March 2020
Total Exposure to twenty largest borrowers	800.76	891.38
Percentage of Exposure to twenty largest borrowers to Total Advances of the applicable NBFC	0.38%	0.41%

iii. Concentration of NPAs

Particulars	31 March 2021	31 March 2020
Total Exposure to top four NPA accounts	111.15	114.69

M. Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		31 March 2021	31 March 2020
1	Agriculture & allied activities	-	-
2	MSME*	2.47%	0.44%
3	Corporate borrowers	-	2.39%
4	Services	-	1.76%
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-
8	Other retail loans	-	2.96%

* Ministry of Micro, Small and Medium Enterprises vide its notification dated June 01, 2020 announced the criteria for classification of micro, small and medium enterprises basis which the company has classified its customers into micro, small and medium enterprise in accordance with MSMED Act.

N. Movement of NPAs*

Sr. No.	Particulars	31 March 2021	31 March 2020
I	**Net NPAs to net advances (%)**	0.90%	0.97%
Ii	**Movement of NPAs (Gross)**		
	i) Opening balance	4,793.37	1,766.67
	ii) Additions during the year	9,743.98	14,072.39
	iii) Reductions during the year	9,345.17	11,045.69
	iv) Closing balance	5,192.18	4,793.37
iii	**Movement of net NPAs**		
	i) Opening balance	2,103.79	773.53
	ii) Additions during the year	3,493.15	5,930.91
	iii) Reductions during the year	3,731.19	4,600.65
	iv) Closing balance	1,865.75	2,103.79
iv	**Movement of provisions for NPAs (excluding provision on standard assets)**		
	i) Opening balance	2,689.58	993.15
	ii) Provisions made during the year	6,250.83	8,141.48
	iii) Write-off/Write-back	5,613.98	6,445.05
	iv) Closing balance	3,326.43	2,689.58

* represents stage-3 loans

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O. Classification and provisions for loan portfolio

Asset classification	31 March 2021	31 March 2020
Loan outstanding		
Standard assets (Stage-1 and Stage-2)	2,04,853.60	2,14,830.82
Non-performing assets (Stage-3)	5,192.18	4,793.65
Loss assets	-	-
Less: Provision		
Standard assets (Stage-1 and Stage-2)	12,850.10	4,133.40
Non-performing assets (Stage-3)	3,326.43	2,802.56
Loss assets	-	-
Loan outstanding (net)		
Standard assets (Stage-1 and Stage-2)	1,92,003.50	2,10,697.42
Non-performing assets (Stage-3)	1,865.75	1,991.09
Loss assets	-	-

P. Customer Complaints

Sr. No.	Particulars	31 March 2021	31 March 2020
I	No. of complaints pending at the beginning of the year	1	12
Ii	No. of complaints received during the year	136	30
Iii	No. of complaints redressed during the year	137	41
Iv	No. of complaints pending at the end of the year	-	1

Q. As required by the RBI circular no DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 the details of frauds noticed / reported are as below:

Particulars	31 March 2021	31 March 2020
Amount involved	51.85	-
Amount recovered	3.17	-
Amount written off / provided	48.68	-
Balance	-	-

52. Disclosures as required for liquidity risks

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

Particulars	31 March 2021
Number of significant counter parties*	27
Amount	1,43,016.11
Percentage of funding concentration to total deposits	N.A
Percentage of funding concentration to total liabilities	80.60%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD CC.No.102/03.10.001 /2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies.

II. Top 20 large deposits - Not applicable

III. Top 10 borrowings

Particulars	31 March 2021
Total amount of top 10 borrowings	94,229.840
Percentage of amount of top 10 borrowings to total borrowings	57.75%

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IV. Funding Concentration based on significant instrument/product*

Particulars	31 March 2021	Percentage of total liabilities
Debt Securities	67,550.59	38.07%
Term loans and WCDL	67,093.82	37.81%
Securitisation liabilities	21,127.96	11.91%
CC/OD	4,870.84	2.75%
Sub-debt	2,529.12	1.43%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

V. Stock ratio:

Sr. No.	Stock ratio	Percentage
1	Commercial papers as a % of total liabilities	N.A
2	Commercial papers as a % of total assets	N.A
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N.A
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	N.A
5	Other short-term liabilities as a % of total liabilities	56.97%
6	Other short-term liabilities as a % of total assets	40.18%

VI. Institutional set-up for Liquidity Risk Management
Refer Note-50(A) of financial statements

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53. Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carring Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carring Amount	Provision required as per IRACP norms	Difference as per Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)
Preforming Assets						
Standard	Stage 1	1,50,299.58	4,023.11	1,46,276.47	601.20	3,421.91
	Stage 2	54,554.02	8,826.99	45,727.03	2,625.21	6,201.78
Subtotal		**2,04,853.60**	**12,850.10**	**1,92,003.50**	**3,226.41**	**9,623.69**
Non-performing Assets (NPA)						
Substandard	Stage 3	4,704.51	2,838.76	1,865.75	2,352.25	486.51
Doubtful - up to 1 year						
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	487.67	487.67	-	487.67	-
Subtotal of Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA		5,192.18	3,326.43	1,865.75	2,839.92	486.51
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**1,50,299.58**	**4,023.11**	**1,46,276.47**	**601.20**	**3,421.91**
	Stage 2	**54,554.02**	**8,826.99**	**45,727.03**	**2,625.21**	**6,201.78**
	Stage 3	**5,192.18**	**3,326.43**	**1,865.75**	**2,839.92**	**486.51**
	Total	**2,10,045.78**	**16,176.53**	**1,93,869.25**	**6,066.33**	**10,110.20**

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LENDINGKART FINANCE LIMITED (INDIA)

S.B

Lendingkart Finance Limited
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(₹ in Lakhs unless otherwise stated)

54. The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date: May 12, 2021

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

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

Sudeep Bhatia
Chief Financial officer
Membership No. 098112

Umesh Navani
Company Secretary
Membership No. A40899

Place: Mumbai
Date: May 12, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
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INDEPENDENT AUDITOR'S REPORT

To the Members of Lendingkart Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Lendingkart Finance Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 2.2 to the Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

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Chartered Accountants

misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

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events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 20037924AAAAEC1140

Place of Signature: Mumbai
Date: June 30, 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Re: Lendingkart Finance Limited

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

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

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

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

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.

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

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

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Chartered Accountants

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

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

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

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

As informed, the provisions of repayment of loans or borrowing to government are currently not applicable to the Company.

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

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

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the cost sharing arrangement with the holding Company. Accordingly, no specific reporting under clause 3(xi) has been made.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

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

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

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per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 20037924AAAAEC1140

Place of Signature: Mumbai
Date: June 30, 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of Lendingkart Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, 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.

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

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per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 20037924AAAAEC1140

Place of Signature: Mumbai
Date: June 30, 2020

Lendingkart Finance Limited

Balance Sheet as at 31 March 2020 *(₹ in lakhs unless otherwise stated)*

Particulars	Notes	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Assets				
Financial assets				
Cash and cash equivalents	6	5,049.52	16,550.74	3,692.50
Bank balances other than cash and cash equivalents	7	11,296.78	7,303.59	5,617.05
Loans	8	2,12,688.51	1,31,262.70	42,850.40
Other financial assets	9	2,868.74	458.63	230.04
		2,31,903.55	**1,55,575.66**	**52,389.99**
Non-financial assets				
Tax assets (Net)	10	162.08	250.93	161.44
Deferred tax asset (Net)	11	1,858.65	1,671.82	-
Property, plant and equipment	12	307.92	226.15	130.39
Intangible assets	13	119.58	60.35	26.03
Intangible assets under development		45.45	14.76	-
Right-of-use assets	12	3,213.65	1,672.67	866.15
Other non-financial assets	14	588.50	159.09	124.79
		6,295.83	**4,055.77**	**1,308.80**
Total assets		**2,38,199.38**	**1,59,631.43**	**53,698.79**
Liabilities and Equity				
Liabilities				
Financial liabilities				
Debt Securities	15	44,407.37	38,795.35	3,320.18
Borrowings (Other than debt securities)	16	1,10,561.24	65,180.24	33,419.19
Subordinated Debt	17	2,528.44	2,528.14	1,008.90
Other financial liabilities	18	7,374.86	4,001.50	2,436.76
		1,64,871.91	**1,10,505.23**	**40,185.03**
Non-financial liabilities				
Provisions	19	378.47	334.59	202.07
Other non-financial liabilities	20	661.75	442.76	238.29
		1,040.22	**777.35**	**440.36**
Equity				
Equity share capital	21	4,418.79	3,898.59	2,939.13
Other equity	22	67,868.46	44,450.26	10,134.27
		72,287.25	**48,348.85**	**13,073.40**
Total liabilities and equity		**2,38,199.38**	**1,59,631.43**	**53,698.79**

Summary of significant accounting policies **3**

The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

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per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 30 June 2020

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

HARSHVARDHAN R LUNIA
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Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

MITHUN SUNDAR
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Mithun Sundar
Chief Executive Officer

MOHIT BAJAJ
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Mohit Bajaj
Chief Financial officer
Membership No. 401316

UMESH JAIPRAKASH NAVANI
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Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : 30 June 2020

Lendingkart Finance Limited
Statement of Profit & Loss for the year ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
Interest income	23	44,267.85	21,254.32
Gain on assignment of loans	24	1,721.87	525.37
Total revenue from operations		**45,989.72**	**21,779.69**
Other income	25	440.56	25.07
Total income		**46,430.28**	**21,804.76**
Expenses			
Finance costs	26	17,716.50	8,114.33
Fees and commission expenses	27	729.80	329.98
Impairment of financial instruments	28	11,948.23	5,068.36
Employee benefit expenses	29	4,943.77	3,083.23
Depreciation and amortisation expenses	30	629.99	249.89
Other expenses	31	6,267.71	3,039.30
Total expenses		**42,236.00**	**19,885.09**
Profit before tax		**4,194.28**	**1,919.67**
Tax Expense :	32		
- Current tax		1,407.18	820.93
- Prior period tax adjustments		3.28	-
- Deferred tax charge / (credit)		(185.27)	(1,673.25)
		1,225.19	**(852.32)**
Profit after tax		**2,969.09**	**2,771.99**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (losses) on defined benefit plans		(5.37)	4.91
- Tax impact on above	32	1.56	(1.43)
Other comprehensive income (net of tax)		**(3.81)**	**3.48**
Total comprehensive income		**2,965.28**	**2,775.47**
Earning per equity share (₹):			
Basic	33	7.09	8.07
Diluted	33	7.09	8.07

Summary of significant accounting policies **3**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

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per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 30 June 2020

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

HARSHVARDHAN R LUNIA
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Date: 2020.06.30 22:28:22 +05'30'

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

MITHUN SUNDAR
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Mithun Sundar
Chief Executive Officer

MOHIT BAJAJ
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Mohit Bajaj
Chief Financial officer
Membership No. 401316

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Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : 30 June 2020

Lendingkart Finance Limited
Statement of changes in equity for the year ended 31st March 2020 *(₹ in lakhs unless otherwise stated)*

Equity share capital

Particulars	No of shares	Amount
Balance as at 01 April 2018	2,93,91,259	2,939.13
Changes in equity share capital during the year	95,94,661	959.46
Balance at 31 March 2019	**3,89,85,920**	**3,898.59**
Changes in equity share capital during the year	52,02,011	520.20
Balance at 31 March 2020	**4,41,87,931**	**4,418.79**

Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total other equity
	Securities premium	Retained earnings	Statutory Reserve as per RBI Act		
Balance as at 01 April 2018	**15,259.28**	**(5,125.66)**	**0.65**	-	**10,134.27**
Profit after tax	-	2,775.46	-	-	2,775.46
Other comprehensive income (net of tax)	-	(3.48)	-	3.48	-
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	(687.43)	687.43	-	-
Premium on issue of Equity Shares	31,540.53	-	-	-	31,540.53
Balance at 31 March 2019	**46,799.81**	**(3,041.11)**	**688.08**	**3.48**	**44,450.26**
Profit after tax	-	2,965.30	-	-	2,965.30
Other comprehensive income (net of tax)	-	3.81	-	(3.81)	-
Transferred to Statutory Reserve u/s section 45-IC of RBI Act, 1934	-	(593.06)	593.06	-	-
Premium on issue of Equity Shares	20,479.80	-	-	-	20,479.80
Share issue expense	(26.89)	-	-	-	(26.89)
Balance at 31 March 2020	**67,252.72**	**(665.05)**	**1,281.14**	**(0.33)**	**67,868.46**

Summary of significant accounting policies **3**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005
JAYESH MANHARLAL GANDHI
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DN: cn=JAYESH MANHARLAL GANDHI, o=S.R. BATLIBOI & CO. LLP, ou=Personal, email=jaysh.gandhi@srb.in, c=IN
Location: Mumbai
Date: 2020.06.30 23:26:49 +05'30'
per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 30 June 2020

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

HARSHVARDHAN R LUNIA
Digitally signed by HARSHVARDHAN R LUNIA
Date: 2020.06.30 22:27:53 +05'30'
Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

MITHUN SUNDAR
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Date: 2020.06.30 22:30:06 +05'30'
Mithun Sundar
Chief Executive Officer

MOHIT BAJAJ
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Mohit Bajaj
Chief Financial officer
Membership No. 401316

UMESH JAIPRAKAS H NAVANI
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Date: 2020.06.30 23:26:40 +05'30'
Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : 30 June 2020

Lendingkart Finance Limited
Cash flow statement for the year ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

Particulars	31 March 2020	31 March 2019
Operating activities		
Profit before tax	4,194.28	1,919.67
Adjusted for:		
Impact of EIR accounting of financial assets	668.19	382.72
Impact of EIR accounting of financial liabilities	(242.50)	(280.12)
Upfront gain on direct assignment	(1,721.87)	(525.37)
Guarantee fees	1,119.08	-
Provision for gratuity	76.78	37.78
Provision for leave benefit	(32.89)	94.74
Impairment of loans	1,925.10	2,397.17
Impairment of other financial assets	24.54	18.07
Bad debt written offs	10,004.49	2,653.12
Discount on commercial paper	176.97	264.21
Depreciation and amortisation	629.99	249.89
Share issue expenses	-	41.62
Interest on bank deposits	(1,380.87)	(829.99)
Interest on borrowings and debt securities	15,904.34	7,027.49
Interest on financial lease liability	378.32	154.94
Reversal of Lease equalisation reserve	(71.30)	(30.46)
Loss/(profit) on sale of property, plant and equipment	3.11	15.36
Actuarial gain / (loss) recognised in other comprehensive income	(5.37)	4.91
Cash from operations before working capital changes	**31,650.38**	**13,595.75**
Changes in working capital:		
- (Increase) / decrease in loans	(1,02,934.76)	(94,560.59)
- (Increase) / decrease in other financial assets	(994.74)	(61.89)
- (Increase) / decrease in other non financial assets	(1,239.20)	3.37
- Increase / (decrease) in other financial liabilities	2,570.61	1,679.33
- Increase / (decrease) in other non financial liabilities	218.98	204.47
Cash generated from / (used in) operating activities	**(70,728.75)**	**(79,139.56)**
Income tax paid (net)	(1,321.61)	(910.42)
Net cash flows from / (used in) operating activities (I)	**(72,050.36)**	**(80,049.98)**
Investing activities:		
Purchase of property, plant and equipment and intangible assets	(437.64)	(288.35)
Proceeds from sale of property, plant and equipment	0.10	2.44
Fixed deposit matured	(3,971.16)	(1,667.24)
Interest received on bank deposit	1,358.85	810.68
Net cash generated from / (used in) investing activities (II)	**(3,049.85)**	**(1,142.47)**
Financing activities:		
Issue of equity share capital (including securities premium)	21,000.00	27,500.00
Share issue expenses	(26.89)	(41.62)
Proceeds from inter-corporate loan*	1,000.00	5,000.00
Repayment of inter-corporate loan	(1,000.00)	(0.00)
Proceeds from debt securities	30,897.50	37,000.00
Repayment of debt securities	(21,908.18)	(5,944.13)
Proceeds from other than debt securities	85,598.66	65,408.79
Repayment of other than debt securities	(60,929.27)	(38,384.24)
Proceeds from subordinated debt	-	1,500.00
Change in Cash Credit / Overdraft	1,889.97	529.68
Repayment of lease liabilities	(530.73)	(201.02)
Proceeds from securitisation liability	22,660.56	8,021.88
Repayment of finance cost	(15,052.63)	(6,338.67)
Net cash generated from financing activities (III)	**63,598.99**	**94,050.69**

Lendingkart Finance Limited
Cash flow statement for the year ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

Particulars	31 March 2020	31 March 2019
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**(11,501.22)**	**12,858.24**
Cash and cash equivalents as at the beginning of the year	16,550.74	3,692.50
Cash and cash equivalents as at the end of the year	**5,049.52**	**16,550.74**
Components of cash and cash equivalents		
Cash in hand	-	0.28
Balances with banks		
- With banks in current accounts	5,049.52	3,058.93
- In deposit accounts with original maturity of less than 3 months.	-	13,491.53
Cash and cash equivalents	**5,049.52**	**16,550.74**

*During the financial year ended 31 March 2019, Inter-corporate loan from the Holding Company was converted into 14,76,101 number of equity shares of ₹ 10 each fully paid-up at a premium of ₹ 328.73 each, aggregating to ₹ 4,999.99. These items being non cash in nature, are not reflected in the above cash flow statement.

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

Summary of significant accounting policies **3**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

JAYESH MANHARLAL GANDHI
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Location: Mumbai
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per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 30 June 2020

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

HARSHVARDHAN R LUNIA
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Date: 2020.06.30 22:34:47 +05'30'

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

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Mithun Sundar
Chief Executive Officer

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Mohit Bajaj
Chief Financial officer
Membership No. 401316

UMESH JAIPRAKASH NAVANI
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Date: 2020.06.30 22:23:59 +05'30'

Umesh Navani
Company Secretary
Membership No. A40899

Place : Mumbai
Date : 30 June 2020

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

1. Corporate information

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

The Company has its registered office at A-303/304, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai, India. As at 31 March 2020, Lendingkart Technologies Private Limited ("Holding Company") owned 100% of the Company's equity share capital and has the ability to control its operating and financial policies.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31 March 2019, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31 March 2020 are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no 50.

2.1 Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 48.

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

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

The Company has considered all the possible effects that may result from the pandemic relating to COVID-19 on its estimates and associated assumptions applied in preparing these financial statements, especially for determining the impairment allowance for the company's financial assets (Loans). Estimates and assumptions are based on historical experience and other emerging/ forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this may have a corresponding impact on the carrying value of financial assets of the company. The Company will continue to closely monitor material changes in markets and future economic conditions. Based on facts and circumstances up to the date of adoption of these accounts by the Board of Directors, the Company does not anticipate any material changes to the carrying value of assets and liabilities existing as on the Balance Sheet date.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

3. Significant accounting policies

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

(i) Recognition of interest income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Interest income

a. The Company calculates interest income by using the effective interest rate (EIR) method to gross carrying amount of financial asset other than credit impaired assets.
b. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.
c. Interest income on financial assets classified as FVTPL is recognised at contractual interest rate of financial instruments.
d. Penal/additional charges on default in payment of dues by customer is recognised on realisation basis.

The effective interest rate method

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

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

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

b. Net gain on fair value changes

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

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

(ii) Recognition of other income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

The company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

- **Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- **Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- **Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.
- **Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation

(iii) Recognition of expenditures

a. **Finance costs**
Borrowing costs on financial liabilities are recognised using the EIR.

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

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

(iv) Financial Instruments

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

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

b. **Initial measurement of financial instruments**
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the company accounts for the Day 1 profit or loss, as described below.

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

d. **Measurement categories of financial assets and liabilities**

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

- Amortised cost
- FVOCI
- FVTPL

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(v) Financial assets and liabilities

a. Bank balances, Loans, Trade receivables and financial assets at amortised cost

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

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

The details of these conditions are outlined below.

- **Business model assessment**

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

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

- **The SPPI test**

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

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

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

b. Debt securities and other borrowed funds

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

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

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

d. Financial assets at FVOCI

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding

e. Financial guarantees and undrawn loan commitments

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

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

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

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

(vi) Reclassification of financial assets and liabilities

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

(vii) Derecognition of financial assets and liabilities

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

The company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the company considers the following factors:

- Change in the currency of loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

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

The company has transferred the financial asset if, and only if, either:

- The company has transferred its contractual rights to receive cash flows from the financial asset; Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to

be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:
- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

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

A transfer only qualifies for derecognition if either:
- The company has transferred substantially all the risks and rewards of the asset; Or
- The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

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

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

c. Financial liabilities

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

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(viii) Impairment of financial assets

a. Overview of the ECL principles

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

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

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

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

The company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

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

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

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

b. The calculation of ECLs

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

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

- **Probability of Default (PD)**
  The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- **Exposure at Default (EAD)**
  The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- **Loss given Default (LGD)**
  The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

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

The mechanics of the ECL method are summarised below:

- **Stage-1:**
  The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD. This calculation is made for each of the three scenarios, as explained above.

- **Stage-2:**
  When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

- **Stage-3:**
  For loans considered credit-impaired, the company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

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

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

c. Contract assets

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

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(₹ in Lakhs unless otherwise stated)

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

CGTMSE has been set up jointly by Ministry of MSME, Government of India and SIDBI to catalyse flow of institutional credit to Micro & Small Enterprises (MSEs). Over the past 18 years, CGTMSE has been instrumental in providing guarantee cover on credit extended by eligible Member Lending Institutions [MLIs] to MSEs.
The Company has also become the MLI in the same scheme and obtained sovereign guarantee cover of its portfolio. Accordingly, the company has incorporated the benefit of this sovereign guarantee cover in calculation of impairment of assets.

(x) Write-offs

Financial assets are written off either partially or in their entirety only when the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

(xi) Determination of fair value

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

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

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

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

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

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

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

- **Level-1 financial instruments**
  Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the company has access to at the measurement date. The company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level-2 financial instruments**
  Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on

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unobservable inputs which are significant to the entire measurement, the company will classify the instruments as Level 3.

- **Level-3 financial instruments**
  Those that include one or more unobservable input that is significant to the measurement as whole.

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

(xii) Foreign Currency translation

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

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

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

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

(xiii) Leases

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

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

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

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

- **Lease liabilities**
  At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

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Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

b. Company as a lessor

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

(xiv) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(xv) Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

(xvi) Intangible assets

The company's other intangible assets mainly include the value of computer software and assets under development.

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

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

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

(xvii) Impairment of non–financial assets

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

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

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

(xviii) Financial guarantees

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

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight-line basis over the life of the guarantee.

(xix) Retirement and other employee benefits

a. Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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b. Gratuity liability

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

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

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

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

c. Compensated absences

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

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

(xx) Provisions

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

(xxi) Taxes

a. Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns

with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

b. Deferred tax

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

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

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

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

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

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

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

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

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

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

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

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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(xxii) Contingent liabilities, contingent assets and commitments

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

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

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

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

(xxiii) Share issue expenses

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

(xxiv) Earnings per share

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

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

4. Critical accounting estimates and judgments

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

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

- Business model assessment
- Fair value of financial instruments
- Effective Interest Rate (EIR)
- Impairment on financial assets
- Provisions and other contingent liabilities
- Provision for tax expenses
- Residual value and useful life of property, plant and equipment

5. Change in accounting Policy

During the year ended March 31, 2020, the Company has adjusted share issue expenses aggregating to ₹ 26.89 against securities premium account, which was hitherto charged to statement of profit and loss. Had the Company followed the accounting policy applicable in the year ended March 31, 2019, the profit would have been lower by ₹ 26.89.

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6 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Cash on hand	-	0.28	0.13
Balances with banks			
- in current accounts	5,049.52	3,058.93	690.60
- in deposit accounts with maturity upto 3 months	-	13,491.53	3,001.77
Total	**5,049.52**	**16,550.74**	**3,692.50**

Balances with banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. Fixed deposits are pledged against credit facilities of ₹ NIL (31 March 2019: ₹ 13,486.55 and 01 April 2018: ₹ NIL)

7 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Fixed deposits with bank*			
Deposits - maturity less than 12 months	8,620.43	5,592.67	3,577.10
Deposits - maturity more than 12 months	2,676.35	1,710.92	2,039.95
Interest accrued but not due on deposits placed with banks	-	(0.00)	-
Total	**11,296.78**	**7,303.59**	**5,617.05**

*Fixed deposit and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates. Fixed deposits are pledged against credit facilities of ₹ 11,296.78 (31 March 2019: ₹ 5,467.64 and 01 April 2018: ₹ 3,574.16)

8 Loans

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Term loans	2,19,624.47	1,36,075.75	45,266.28
Less: Impairment loss allowance	(6,935.96)	(4,813.05)	(2,415.88)
Total	**2,12,688.51**	**1,31,262.70**	**42,850.40**
(Refer note 48(C) for Credit risk)			
(A) Out of Above			
(i) Secured	-	-	-
Less: Impairment loss allowance	-	-	-
Total (i)	-	-	-
(ii) Unsecured	2,19,624.47	1,36,075.75	45,266.28
Less: Impairment loss allowance	(6,935.96)	(4,813.05)	(2,415.88)
Total (ii)	**2,12,688.51**	**1,31,262.70**	**42,850.40**
Total (A) = (i) + (ii)	**2,12,688.51**	**1,31,262.70**	**42,850.40**
(B) Out of Above			
(i) Public Sector	-	-	-
Less: Impairment loss allowance	-	-	-
Total (i)	-	-	-
(ii) Others	2,19,624.47	1,36,075.75	45,266.28
Less: Impairment loss allowance	(6,935.96)	(4,813.05)	(2,415.88)
Total (ii)	**2,12,688.51**	**1,31,262.70**	**42,850.40**
Total (B) = (i) + (ii)	**2,12,688.51**	**1,31,262.70**	**42,850.40**

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On March 11, 2020, the World Health Organization declared COVID 19 a pandemic, which has impacted almost all countries around the world, including India. As a control measure, the Indian Government announced a lock down across India to restrict the spread of the virus. Consequently, on 27th March, 2020, the RBI announced various regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure continuity of viable businesses (Reference RBI Circular no RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 22, 2020). The RBI has given certain waivers to the borrowers which include moratorium to pay principal and interest with relaxation on their classification as a non-performing asset. The moratorium is essentially granted to help the borrowers to tide over a liquidity crisis caused by the corona disruption.

The company has also provided moratorium facility to its customer based on a board approved policy with effect from 27th March 2020 to all loans classified as standard as on 29th February 2020. Therefore, the original tenure of loans is extended. Also, the moratorium period, wherever granted, is excluded by the company from the number of days past-due for the purpose of asset classification under the IRAC norms.

9 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Interest receivable on assignment of loans	780.12	260.39	-
Security deposits	581.69	182.66	210.93
Receivable from co-lenders	1,311.20	-	-
Others	226.28	33.65	19.10
Total	**2,899.30**	**476.71**	**230.04**
(Less) : Impairment allowance on other financial assets	(30.56)	(18.07)	-
Total	**2,868.74**	**458.63**	**230.04**

10 Tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Advance income tax*	162.08	250.93	161.44
Total	**162.08**	**250.93**	**161.44**

***(net of provision for tax ₹ 1,902.50 (31 March 2019: ₹ 820.93 ; 01 April 2018: Nil))**

11 Deferred tax asset (Net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Deferred tax asset on account of:			
Carry forward of unabsorbed losses	-	-	978.56
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	110.21	97.43	62.44
Provision for expected credit losses	1,750.18	1,332.08	(313.52)
EIR accounting of loan assets	221.01	103.48	14.39
Deferred tax on account of Ind AS 116	23.90	(8.19)	(16.59)
Deferred tax on account of Guarantee fees	325.88	-	-
Deferred tax on account of unwinding discount of Security Deposit	51.44	24.13	13.07
Impact of difference between tax depreciation and depreciation charged for the financial reporting	27.84	13.27	10.53
Interest on market linked debentures	111.26	-	-
MAT credit entitlement	42.10	537.42	-
	2,663.82	**2,099.62**	**748.88**
Deferred tax liability on account of:			
Impact of accrued interest on non performing assets	-	-	-
Deferred tax on account of securitisation and direct assignment	562.39	249.88	(120.30)
EIR accounting of borrowings	242.78	177.93	(81.95)
	805.17	427.81	(202.25)
Deferred tax assets (Net)	**1,858.65**	**1,671.82**	**951.13**
Deferred tax asset recognized	**1,858.65**	**1,671.82**	-

Lendingkart Finance Limited
Notes to financial statements for the year ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

12 Property, plant and equipment

Particulars	Property, plant and equipment					Right-of-use assets
	Computers and Networks	Furniture and fixtures	Office equipments	Leasehold improvements	Total	
Cost						
As at 01 April 2018	**61.77**	**42.63**	**13.85**	**12.13**	**130.39**	**866.15**
Additions	191.00	6.71	19.94	-	**217.65**	930.70
Disposals	1.09	16.25	3.79	12.13	**33.25**	-
As at 31 March 2019	**251.69**	**33.09**	**30.01**	-	**314.79**	**1,796.85**
Additions	215.73	9.55	71.13	-	**296.40**	1,908.21
Disposals	3.42	1.29	1.95	-	**6.66**	-
As at 31 March 2020	**464.00**	**41.35**	**99.18**	-	**604.53**	**3,705.07**
Accumulated depreciation						
As at 01 April 2018	-	-	-	-	-	-
Charge for the year	75.27	10.90	8.35	9.56	**104.09**	124.18
Disposals	0.52	3.84	1.53	9.56	**15.45**	-
As at 31 March 2019	**74.75**	**7.06**	**6.82**	-	**88.64**	**124.18**
Charge for the year	179.05	8.00	24.37	-	**211.42**	**367.24**
Disposals	1.91	0.46	1.08	-	**3.45**	-
As at 31 March 2020	**251.89**	**14.61**	**30.11**	-	**296.61**	**491.42**
Net book value						
As at 01 April 2018	**61.77**	**42.63**	**13.85**	**12.13**	**130.39**	**866.15**
As at 31 March 2019	**176.93**	**26.03**	**23.19**	-	**226.15**	**1,672.67**
As at 31 March 2020	**212.11**	**26.74**	**69.07**	-	**307.92**	**3,213.65**

13 Intangible assets

Particulars	Computer softwares
Cost	
As at 01 April 2018	26.03
Additions	55.93
Disposals	-
As at 31 March 2019	**81.96**
Additions	110.55
Disposals	-
As at 31 March 2020	**192.51**
Accumulated amortisation	
As at 01 April 2018	-
Charge for the year	21.61
Disposals	-
As at 31 March 2019	**21.61**
Charge for the year	51.32
Disposals	-
As at 31 March 2020	**72.93**
Net book value	
As at 01 April 2018	**26.03**
As at 31 March 2019	**60.35**
As at 31 March 2020	**119.58**

Lendingkart Finance Limited
Notes to financial statements for the period ended 31 March 2020 ***(₹ in lakhs unless otherwise stated)***

14 Other non-financial assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Indirect tax credits available for utilisation	115.65	33.18	10.38
Prepaid expenses	222.26	96.57	64.36
Other advances	250.59	29.33	50.05
Total	**588.50**	**159.09**	**124.79**

15 Debt Securities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(A) At amortised cost			
(i) Secured*			
Privately placed redeemable non-convertible debentures	38,785.80	31,834.90	3,320.18
(ii) Unsecured			
Borrowings by issue of commercial papers	498.63	4,219.60	-
Total	**39,284.43**	**36,054.50**	**3,320.18**
(B) At FVTPL			
(i) Secured*			
Privately placed redeemable non-convertible debentures	5,122.94	2,740.85	-
Total	**5,122.94**	**2,740.85**	-
(C) Out of above			
In India	36,080.13	35,739.94	280.39
Outside India	8,327.23	3,055.40	3,039.79
Total	**44,407.37**	**38,795.35**	**3,320.18**

***The debenture are secured by:**
i) A charges by way of hypothecation of all book debts and receivables, present and future of the Company (To the extent of 1 to 1.10 times of outstanding amount of debentures).
ii) Corporate guarantee of the Holding Company for 31 March 2020 is ₹ 38,136.36, 31 Mar 2019 is ₹ 34,337.12 and 01 April 2018 is ₹ 3,281.25.

Terms of Repayment - Debentures as at 31 March 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment		Total
Rate of interest	**12%-15%**	**15%-18%**	
Due within 1 year			
No. of instalments	57	-	**57**
Amount	14,640.49	-	**14,640.49**
Due 1 to 2 years			
No. of instalments	33	1	**34**
Amount	14,495.87	1,000.00	**15,495.87**
Due 2 to 3 years			
No. of instalments	3	4	**7**
Amount	7,147.24	4,000.00	**11,147.24**
Due 3 to 4 years			
No. of instalments	-	1	**1**
Amount	-	2,000.00	**2,000.00**
Due 4 to 5 years			
No. of instalments	1	-	**1**
Amount	0.26	-	**0.26**
Interest accrued and impact of EIR			**624.87**
Total	**36,283.86**	**7,000.00**	**43,908.73**

Lendingkart Finance Limited
Notes to financial statements for the period ended 31 March 2020 ***(₹ in lakhs unless otherwise stated)***

Terms of Repayment - Debentures as at 31 March 2019

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	**12%-15%**	**Total**
Due within 1 year		
No. of instalments	55	**55**
Amount	17,467.42	**17,467.42**
Due 1 to 2 years		
No. of instalments	29	**29**
Amount	7,975.76	**7,975.76**
Due 2 to 3 years		
No. of instalments	9	**9**
Amount	6,893.94	**6,893.94**
Due 3 to 4 years		
No. of instalments	1	**1**
Amount	2,000.00	**2,000.00**
Interest accrued and impact of EIR		**283.63**
Total	**34,337.12**	**34,620.75**

Terms of Repayment - Debentures as at 01 April 2018

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	**12%-15%**	**Total**
Due within 1 year		
No. of instalments	10	**10**
Amount	281.25	**281.25**
Due 1 to 2 years		
No. of instalments	-	-
Amount	-	-
Due 2 to 3 years		
No. of instalments	-	-
Amount	-	-
Due 3 to 4 years		
No. of instalments	2	**2**
Amount	3,000.00	**3,000.00**
Interest accrued and impact of EIR		**38.93**
Total	**3,281.25**	**3,320.18**

Terms of Repayment - Commercial papers as at 31 March 2020

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

Terms of Repayment - Commercial papers as at 31 March 2019

Original Maturity / Repayment frequency	Bullet repayment	
Rate of interest	**11.25 to 13%**	**Total**
Due within 1 year		
No. of instalments	3	3
Amount	4,300.00	**4,300.00**
Impact of undiscounted maturity charges and EIR		**(80.40)**
Total		**4,219.60**

Lendingkart Finance Limited
Notes to financial statements for the period ended 31 March 2020 ***(₹ in lakhs unless otherwise stated)***

16 Borrowings (Other than debt securities)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(A) At amortised cost			
(i) Secured*			
Term loans			
from banks	46,233.94	26,707.72	7,004.09
from other than banks	34,639.77	25,919.44	22,389.72
Loans repayable on demand			
Overdraft from bank	948.38	-	465.06
Cash credit from banks	3,941.58	3,020.14	2,005.25
Cash credit from other than banks	1,511.54	1,511.06	1,504.79
Securitisation liabilities	22,660.56	8,021.88	-
	1,09,935.77	**65,180.24**	**33,368.92**
(ii) Unsecured			
Term loans			
from other than banks	625.46	-	50.27
	625.46	-	**50.27**
Total	**1,10,561.24**	**65,180.24**	**33,419.19**
(B) Out of above			
In India	1,10,561.24	65,180.24	33,419.19
Outside India	-	-	-
Total	**1,10,561.24**	**65,180.24**	**33,419.19**

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

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Company (to the extent of 1 to 1.33 times of outstanding loan amount).

ii) Corporate guarantee of the Holding Company as at 31 March 2020 is ₹ 82,223.03, 31 Mar 2019 is ₹ 52,957.08 and 01 April 2018 is ₹ 27,817.44

iii) Guarantee by third party (15% of initial value of term loans, capped at 35% due to amortization).

iv) First loss default guarantee (FLDG) in the form of fixed deposits as at 31 March 2020 is ₹ 4,422.32, 31 Mar 2019 is ₹ 2,373.00 and 01 April 2018 is ₹ 1,820.06

v) First loss default guarantee (FLDG) in the form of security deposits as at 31 March 2020 is ₹ 250.00, 31 Mar 2019 is ₹ 125.00 and 01 April 2018 is ₹ 150.00

vi) Overdraft and cash credit availed from banks secured by pledge fixed deposits as at 31 March 2020 is ₹ 3,587.97, 31 Mar 2019 is ₹ 2,244.63 and 01 April 2018 is ₹ 1,754.10

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

Original Maturity / Repayment frequency	Monthly/Quarterly repayment		Total
Rate of interest	**9%-12%**	**12%-15%**	
Due within 1 year			
No. of instalments	139	641	**780**
Amount	14,271.15	31,344.46	**45,615.61**
Due 1 to 2 years			
No. of instalments	40	388	**428**
Amount	3,681.39	19,207.66	**22,889.05**
Due 2 to 3 years			
No. of instalments	3	152	**155**
Amount	208.33	10,529.86	**10,738.19**
Due 3 to 4 years			
No. of instalments	-	33	**33**
Amount	-	1,951.39	**1,951.39**
Due 4 to 5 years			
No. of instalments	-	-	-
Amount	-	-	-
Above 5 years			
No. of instalments	-	-	-
Amount	-	-	-
Interest accrued and impact of EIR			**304.93**
Total	**18,160.87**	**63,033.37**	**81,499.17**

Lendingkart Finance Limited

Notes to financial statements for the period ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

17 Subordinated Debt

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(A) At amortised cost			
(i) Unsecured			
Term loans			
from banks	2,528.44	2,528.14	1,008.90
Total	**2,528.44**	**2,528.14**	**1,008.90**

Terms of Repayment - Subordinated Debt as at 31 March 2020

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	**12%-15%**	**Total**
Due 4 to 5 years		
No. of instalments	1	**1**
Amount	1,000	**1,000.00**
Due Above 5 years		
No. of instalments	1	**1**
Amount	1,500	**1,500.00**
Interest accrued and impact of EIR		**28.44**
Total	**2,500.00**	**2,528.44**

Terms of Repayment - Subordinated Debt as at 31 March 2019

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	**12%-15%**	**Total**
Due Above 5 years		
No. of instalments	2	**2**
Amount	2,500.00	**2,500.00**
Interest accrued and impact of EIR		**28.14**
Total	**2,500.00**	**2,528.14**

Terms of Repayment - Subordinated Debt as at 01 April 2018

Original Maturity / Repayment frequency	Monthly/Quarterly repayment	
Rate of interest	**12%-15%**	**Total**
Due Above 5 years		
No. of instalments	1	**1**
Amount	1,000.00	**1,000.00**
Interest accrued and impact of EIR		**8.90**
Total	**1,000.00**	**1,008.90**

18 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Expense and other payables	1,388.00	1,366.25	680.79
Payable towards Co-lending	179.29	-	-
Payable towards direct assignment of loans	1,383.33	406.59	512.56
Payables to employees	111.70	213.69	140.91
Payables to holding company	66.02	327.93	257.04
Lease obligation	3,336.70	1,685.52	843.86
Guarantee Liability	900.66	-	-
Service obligation on account of securitisation	9.17	1.52	1.60
Total	**7,374.86**	**4,001.50**	**2,436.76**

Lendingkart Finance Limited

Notes to financial statements for the period ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

19 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Provision for employee benefits			
Provision for gratuity benefits	159.27	82.50	44.72
Provision for leave benefits	219.20	252.10	157.36
Total	**378.47**	**334.59**	**202.07**

20 Other non-financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Advances from customers	340.74	202.41	66.66
Statutory dues	321.00	240.34	171.63
Total	**661.75**	**442.76**	**238.29**

21 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Authorized			
Equity shares of ₹10 each	4,454.75	3,934.50	2,975.00
Total	**4,454.75**	**3,934.50**	**2,975.00**
Issued, subscribed and fully paid up Equity shares of ₹10 each			
At the beginning of the year	3,898.59	2,939.13	2,549.52
Add: Issued during the year	520.20	959.47	389.61
Total	**4,418.79**	**3,898.59**	**2,939.13**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding company i.e. Lendingkart Technologies Private Limited, are as below:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
No. of shares held	4,41,87,931	3,89,85,920	2,93,91,259
% of share holding	100%	100%	100%

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

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

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
No. of shares held	4,41,87,931	3,89,85,920	2,93,91,259
% of share holding	100%	100%	100%

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

Lendingkart Finance Limited

Notes to financial statements for the period ended 31 March 2020 *(₹ in lakhs unless otherwise stated)*

22 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Securities Premium			
Balance at the beginning of the year	46,799.81	15,259.28	9,648.89
Add: Premium on issue of Equity Shares	20,479.80	31,540.53	5,610.39
(Less): Expenses on issue of shares	(26.89)	-	-
Balance at the end of the year	**67,252.72**	**46,799.81**	**15,259.28**
Surplus in the statement of profit and loss			
Balance at the beginning of the year	(3,041.11)	(5,125.66)	(5,125.66)
Add: Profit for the year	2,965.30	2,775.46	-
GAAP Adjustments (P/L)	-	-	-
Item of other comprehensive income	-	-	-
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	3.81	(3.48)	-
Less : Transferred to Statutory Reserve u/s section 45-IC of Reserve Bank of India Act, 1934	(593.06)	(687.43)	-
Balance at the end of the year	**(665.06)**	**(3,041.11)**	**(5,125.66)**
Other Comprehensive Income			
Balance at the beginning of the year	3.48	-	-
Items of other comprehensive income			
- Remeasurement gains / (losses) on defined benefit plan (net of tax)	(3.81)	3.48	-
Balance at the end of the year	**(0.33)**	**3.48**	-
Statutory Reserve u/s section 45-IC of Reserve Bank of India Act, 1934			
Balance at the beginning of the year	688.08	0.65	0.65
Add: Transferred during the year	593.06	687.43	-
Balance at the end of the year	**1,281.14**	**688.08**	**0.65**
Total other equity	**67,868.47**	**44,450.27**	**10,134.27**

Lendingkart Finance Limited
Notes to financial statements for the year ended 31 March 2020

(₹ in lakhs unless otherwise stated)

23 Interest income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On financial assets measured at Amortised Cost		
Interest on term loans	42,499.50	20,118.78
Guarantee revenue from colending	122.34	-
Interest on fixed deposits with banks	1,380.87	829.99
Interest on Inter-corporate loan	-	123.46
Other charges	242.06	175.20
Other interest income	23.08	6.87
Total	**44,267.85**	**21,254.32**

24 Gain on assignment of loans

Gain on assignment of loans for the year ended 31 March 2020 is ₹ 1,941.16 (31 March 2019: ₹ 632.95) and loss on modification of loans is ₹ 219.30 (31 March 2019: ₹ 107.58) which is presented as net in Gain on assignment of loans in the Statement of Profit and Loss.

25 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Commission Income from Insurance	331.21	-
Unwinding discount of security deposit	44.92	5.04
Other Income	64.43	20.03
Total	**440.56**	**25.07**

26 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On financial liabilities measured at amortised cost		
On debt securities	5,302.32	2,151.28
On borrowings (other than debt securities)	11,466.65	5,254.82
On commercial papers	180.37	281.26
On lease obligation	307.03	124.48
Others	78.05	61.64
On financial liabilities measured at fair value		
On debt securities	382.09	240.85
Total	**17,716.50**	**8,114.33**

27 Fees and commission expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Comission and Brokerage	729.80	329.98
Total	**729.80**	**329.98**

28 Impairment on financial instruments at amortised cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loans	2,148.15	2,397.17
Other financial assets	24.54	18.07
Write offs	9,775.54	2,653.12
Total	**11,948.23**	**5,068.36**

Lendingkart Finance Limited
Notes to financial statements for the year ended 31 March 2020

(₹ in lakhs unless otherwise stated)

29 Employee benefit expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	4,459.99	2,584.56
Contribution to provident and other funds	152.65	85.94
Reimbursement of ESOP expenses	58.82	118.40
Leave benefit expense	17.20	127.98
Gratuity	72.06	42.69
Staff welfare expenses	183.05	123.66
Total	**4,943.77**	**3,083.23**

30 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation and amortisation expenses	629.99	249.89
Total	**629.99**	**249.89**

31 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	78.47	50.96
Rent	47.03	56.25
Repairs and maintenance	46.86	22.86
Insurance	17.58	38.79
Telephone and communication expense	171.25	66.10
Office administrative expenses	515.84	308.98
Marketing and sales promotion expense	57.00	41.18
Auditor's fees and expenses (Refer note 31.1 below)	30.90	24.76
Share issue expenses	-	41.62
Legal and professional charges	1,211.01	557.46
Service charges of outsourced employees	1,028.36	621.14
Guarantee fees	1,266.56	-
License fees	498.33	325.69
Business support services	218.20	339.92
Printing and stationery	10.51	14.05
Travelling expenses	92.74	52.71
Bank charges	118.08	65.09
Courier expenses	58.10	33.00
Software license fees	710.60	304.95
Rates & taxes	19.54	14.23
Security expenses	12.73	7.37
Loss on sale of property, plant and equipment	3.11	15.36
Director sitting fees	2.64	1.83
Housekeeping expenses	16.17	12.26
Miscellaneous expenses	36.11	22.72
Total	**6,267.71**	**3,039.30**

31.1 Auditor's Remuneration

Audit fee	22.89	18.74
Tax audit fee	3.27	3.27
In other capacity :		
Certification services	3.76	1.85
Reimbursement of expenses	0.98	0.90
Total	**30.90**	**24.76**

Lendingkart Finance Limited
Notes to financial statements for the year ended 31st March 2020

(₹ in lakhs unless otherwise stated)

32 Tax expense

Particulars	31 March 2020	31 March 2019
Current tax expense		
Current tax for the year	1,407.18	820.93
Prior period Tax adjustments	3.28	-
Total current tax expense	**1,410.46**	**820.93**
Deferred taxes		
Change in deferred tax assets	562.63	2,101.05
Change in deferred tax liabilities	(377.36)	(427.81)
Net deferred tax expense / (income)	**(185.27)**	**(1,673.25)**
Total income tax expense	**1,225.19**	**(852.31)**

32.1 Tax reconciliation

Particulars	31 March 2020	31 March 2019
Profit before income tax expense	4,194.28	1,919.67
Effective tax rate	29.12%	29.12%
Tax at statutory income tax rate @ 29.12%	1,221.37	559.01
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses disallowed	0.53	30.44
Utilisation of previously b/f business losses and unabsorbed depreciation	-	(1,140.61)
Deferred tax assets not recognised for previous years on virtual certainity	-	(301.15)
Prior period adjustments	3.28	-
Income tax expense	**1,225.18**	**(852.31)**

Lendingkart Finance Limited
Notes to financial statements for the year ended 31st March 2020

(₹ in lakhs unless otherwise stated)

32.2 Deferred tax movement related to the following:

Deferred tax assets (net)	As at 31 March 2020	Recognised in Statement of Profit or loss	Recognised in Other comprehensive income	As at 31 March 2019
Deferred tax asset on account of:				
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	110.21	(11.22)	(1.56)	97.43
Expected credit loss	1,750.18	(418.10)	-	1,332.08
Unamortised processing fee	221.01	(117.53)	-	103.48
Deferred tax on account of Ind AS 116	23.90	(32.09)	-	(8.19)
Deferred tax on account of guarantee fees	325.88	(325.88)	-	-
Deferred tax on account of unwinding discount of Security Deposit	51.44	(27.31)	-	24.13
Difference between tax depreciation and depreciation charged for the financial reporting	27.84	(14.57)	-	13.27
Interest on market linked debentures	111.26	(111.26)	-	-
MAT credit entitlement	42.10	495.32	-	537.42
Total deferred tax asset	**2,663.82**	**(562.63)**	**(1.56)**	**2,099.62**
Deferred tax liability on account of:				
Unamortised borrowing cost	242.78	64.85	-	177.93
On account of securitisation and direct assignment	562.39	312.51	-	249.88
Total deferred tax liability	**805.17**	**377.36**	-	**427.81**
Deferred tax charge/(credit) for the year	**1,858.65**	**(185.27)**	**(1.56)**	**1,671.82**

Lendingkart Finance Limited
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(₹ in lakhs unless otherwise stated)

Deferred tax assets (net)	As at 31 March 2019	Recognised in Statement of Profit or loss	Recognised in Other comprehensive income	As at 01 April 2018
Deferred tax asset on account of:				
Carry forward of unabsorbed losses	-	-	-	978.56
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	97.43	(98.86)	1.43	62.44
Expected credit loss	1,332.08	(1,332.08)	-	(313.52)
Unamortised processing fee	103.48	(103.48)	-	14.39
Deferred tax on account of Ind AS 116	(8.19)	8.19	-	(16.59)
Deferred tax on account of unwinding discount of Security Deposit	24.13	(24.13)	-	13.07
Difference between tax depreciation and depreciation charged for the financial reporting	13.27	(13.27)	-	10.53
MAT credit entitlement	537.42	(537.42)	-	-
Total deferred tax asset	**2,099.62**	**(2,101.05)**	**1.43**	**748.88**
Deferred tax liability on account of:				
Unamortised borrowing cost	177.93	177.93	-	(81.95)
On account of securitisation and direct assignment	249.88	249.88	-	(120.30)
Total deferred tax liability	**427.81**	**427.81**	-	**(202.25)**
Deferred tax charge/(credit) for the year	**1,671.82**	**(1,673.25)**	**1.43**	-

33 Earning Per Share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(A) Net profit after tax for the year	2,969.09	2,771.99
(B) Weighted average number of equity shares for basic earnings per share	4,18,71,188	3,43,59,453
(C) Weighted average number of equity shares for diluted earnings per share	4,18,71,188	3,43,59,453
Basic earning per share in ₹(A/B)	7.09	8.07
Diluted earning per share in ₹ (A/C)	7.09	8.07
[Nominal value of shares ₹ 10 each (Previous Year : ₹ 10)]		

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

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34. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in year ended 31 March 2020 and 31 March 2019. The Company operates in a single geographical segment i.e. domestic.

35. Related party transactions

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below.

(a) List of Related parties

Nature of Relationship	Name of Related Parties
Holding company	Lendingkart Technologies Private Limited
Entity having significant influence in holding company	Fullerton Finanical Private Limited
Independent director	Mr. Gaurav Mittal
Independent director	Mr. T. V. Rao
Independent director	Ms. Divya Himanshu Jain
Independent director	Mr. G. S. Sundararajan
Relative of chairman and managing director	Anand Raichand Lunia

(b) Transactions during the year with related parties

Sr. No.	Nature of transactions	31 March 2020	31 March 2019
1	**Lendingkart Technologies Private Limited**		
	Unsecured inter-corporate loan taken	1,000.00	5,000.00
	Unsecured inter-corporate loan repaid	1,000.00	-
	Interest paid on inter-corporate loans	3.54	15.27
	Conversion of unsecured inter corporate loan into equity share capital (refer note 1 below)	-	5,000.00
	Issue of equity share capital (including share premium on issue of equity shares) (refer note 2 below)	21,000.00	27,500.00
	Unsecured inter-corporate loans given	-	2,300.00
	Interest income on inter-corporate loans	-	123.46
	License fee paid for use of software (Excludes 50% reversal of goods and services tax input credit) (refer note 3 below)	457.18	292.55
	Business support charges paid (Excludes 50% reversal of goods and services tax input credit)	200.18	294.52
	Reimbursement of ESOP expenses (Excludes 50% reversal of goods and services tax input credit)	53.96	118.40
	Transfer of advance given to Omnifin against customization and implementation of the Omnifin Software	-	6.50
	Reimbursement of expenses incurred on behalf of the Holding Company	-	0.13
2	**Mr. Gaurav Mittal**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	0.90	0.88
3	**Mr. T V Rao**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	1.50	-

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

Sr. No.	Nature of transactions	31 March 2020	31 March 2019
4	**Ms. Divya Himanshu Jain**		
	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	-	0.81

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

Sr. No.	Nature of transactions	31 March 2020	31 March 2019	01 April 2018
1	Lendingkart Technologies Private Limited	(66.02)	(327.93)	(257.04)
2	Mr. Gaurav Mittal	-	(0.13)	-
3	Ms. Divya Himanshu Jain	-	(0.13)	(0.13)

(d) Guarantees given by holding company*

Sr. No.	Nature of transactions	31 March 2020	31 March 2019	01 April 2018
1	Loans borrowed from financial institutions and Banks guaranteed by the Holding Company (including CC facility)	82,223.03	52,957.08	27,817.44
2	Non-Convertible debentures issued to financial institutions, banks and other company guaranteed by the Holding Company	38,136.36	34,337.12	3,281.25

* In respect of Guarantee fees- no payment is required to be made to Holding Company, as allowed under ITFG issue 2 bulletin 13, no guarantee commission is recognised in books of the company

* Total sanction amount of Loans borrowed from financial institutions and banks against which guarantee is given by holding company is ₹ 1,09,450.00 and sanction amount of Non-Convertible debentures issued to financial institutions, banks and other company is ₹ 47,750.00

Note 1: During the financial year ended 31 March 2019, Inter-corporate loan from the Holding Company was converted into 14,76,101 number of equity shares of ₹ 10 each fully paid-up at a premium of ₹ 328.73 each, aggregating to ₹ 5,000.00.

Note 2: During the year ended 31 March 2020, the company issued 52,02,011 equity shares of ₹ 10 each fully paid-up at a premium of ₹ 393.69 per share to Holding Company. For detailed terms of the equity shares, please refer note 21 to the Financial Statements.

During the year ended 31 March 2019, the company issued 81,18,560 equity shares of ₹ 10 each fully paid-up at a premium of ₹ 328.73 per share to Holding Company. For detailed terms of the equity shares, please refer note 21 to the Financial Statements.

Note 3: The Company has entered into License Agreement with Holding Company dated 19 June 2015 for a term of 5 years for use of the licensed software to digitally lend money to its customers.

The services provided by the Holding Company to the Company are of a specialised nature and hence difficult to benchmark with other external sources. The Company has engaged the services of an expert to assess the arm's length price for this inter-company transaction. Based on the assessment of such expert license fees are revised from 01 April 2018 and are charged by the Holding Company to the Company and are considered at arm's length. Until the year ended 31 March 2018, the Company paid license fees to the Holding Company as a percentage of the interest income earned by the Company.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

36. Employee stock option plans

The Holding Company has Employee Stock Option Plans ("ESOP") scheme in force. As per the ESOP scheme, Holding Company has granted ESOP options to acquire its equity shares that would vest in a graded manner to Company's employees. Based on the group policy/ arrangement, Holding Company has cross charged the fair value of such ESOP. The Company has recognised the same under the employee cost amounting to ₹ 58.82 for the year ended 31 March 2020 (31 March 2019: ₹ 118.40).

37. Leases

Where the company is lessee:

The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. These leases have an average life of between one and nine years. Lease rentals have an escalation ranging between 5% to 15%. Some of the leases for which the lease term is less than twelve months has been accounted as short term leases.

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

Particulars	Amount
Land & Building as at 01 April 2018 (restated)	**866.15**
Additions	930.70
Depreciation expense	124.18
Balance as at 31 March 2019	**1,672.67**
Additions	1,908.21
Closure	-
Depreciation expense	367.24
Balance as at 31 March 2020	**3,213.65**

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

Particulars	31 March 2020	31 March 2019
Opening Balance	**1,685.52**	**843.86**
Additions	1,803.59	887.74
Accretion of interest	307.03	124.48
Closure	-	-
Payments	(459.43)	(170.56)
Closing Balance	**3,336.70**	**1,685.52**

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

Particulars	31 March 2020	31 March 2019
Short-term leases	47.03	56.25

iv. The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

Lease Liability	31 March 2020	31 March 2019	01 April 2018
Not later than one year	681.08	316.05	147.90
Later than one year and not later than five years	3,309.99	1,643.79	811.35
Later than five years	1,407.48	816.42	515.28
Total undiscounted lease liabilities	**5,398.55**	**2,776.27**	**1,474.54**

v. The effective interest rate of lease liabilities for the year ended 31 March 2020 is 13.24% (31 March 2019: 12.64% and 01 April 2018: 13.55%).

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

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

Particulars	31 March 2020	31 March 2019
Depreciation expense right of use of assets	367.24	124.18
Interest expense on lease liabilities	307.03	124.48
Expense relating to short term leases (included in other expenses)	47.03	56.25
Total Amount recognized in statement of profit and loss account	**721.30**	**304.91**

38. Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2020	31 March 2019
Professional Fees	80.77	3.57
Software Expenses	17.15	10.75
Total	**97.92**	**14.32**

39. Contingent liability and Commitments

a) Contingent Liability

Description of the contingent liability	31 March 2020	31 March 2019	01 April 2018
Credit enhancements provided by the company towards securitisation (including corporate guarantee, cash collateral and loan assets retained as Minimum retention Requirement (MRR)	7,282.41	2,443.06	613.26

b) Capital and other commitments

Description of the capital and other commitments	31 March 2020	31 March 2019	01 April 2018
Loan sanctioned not yet disbursed*	-	3,675.27	2,378.03
Corporate guarantee in case of co-lending transactions	6,283.15	-	-
A S Software Services Private Limited (Omnifin Software) (Excludes 50% reversal of goods and service tax input credit)	98.55	-	-

*The company has sanctioned loans amounting to ₹ 90.50 but not disbursed as on 31st March 2020, due to expiry of agreements during lockdown declared by Government of India.

40. Retirement benefit plans

A. Defined benefit obligation

Contribution to Gratuity fund:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

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(₹ in Lakhs unless otherwise stated)

i. Key actuarial assumptions:

Particulars	31 March 2020	31 March 2019
Discount rate (per annum)	6.60%	7.50%
Rate of salary increase	12%	12%
Rate of employee turnover	18% p.a. at younger ages reducing to 6% p.a. at older ages	

ii. Movement in defined benefit obligation:

Particulars	31 March 2020	31 March 2019
Defined benefit obligation at the beginning of the year	82.50	44.72
Interest on defined benefit obligation	6.17	3.37
Current service cost	65.89	39.32
Benefits paid	(0.66)	-
(Benefit Paid From the Fund)	-	-
Remeasurements due to :		
Actuarial loss/(gain) arising from change in demographic assumptions	(0.03)	-
Actuarial loss/(gain) arising from change in financial assumptions	11.71	0.35
Actuarial loss/(gain) arising on account of experience changes	(6.31)	(5.26)
Present Value of obligation at the end of the year	**159.27**	**82.50**

iii. Assets and liabilities recognised in the balance sheet:

Particulars	31 March 2020	31 March 2019
Present value of the defined benefit obligation at the end of the year	159.27	82.50
Fair Value of Plan Assets at the end of the year	-	-
Funded Status (Surplus/ (Deficit))	159.27	82.50
Net liability recognised in the balance sheet	**159.27**	**82.50**

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

Particulars	31 March 2020	31 March 2019
Current Service Cost	65.89	39.32
Interest cost	6.17	3.37
Net gratuity cost recognised in the current year	**72.06**	**42.69**

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

Particulars	31 March 2020	31 March 2019
Actuarial gain/ loss on post-employment benefit obligation	5.37	(4.91)
Total remeasurement cost / (credit) for the year recognised in OCI	**5.37**	**(4.91)**

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

Particulars	31 March 2020	31 March 2019
Net defined benefit liability/(asset) as at the beginning of the year	82.50	44.72
Expense charged to Statement of Profit and Loss	72.06	42.69
(Benefit paid directly by the employer)	(0.66)	-
Amount recognised in other comprehensive income	5.37	(4.91)
Net Liability/(Asset) Recognized in the Balance Sheet	**159.27**	**82.50**

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vii. Sensitivity analysis:

Particulars	31 March 2020	31 March 2019
Impact of increase in 0.5% on rate of discounting	152.59	79.11
Impact of decrease in 0.5% on rate of discounting	166.44	86.11
Impact of increase in 0.5% on rate of salary increase	163.61	84.88
Impact of decrease in 0.5% on rate of salary increase	154.92	80.24
Impact of increase in 10% on rate of employee turnover	153.76	79.46
Impact of decrease in 10% on rate of employee turnover	164.80	85.48

viii. Maturity analysis of projected benefit obligation:

Year	31 March 2020	31 March 2019
Expected benefits for year 1	3.75	0.53
Expected benefits for year 2	9.66	3.61
Expected benefits for year 3	13.08	7.15
Expected benefits for year 4	15.20	10.02
Expected benefits for year 5	18.62	11.01
Expected benefits for years 6 to 10	81.80	48.09

ix. The Experience adjustment on plan assets:

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Defined benefit obligation	159.27	82.50	44.72	21.38	3.77
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(159.27)	(82.50)	(44.72)	(21.38)	(3.77)
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	(6.31)	(5.26)	(10.45)	8.52	0.58

B. Compensated absences:

Maturity profile

Particulars	31 March 2020	31 March 2019
Present value of unfunded obligations	219.20	223.36
Expense recognised in the Statement of Profit and Loss	17.20	127.98
Discount rate (p.a.)	6.60%	7.50%
Salary escalation rate (p.a)	12.00%	12.00%

C. Provident Fund:

The Company contributes in Provident Fund towards employees which is the defined contribution plan for qualifying employees. Under this Scheme, the Company is required to contribute specified percentage of the payroll cost to fund the benefits. The Company recognised ₹ 145.88 (31 March 2019: ₹ 79.72) for provident fund contributions in the Statement of profit and loss.

41. Based on the information available with the Company, there are no micro, small and medium enterprises to whom the Company has paid interest or any interest payable on outstanding (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended 31 March 2020.

42. The Company does not have any outstanding loans against gold jewellery as at 31 March 2020 (31 March 2019: NIL).

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43. Capital:

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

i. Capital management

Objective:

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning:

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The management monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis and the same is also monitored in Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

ii. Regulatory capital

Particulars	31 March 2020	31 March 2019	01 April 2018
Tier I capital	68,381.91	45,918.09	12,832.26
Tier II capital	4,823.82	5,636.08	2,570.70
	73,205.73	51,554.17	15,402.96
Risk weighted assets (RWA)	2,02,276.70	1,32,319.12	47,738.36
Tier I CRAR	33.81%	34.70%	26.88%
Tier II CRAR	2.38%	4.26%	5.38%
CRAR	**36.19%**	**38.96%**	**32.26%**

44. Transfers of assets:

i. Transferred of financial assets that are not derecognised in their entirety

(a) Securitisation

The company has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Particulars	31 March 2020	31 March 2019
Carrying amount of transferred assets measured at amortised cost (including loans placed as collateral)	33,915.58	8,603.73
Carrying amount of associated liabilities (Debt securities-measured at amortised cost)	22,660.56	8,021.88
Fair value of assets	33,915.58	8,603.73
Fair value of associated liabilities	22,660.56	8,021.88
Net position at Fair Value	11,255.02	581.85

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Notes forming part of financial statements for the year ended 31 March 2020

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(b) Assignment deal

The Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's Balance Sheet.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 80-90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

Loans and advances measured at amortised cost	31 March 2020	31 March 2019
Carrying amount of derecognised financial assets	4,508.28	2,166.50
Gain from derecognition	1,721.87	525.37

ii. Transferred of financial assets that are derecognised in their entirety

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

45. Events after reporting date:

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

46. Fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

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

Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards. Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

Valuation methodologies adopted

- Fair values of financial assets and financial liabilities are measured at amortised cost except for market linked debentures which are measured at fair value through profit and loss.

- Fair value of market linked debentures is measured at fair value through profit and loss. Fair value of Market linked debentures is derived from independent valuer. The valuation is done based on discounted cashflow method. The option portion is projected using Monte Carlo simulations and Geometric Brownian Motion is used to project the Index levels into the future. The Index levels are projected based on certain assumptions and the value of debenture is then arrived at by discounting the respective cashflows.

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- The Company has determined that the carrying values of cash and cash equivalents, bank balances, expenses payables, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

47. Fair value hierarchy:

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This is the case for contingent consideration and indemnification assets.

Financial instruments by category

Financial instruments by category	31 March 2020		31 March 2019		01 April 2018	
	Amortised Cost	Fair value	Amortised Cost	Fair value	Amortised Cost	Fair value
Financial assets:						
Cash and cash equivalent	5,049.52	-	16,550.74	-	3,692.50	-
Other bank balances	11,296.78	-	7,303.59	-	5,617.05	-
Loans	2,12,688.51	-	1,31,262.70	-	42,850.40	-
Other financial assets	2,868.74	-	458.63	-	230.04	-
Total financial assets	**2,31,903.54**	-	**1,55,575.67**	-	**52,389.98**	-
Financial liabilities:						
Debt Securities	39,284.43	5,122.94	36,054.50	2,740.85	3,320.18	-
Borrowings (other than debt securities)	1,10,561.24	-	65,180.24	-	33,419.19	-
Subordinated Debt	2,528.44	-	2,528.14	-	1,008.90	-
Other financial liabilities	7,374.86	-	4,001.50	-	2,436.76	-
Total financial liabilities	**1,59,748.96**	**5,122.94**	**1,07,764.37**	**2,740.85**	**40,185.04**	-

Valuation techniques

The carrying value of cash and cash equivalents, other bank balances, other financial asset, trade payables, other payables and other financial liabilities are considered to be approximately equal to the fair value due to their short-term maturities.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Loans - The fair value of floating rate loans are deemed to be equivalent to the carrying value. The fair value of certain fixed rate loans is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans.

Borrowings - The fair value of certain fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans. The fair value of floating rate borrowings is deemed to be equivalent to the carrying value.

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Fair value of Market linked debentures is derived from independent valuer. The valuation is done based on discounted cashflow method. The option portion is projected using Monte Carlo simulations and Geometric Brownian Motion is used to project the Index levels into the future. The Index levels are projected based on certain assumptions and the value of debenture is then arrived at by discounting the respective cashflows.

Fair value of financial instruments measured at amortised cost:

Particulars	Level of hierarchy	31 March 2020	31 March 2019	01 April 2018
Financial assets:				
Cash and cash equivalent	Level 1	5,049.52	16,550.74	3,692.50
Other bank balances	Level 1	11,296.78	7,303.59	5,617.05
Loans	Level 2	2,12,688.51	1,31,262.70	42,850.40
Other financial assets	Level 2	2,868.74	458.63	230.04
Total financial assets		**2,31,903.54**	**1,55,575.67**	**52,389.98**
Financial liabilities:				
Debt Securities	Level 2	39,284.43	36,054.50	3,320.18
Borrowings (other than debt securities)	Level 2	1,10,561.24	65,180.24	33,419.19
Subordinated Debt	Level 2	2,528.44	2,528.14	1,008.90
Other financial liabilities	Level 2	7,374.86	4,001.50	2,436.76
Total financial liabilities		**1,59,748.96**	**1,07,764.37**	**40,185.04**

Fair value of financial instruments designated at FVTPL:

Particulars	Level of hierarchy	31 March 2020	31 March 2019	01 April 2018
Financial assets:				
Debt Securities	Level 2	5,122.94	2,740.85	-

48. Financial risk management:

The Company is exposed to certain financial risks namely credit risk, liquidity risk and market risk i.e. interest risk and foreign currency risk. The Company's primary focus is to achieve better predictability of financial markets and minimize potential adverse effects on its financial performance by effectively managing the risks on its financial assets and liabilities.

The Principal objective in Company 's risk management processes is to measure and monitor the various risks associated with the Company and to follow policies and procedures to address such risks. The Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications. For credit risk refer note 48(c).

A. Liquidity Risk:

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company maintains a judicious mix of borrowings from banks, money markets and public and other deposits. The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company to maintain a healthy asset liability position. The Company continues to evaluate new sources of borrowing by way of new routes of funding like rupee denominated External Commercial Borrowings (ECB) – masala bonds and Foreign currency denominated bonds.

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(₹ in Lakhs unless otherwise stated)

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities:

Financial liabilities	31 March 2020		31 March 2019		01 April 2018	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Debt Securities	15,630.37	29,266.31	22,283.03	16,869.70	392.91	3,000.00
Borrowings (other than debt securities)	68,324.75	42,090.36	39,521.58	25,969.94	12,373.68	8,529.71
Subordinated Debt	-	2,500.00	30.45	2,500.00	30.45	1,000.00
Other financial liabilities	3,809.41	4,717.47	2,630.51	2,460.21	1,739.20	1,326.63
Total	**87,764.54**	**78,574.13**	**64,465.57**	**47,799.84**	**14,536.24**	**13,856.34**

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

As at 31 March 2020	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and cash equivalents	5,049.52	-	5,049.52
Bank balances other than cash and cash equivalents	8,620.43	2,676.35	11,296.78
Loans	99,730.34	1,12,958.17	2,12,688.51
Other financial assets	1,696.01	1,172.73	2,868.74
Non-financial assets			
Tax assets (net)	-	162.08	162.08
Deferred tax asset (Net)	-	1,858.65	1,858.65
Property, plant and equipment	-	307.92	307.92
Other Intangible assets	-	119.58	119.58
Intangible assets under development	-	45.45	45.45
Right-of-use assets	-	3,213.65	3,213.65
Other non-financial assets	533.46	55.04	588.50
Total assets	**1,15,629.75**	**1,22,569.62**	**2,38,199.37**
Liabilities			
Financial liabilities			
Debt Securities	15,357.79	29,049.58	44,407.37
Borrowings (Other than debt securities)	68,596.58	41,964.65	1,10,561.24
Subordinated Debt	30.10	2,498.34	2,528.44
Other financial liabilities	3,801.36	3,573.50	7,374.86
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	27.09	351.39	378.48
Other non-financial liabilities	661.75	-	661.75
Total liabilities	**88,474.68**	**77,437.45**	**1,65,912.13**

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

As at 31 March 2019	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and cash equivalents	16,550.74	-	16,550.74
Bank balances other than cash and cash equivalents	5,592.67	1,710.92	7,303.59
Loans	64,599.49	66,663.21	1,31,262.70
Other financial assets	284.71	173.93	458.63
Non-financial assets			
Tax assets (net)	-	250.93	250.93
Deferred tax asset (Net)	-	1,671.82	1,671.82
Property, plant and equipment	-	226.15	226.15
Other Intangible assets	-	60.35	60.35
Intangible assets under development	-	14.76	14.76
Right-of-use assets	-	1,672.67	1,672.67
Other non-financial assets	152.44	6.65	159.09
Total assets	**87,180.04**	**72,451.39**	**1,59,631.43**
Liabilities			
Financial liabilities			
Debt Securities	22,020.71	16,774.64	38,795.35
Borrowings (Other than debt securities)	39,284.67	25,895.57	65,180.24
Subordinated Debt	(0.30)	2,528.44	2,528.14
Other financial liabilities	2,420.19	1,581.31	4,001.50
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	54.38	280.22	334.59
Other non-financial liabilities	442.77	-	442.77
Total liabilities	**64,222.41**	**47,060.18**	**1,11,282.59**

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(₹ in Lakhs unless otherwise stated)

As at 01 April 2018	Within 1 year	After 1 year	Total
Assets			
Financial assets			
Cash and cash equivalents	3,692.50	-	3,692.50
Bank balances other than cash and cash equivalents	3,577.10	2,039.95	5,617.05
Loans	29,702.14	13,148.26	42,850.40
Other financial assets	199.98	30.06	230.04
Non-financial assets			
Tax assets (net)	-	161.44	161.44
Deferred tax asset (Net)	-	-	-
Property, plant and equipment	-	130.39	130.39
Other Intangible assets	-	26.03	26.03
Intangible assets under development	-	-	-
Right-of-use assets	-	866.15	866.15
Other non-financial assets	124.80	-	124.80
Total assets	**37,296.52**	**16,402.28**	**53,698.80**
Liabilities			
Financial liabilities			
Debt Securities	390.80	2,929.38	3,320.18
Borrowings (Other than debt securities)	24,929.64	8,489.56	33,419.19
Subordinated Debt	(0.26)	1,009.16	1,008.90
Other financial liabilities	1,630.09	806.67	2,436.76
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	24.70	177.38	202.07
Other non-financial liabilities	238.29	-	238.29
Total liabilities	**27,213.27**	**13,412.13**	**40,625.40**

B. Market Risk:

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to equity price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to certain vendors in trade payables.

Foreign currency exposure risk

The Company's exposure for foreign currency risk at the end of reporting period are as follows:

Particulars	31 March 2020		31 March 2019		01 April 2018	
	US $	₹	US $	₹	US $	₹
Expenses payable	-	-	560.00	0.39	-	-

Note: There were no foreign currency exposure as at 31 March 2020 & 01 April 2018.

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Foreign currency sensitivity
The Company's exposure to the risk of changes in foreign exchange rates is immaterial, and therefore the sensitivity analysis of the risk in not disclosed.

(ii) Interest rate risk

The Company is subject to interest rate risk, since the rates of loans and borrowing might fluctuate over the tenure of instrument. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Carrying value of borrowings:

Particulars	31 March 2020	31 March 2019	01 April 2018
Debt Securities (variable)	9,500.00	2,496.60	-
Debt Securities (fixed)	34,907.37	36,298.75	3,320.18
Borrowings (other than debt securities) (variable)	42,076.05	30,602.49	17,422.83
Borrowings (other than debt securities) (fixed)	68,485.19	34,577.75	15,996.36
Subordinated debts (variable)	-	-	-
Subordinated debts (fixed)	2,528.44	2,528.14	1,008.90
Total Borrowings	**1,57,497.04**	**1,06,503.72**	**37,748.27**

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's Statement of profit and loss:

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Borrowings, debt securities & subordinate debt		
Increase by 50 basis points	(257.88)	(165.50)
Decrease by 50 basis points	257.88	165.50

C. Credit Risk:

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The lending model focuses on SME Lending. The nature of the product is unsecured.

The Company assesses the credit quality of all financial instruments that are subject to credit risk.

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Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

Classification of financial assets under various stages

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

- **Stage 1:** unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised.
- **Stage 2:** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised.
- **Stage 3:** objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions.

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

Below is the summary for the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD using empirical data where relevant:

- **Probability of Default (PD)**

  The Company's operates with its internal rating models in which its customers are rate from "A" to "F" using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. PDs are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

  PD is based on a internal rating model, days past due and various historical, current and forward-looking information.

  Stage 1: based on internal rating model
  Stage 2: based on days past due
  Stage 3: 100%

- **Exposure at Default (EAD)**

  The exposure at default represents the gross carrying amount of the financial instruments subject to the impairment calculation.

- **Loss given Default (LGD)**

  LGD values are assessed based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics as well as borrower characteristics.

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

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(₹ in Lakhs unless otherwise stated)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows:

Particulars	31 March 2020				31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of gross carrying amount	1,31,103.53	3,205.55	1,766.67	**1,36,075.75**	42,423.39	1,407.00	1,435.89	**45,266.28**
Transfers during the year								
Transfers to Stage 1	133.97	(133.97)	-	-	7.06	(7.06)	-	-
Transfers to Stage 2	(5,399.83)	5,399.83	-	-	(1,890.52)	1,890.52	-	-
Transfers to Stage 3	(3,914.53)	(284.47)	4,199.00	-	(1,273.33)	(15.67)	1,289.00	-
Changes in opening credit exposures (additional disbursement net of repayments)	(82,140.95)	(4,784.76)	(3,080.19)	**(90,005.90)**	(30,573.20)	(2,317.30)	(1,912.57)	**(34,803.08)**
New credit exposures during the year, net of repayments	1,68,110.87	3,535.86	1,907.89	**1,73,554.62**	1,22,410.14	2,248.06	954.35	**1,25,612.55**
Closing balance of gross carrying amount	**2,07,893.06**	**6,938.04**	**4,793.37**	**2,19,624.47**	**1,31,103.53**	**3,205.55**	**1,766.67**	**1,36,075.75**

Particulars	31 March 2020				31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of ECL allowance	3,155.42	664.49	993.15	**4,813.05**	1,480.29	305.52	630.07	**2,415.88**
Transfers during the year								
Transfers to Stage 1	26.22	(26.22)	-	-	1.08	(1.08)	-	-
Transfers to Stage 2	(155.17)	155.17	-	-	(79.07)	79.07	-	-
Transfers to Stage 3	(109.83)	56.49	53.34	-	(74.87)	(2.69)	77.57	-
Changes in opening credit exposures (additional disbursement net of repayments)	(1,946.32)	(42.48)	600.18	**(1,388.63)**	(1,144.54)	(175.48)	(241.08)	**(1,561.09)**
New credit exposures during the year, net of repayments	1,746.55	722.07	1,042.91	**3,511.53**	2,972.54	459.14	526.59	**3,958.26**
Closing balance of ECL allowance	**2,716.87**	**1,529.51**	**2,689.58**	**6,935.96**	**3,155.42**	**664.49**	**993.15**	**4,813.05**

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

As at 31 March 2020

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

As at 31 March 2019

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,31,103.53	3,205.55	1,766.67	**1,36,075.75**
Allowance for ECL	3,155.42	664.49	993.15	**4,813.05**
ECL Coverage ratio	2.41%	20.73%	56.22%	**3.54%**

As at 01 April 2018

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	42,423.39	1,407.00	1,435.89	**45,266.28**
Allowance for ECL	1,480.29	305.52	630.07	**2,415.88**
ECL Coverage ratio	3.49%	21.71%	43.88%	**5.34%**

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Measurement uncertainty and sensitivity analysis of ECL estimates:

Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below.

The recognition and measurement of ECL involves the use of estimation. It is necessary to formulate multiple forward looking economic forecasts and its impact as an integral part of ECL model.

Methodology

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

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

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions:

Particulars	31 March 2020	31 March 2019	01 April 2018
Gross carrying amount of loans	2,19,624.47	1,36,075.75	45,266.28
Reported ECL	6,935.96	4,813.05	2,415.88
Reported ECL coverage	3.16%	3.54%	5.34%
ECL amounts for alternate scenario			
Central scenario (80%)	5,548.77	3,850.44	1,932.70
Downside scenario (10%)	6,242.36	4,331.75	2,174.29
Upside scenario (10%)	7,629.56	5,294.36	2,657.47
ECL coverage ratios by scenario			
Central scenario (80%)	2.53%	2.83%	4.27%
Downside scenario (10%)	2.84%	3.18%	4.80%
Upside scenario (10%)	3.47%	3.89%	5.87%

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49. Disclosure as per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time ('RBI Directions').

As per the RBI directions the Company was classified as a Systemically Important Non-Deposit taking Company during the previous financial year based on its assets size. Accordingly, disclosures applicable to Systemically Important Non-Deposit taking Company as per RBI directions are given.

A. Capital Risk Asset Ratio

Sr. No.	Items	31 March 2020	31 March 2019	01 April 2018
(a)	Capital Risk Asset Ratio (%)	36.19%	38.96%	32.26%
(b)	Capital Risk Asset Ratio (%) - Tier I Capital (%)	33.81%	34.70%	26.88%
(c)	Capital Risk Asset Ratio (%) - Tier II Capital (%)	2.38%	4.26%	5.38%
(d)	Amount of subordinated debt raised as Tier-II capital	2,500.00	2,500.00	1,000.00

B. Details of investments

Particulars	31 March 2020	31 March 2019	01 April 2018
Current Investments:			
1. Quoted:	NIL	NIL	NIL
i. Shares:			
a. Equity			
b. Preference			
ii. Debentures and Bonds			
iii. Units of mutual funds			
iv. Government Securities			
v. Others (please specify)			
2. Unquoted:	NIL	NIL	NIL
i. Shares:			
a. Equity			
b. Preference			
ii. Debentures and Bonds			
iii. Units of mutual funds			
iv. Government Securities			
v. Others (please specify)			
Long Term investments:			
1. Quoted:	NIL	NIL	NIL
i. Shares:			
a. Equity			
b. Preference			
ii. Debentures and Bonds			
iii. Units of mutual funds			
iv. Government Securities			
v. Others (please specify)			

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Particulars	31 March 2020	31 March 2019	01 April 2018
2. Unquoted:	NIL	NIL	NIL
i. Shares:			
a. Equity			
b. Preference			
ii. Debentures and Bonds			
iii. Units of mutual funds			
iv. Government Securities			
v. Others (please specify)			

C. Disclosure for securitisation*

a. The information on securitisation of the Company as an originator in respect of outstanding amount of assets securitised under par structure is given below:

Sr. No.	Particulars	31 March 2020	31 March 2019	01 April 2018
1	No. of SPVs sponsored by the NBFC for securitisation transactions	11	4	2
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	25,016.49	9,117.84	3,464.75
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet			
	a. Off balance sheet exposure			
	First Loss	110.53	216.35	384.58
	Others	-	-	-
	b. On balance sheet exposure			
	First Loss	3,243.67	804.37	-
	Others (Overcollateralization)	3,928.21	1,422.34	-
4	Amount of exposures to securitisation transactions other than MRR			
	a. Off balance sheet exposure			
	I. Exposure to own securitisations			
	First Loss	-	-	-
	Others	-	-	-
	II. Exposure to third party securitisations			
	First Loss	-	-	-
	Others	-	-	-
	b. On balance sheet exposure			
	I. Exposure to own securitisations			
	First Loss	-	-	-
	Others	-	-	-
	II. Exposure to third party securitisations			
	First Loss	-	-	-
	Others	-	-	-

(*The above figures are based on the information duly certified by the SPV's auditors).

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b. During the year, the Company has transferred loans through securitisation. The information on securitisation activity of the Company as an originator is given below:

Particulars	31 March 2020	31 March 2019	01 April 2018
Total number of loans securitised	6,311	2,209	1,454
Total book value of the loans securitised	34,064.42	12,793.84	4,573.62
Total book value of the loans securitised including loans placed as collateral	34,064.42	12,793.84	4,573.62
Sale consideration received for the loan asset securitised	31,016.86	11,506.72	4,344.94
Overcollateralization of the loans securitised	3,047.55	1,287.12	228.68
Excess interest spread recognised in the statement of profit and loss	584.38	349.32	138.12

Particulars	31 March 2020	31 March 2019	01 April 2018
Credit enhancements provided and outstanding (Gross):			
Cash Collateral	2,710.27	804.37	-
Corporate Guarantee	110.53	-	384.58
Loan assets retained as MRR	3,047.55	1,287.12	228.68

D. Disclosure for direct assignment

Details of assignment transactions undertaken by the Company during the year

Particulars	31 March 2020	31 March 2019	01 April 2018
No. of accounts	6,211	2,122	-
Aggregate value (net of provisions) of accounts sold	23,322.06	4,508.28	-
Aggregate consideration	23,322.06	4,508.28	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-
Aggregate gain / loss over net book value	-	-	-

E. Details of non-performing financial assets sold

Sr. No.	Particulars	31 March 2020	31 March 2019	01 April 2018
1	No. of accounts sold	1,456	940	-
2	Aggregate outstanding	-	-	-
3	Aggregate consideration received	157.42	177.12	-

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(₹ in Lakhs unless otherwise stated)

F. Maturity pattern of certain items of assets and liabilities

Particulars	Year ended 31 March 2020		
	Advances	Investments	Borrowings
0 day to 7 days	3,779.00	-	1,588.22
8 day to 14 days	1,483.51	-	2,388.40
15 days to 1 month	6,471.04	-	4,299.62
Over 1 month to 2 months	7,233.95	-	12,130.69
Over 2 months upto 3 months	8,500.12	-	7,634.38
Over 3 months to 6 months	25,254.42	-	23,943.64
Over 6 months to 1 year	50,237.01	-	31,999.53
Over 1 year to 3 years	1,11,592.95	-	67,045.06
Over 3 years to 5 years	253.77	-	4,967.51
Over 5 years	4,818.70	-	1,500.00
Total	**2,19,624.47**	-	**1,57,497.04**

Particulars	Year ended 31 March 2019		
	Advances	Investments	Borrowings
0 day to 7 days	2,359.35	-	3,360.54
8 day to 14 days	1,116.92	-	69.67
15 days to 1 month	5,345.31	-	5,491.18
Over 1 month to 2 months	5,763.14	-	11,114.63
Over 2 months upto 3 months	5,423.59	-	5,375.42
Over 3 months to 6 months	16,413.77	-	14,544.27
Over 6 months to 1 year	32,052.76	-	21,379.81
Over 1 year to 3 years	65,999.90	-	36,297.42
Over 3 years to 5 years	-	-	6,370.78
Over 5 years	1,601.02	-	2,500.00
Total	**1,36,075.75**	-	**1,06,503.72**

Particulars	Year ended 01 April 2018		
	Advances	Investments	Borrowings
0 day to 7 days	1,679.32	-	467.99
8 day to 14 days	1,008.17	-	69.25
15 days to 1 month	3,128.57	-	5,242.77
Over 1 month to 2 months	3,769.81	-	2,719.94
Over 2 months upto 3 months	3,192.82	-	2,390.49
Over 3 months to 6 months	8,130.30	-	6,220.98
Over 6 months to 1 year	10,306.33	-	8,220.22
Over 1 year to 3 years	12,991.67	-	8,277.74
Over 3 years to 5 years	-	-	3,138.89
Over 5 years	1,059.30	-	1,000.00
Total	**45,266.28**	-	**37,748.27**

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

G. Exposures

(a) Exposure to capital market
The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

(b) Exposure to Real Estate Sector
The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.

H. Registration with other financial sector regulator
The company has obtained registration as a Corporate Agent (Composite) in **February-2019** with Insurance Regulatory and Department Authority of India (IRDAI). The Registration no. is **CA0641** and is valid till **27-February-2022**.

I. No penalties imposed on the Company by the Reserve Bank of India or any other regulator during the year ended 31 March 2020 (31 March 2019: NIL).

J. Ratings assigned by credit rating agencies and migration of ratings during the year
The overall rating of the Company by India Ratings & research and CRISIL is BBB+/A2 positive. Further, the Company has obtained rating from ICRA Limited, India Ratings & research and CRISIL in respect of outstanding securitisation/ assignment transactions, Non-Convertible Debentures and Commercial Paper. The ratings obtained for the said transactions are provided below.

Instrument	Year ended 31 March 2020			
	Rating Date	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	12-Mar-20	ICRA	[ICRA]BBB+(Stable)/ [ICRA]A2 assigned	12-Mar-21
	30-Sep-19	India Ratings & Research	IND BBB+/Positive	29-Sep-20
	14-May-19	ICRA	CRISIL BBB+/Positive	13-May-20
Non-Convertible Debentures/ CP	30-Sep-19	India Ratings & Research	IND A2 (Commercial Paper)	30-Sep-20
	13-Mar-20	CRISIL	CRISIL PP-MLD BBB+/Positive	13-Mar-21
	12-Mar-20	ICRA	[ICRA]BBB+(Stable); outstanding	12-Mar-21
	30-Sep-19	India Ratings & Research	IND PP-MLD BBB+EMR/Positive	30-Sep-20
Securitisation/ Assignments	17-Feb-20	ICRA	ICRA A+ (SO)/ICRA A-(SO)	NA
	28-Jun-19	India Ratings & Research	IND A (SO)/IND BBB+(SO)	NA
	30-Aug-19	India Ratings & Research	Provisional IND A+ (SO)/Provisional IND BBB+ (SO)	NA
	17-Feb-20	ICRA	ICRA BBB+(SO)	NA
	14-Aug-19	India Ratings & Research	Provisional IND A (SO)/Provisional IND BBB+ (SO)	NA
	17-Feb-20	ICRA	ICRA A (SO)	NA
	04-Feb-19	ICRA	Pool Loss Estimate 4.7%-5.7%	NA
	30-Apr-19	ICRA	Pool Loss Estimate 5%-6%	NA
	23-Jul-19	India Ratings & Research	Pool Loss Estimate 5%-5.5% PL2	NA
	25-Oct-19	ICRA	Pool loss estimate 4.2%-5%	NA

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

Instrument	Year ended 31 March 2020			
	Rating Date	Rating Agency	Current rating assigned	Valid upto
	28-Nov-19	CRISIL	Provisional A+(SO)[Series A1],BBB+(SO)[Series 2]	NA
	27-Dec-19	India Ratings & Research	Pool loss estimate 5.25%-5.75%-PL2	NA
	01-Nov-19	ICRA	Pool loss estimate 4.65%-5.25%	NA
	04-Feb-20	India Ratings & Research	Provisional IND A(SO)/Provisional IND BBB+(SO)	NA
	19-Feb-20	CRISIL	Provisional A (SO)(CRISIL)	NA
	27-Feb-20	CRISIL	Provisional CRISIL A(SO)/Provisional CRISIL A-(SO)	NA
	17-Feb-20	ICRA	ICRA A (SO)/ICRA BBB+ (SO)	NA

Instrument	Year ended 31 March 2019			
	Date of rating	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	03-Dec-18	ICRA	[ICRA] BBB+/ A2	Till next rating
	12-Jun-18	India Ratings & Research	IND BBB+/Stable	Till next rating
Non-Convertible Debentures / CP	03-Dec-18	ICRA	[ICRA] BBB+	Till next rating
	12-Jun-18	India Ratings & Research	IND A2	Till next rating
Securitisation/ Assignments	13-Jul-18	ICRA	[ICRA] A- (SO)	NA
	30-Jan-19	ICRA	Provisional [ICRA] A (SO)	NA
	30-Jan-19	ICRA	Provisional [ICRA] BBB+ (SO)	NA
	06-Sep-18	India Ratings & Research	IND A- (SO)	NA
	06-Sep-18	India Ratings & Research	IND BBB+ (SO)	NA
	15-Jun-18	India Ratings & Research	IND A- (SO)	NA
	08-Jun-18	ICRA	[ICRA] BBB- (SO)	NA

Instrument	Year ended 01 April 2018			
	Date of rating	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	09-Oct-17	ICRA	[ICRA] BBB-	30-Jun-18
Term Loans	28-Nov-17	India Ratings & Research	IND A- (SO)	27-Nov-19
	26-Mar-18	ICRA	[ICRA] A- (SO)	31-Mar-21
Non-Convertible Debentures	11-Dec-17	ICRA	[ICRA] BBB-	21-Dec-21
	16-Mar-18	ICRA	[ICRA] A (SO)	26-Jun-18
	12-Mar-18	ICRA	[ICRA] A (SO)	09-Oct-18
Securitisation	19-Mar-18	ICRA	Provisional [ICRA] BBB- (SO)	17-Dec-19
	13-Feb-18	ICRA	[ICRA] BBB- (SO)	17-Dec-18

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

K. Break up of 'Impairment on financial instruments at amortised cost' shown under the head Expenditure in the statement of profit and loss

Break up of 'Impairment and allowance' shown under the head Expenditure in Profit and Loss Account	31 March 2020	31 March 2019
Loans	2,148.15	2,397.17
Other financial assets	24.54	18.07
Write offs	9,775.54	2,653.12

L. Concentration of Deposits, Advances, Exposures and NPAs

i. Concentration of Advances

Particulars	31 March 2020	31 March 2019	01 April 2018
Total Advances to twenty largest borrowers	891.38	3,052.47	3,864.64
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.41%	2.24%	8.54%

ii. Concentration of Exposures

Particulars	31 March 2020	31 March 2019	01 April 2018
Total Exposure to twenty largest borrowers	891.38	3,052.47	3,864.64
Percentage of Exposure to twenty largest borrowers to Total Advances of the applicable NBFC	0.41%	2.24%	8.54%

iii. Concentration of NPAs

Particulars	31 March 2020	31 March 2019	01 April 2018
Total Exposure to top four NPA accounts	114.69	124.91	79.70

M. Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector		
		31 March 2020	31 March 2019	01 April 2018
1	Agriculture & allied activities	-	-	-
2	MSME*	0.44%	-	-
3	Corporate borrowers	2.39%	0.88%	1.10%
4	Services	1.76%	1.26%	2.65%
5	Unsecured personal loans	-	-	-
6	Auto loans	-	-	-
7	Other personal loans	-	-	-
8	Other retail loans	2.96%	1.45%	2.28%

*The Company does not obtain MSME certificate from its customers, and therefore cases for which MSME certificates are obtained for internal requirements has been presented over here.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

N. Movement of NPAs*

Sr. No.	Particulars	31 March 2020	31 March 2019	01 April 2018
i	**Net NPAs to net advances (%)**	0.83%	0.49%	1.03%
ii	**Movement of NPAs (Gross)**			
	i) Opening balance	1,319.20	929.36	612.49
	ii) Additions during the year	13,662.19	4,071.93	3,290.71
	iii) Reductions during the year	11,320.38	3,682.08	2,973.84
	iv) Closing balance	3,661.01	1,319.20	929.36
iii	**Movement of net NPAs**			
	i) Opening balance	659.60	464.68	306.25
	ii) Additions during the year	6,831.10	2,035.96	1,645.35
	iii) Reductions during the year	5,660.19	1,841.04	1,486.92
	iv) Closing balance	1,830.51	659.60	464.68
iv	**Movement of provisions for NPAs (excluding provision on standard assets)**			
	i) Opening balance	659.60	464.68	306.25
	ii) Provisions made during the year	6,831.10	2,035.96	1,645.35
	iii) Write-off/Write-back	5,660.19	1,841.04	1,486.92
	iv) Closing balance	1,830.51	659.60	464.68

*Represents stage 3 loans

O. Classification and provisions for loan portfolio

Asset classification	31 March 2020	31 March 2019	01 April 2018
Loan outstanding			
Standard assets	2,14,830.82	1,34,309.08	43,830.40
Non-performing assets	4,793.65	1,766.67	1,435.88
Loss assets	9,775.54	2,653.12	2,312.71
Less: Provision			
Standard assets	4,133.40	3,820.96	1,785.81
Non-performing assets	2,802.56	992.10	630.07
Loss assets	9,775.54	2,653.12	2,312.71
Loan outstanding (net)			
Standard assets	2,10,697.42	1,30,488.12	42,044.59
Non-performing assets	1,991.09	774.57	805.81
Loss assets	-	-	-

P. Customer Complaints

Sr. No.	Particulars	31 March 2020	31 March 2019	01 April 2018
i	No. of complaints pending at the beginning of the year	12	3	-
ii	No. of complaints received during the year	30	62	33
iii	No. of complaints redressed during the year	41	53	30
iv	No. of complaints pending at the end of the year	1	12	3

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

Q. As required by the RBI circular no DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2nd March 2012 the details of frauds noticed / reported are as below:

Particulars	31 March 2020	31 March 2019	01 April 2018
Amount involved	-	72.64	142.69
Amount recovered	-	-	6.59
Amount written off / provided	-	72.64	136.10
Balance	-	-	-

R. Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allocation (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference as per Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	**Stage 1**	2,07,893.06	2,716.87	2,05,176.19	831.57	1,885.12
	Stage 2	6,938.04	1,416.53	5,521.51	160.46	1,256.02
Subtotal		**2,14,831.10**	**4,133.40**	**2,10,697.70**	**992.03**	**3,141.37**
Non-performing Assets (NPA)						
Substandard	**Stage 3**	4,793.37	2,802.56	1,990.81	819.05	1,983.51
Doubtful - up to 1 year						
1 to 3 years	**Stage 3**	-	-	-	-	-
More than 3 Years	**Stage 3**	-	-	-	-	-
Subtotal of Doubtful	**Stage 3**	-	-	-	-	-
Loss	**Stage 3**	9,775.54	9,775.54	-	9,775.54	-
Subtotal of NPA		**14,568.91**	**12,578.10**	**1,990.81**	**10,594.59**	**1,983.51**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	**Stage 1**	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	2,07,893.06	2,716.87	2,05,176.19	831.75	1,885.30
	Stage 2	6,938.04	1,416.53	5,521.51	160.46	1,256.08
	Stage 3	14,568.91	12,578.10	1,990.81	10,594.59	1,983.51
	Total	**2,29,400.01**	**16,711.50**	**2,12,688.51**	**11,586.62**	**5,124.88**

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

50. First-time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has prepared its Ind AS compliant financial statements for year ended on 31 March 2020, the comparative year ended on 31 March 2019 and an opening Ind AS Balance Sheet as at 01 April 2018, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 01 April 2018 and the financial statements as at and for the year ended 31 March 2019.

For year ended up to the year ended 31 March 2019, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

A. Mandatory exceptions and optional exemptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company.

Mandatory exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

(i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

(ii) Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

Optional exemptions availed

(i) Property, plant and equipment (PPE) and intangible assets

The Company has elected to measure all the items of PPE and intangible assets at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. As per FAQs issued by Accounting Standards Board (ASB) of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost. Accordingly, from the date of transition the deemed cost becomes the starting point for the purpose of subsequent depreciation or amortisation. Any accumulated depreciation and provision for impairment under previous GAAP have no relevance. Accordingly, provision for impairment provided before the date of transition as per previous GAAP cannot be reversed in later years.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(ii) Leases

Under Ind AS 116, lessees have to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. Ind AS 116 gives lessees optional exemptions for certain short-term leases and leases of low-value assets. The Company has recognised lease liability and 'a right-of-use asset' for all lease contracts. Accordingly, interest expense on the lease liability and depreciation on the right-of-use asset portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2019.

B. Reconciliation between Ind AS and previous GAAP are given below

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous years. The following table represent the reconciliations from previous GAAP to Ind AS.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(i) Reconciliation of equity as at date of transition 01 April 2018 and as at 31 March 2019

Particulars	Notes	31 March 2019			01 April 2018		
		Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
Assets							
Financial assets							
Cash and cash equivalents		16,550.74	-	16,550.74	3,692.50	-	3,692.50
Bank balances other than cash and cash equivalents		7,303.59	-	7,303.59	5,617.05	-	5,617.05
Loans	(i) to (iii)	1,27,356.21	3,906.49	1,31,262.70	44,152.31	(1,301.91)	42,850.40
Other financial assets	(iii) & (iv)	319.48	139.15	458.63	274.93	(44.89)	230.04
		1,51,530.02	**4,045.64**	**1,55,575.67**	**53,736.78**	**(1,346.80)**	**52,389.98**
Non-financial assets							
Tax assets (net)		250.93	-	250.93	161.44	-	161.44
Deferred tax asset (Net)	(vii)	975.09	696.73	1,671.82	-	-	-
Property, plant and equipment		226.15	-	226.15	130.39	-	130.39
Other Intangible assets		60.35	-	60.35	26.03	-	26.03
Intangible assets under development		14.76	-	14.76	-	-	-
Right-of-use of assets	(v)	-	1,672.67	1,672.67	-	866.15	866.15
Other non-financial assets	(iv)	138.77	20.32	159.09	124.80	-	124.80
		1,666.05	**2,389.72**	**4,055.77**	**442.66**	**866.15**	**1,308.81**
Total		**1,53,196.07**	**6,435.36**	**1,59,631.43**	**54,179.44**	**(480.65)**	**53,698.80**
Liabilities and Equity							
Liabilities							
Financial liabilities							
Debt Securities	(i)	39,152.73	(357.38)	38,795.35	3,392.91	(72.73)	3,320.18
Borrowings (Other than debt securities)	(i) & (iii)	57,409.67	7,770.56	65,180.24	33,625.33	(206.13)	33,419.19
Subordinated Debt	(i)	2,530.45	(2.31)	2,528.14	1,011.47	(2.56)	1,008.90
Other financial liabilities	(iii) & (v)	3,281.13	720.37	4,001.50	1,601.80	834.96	2,436.76
		1,02,373.98	**8,131.24**	**1,10,505.22**	**39,631.51**	**553.53**	**40,185.04**
Non-Financial liabilities							
Provisions		334.59	-	334.59	202.07	-	202.07
Other non-financial liabilities		442.77	-	442.77	238.29	-	238.29
		777.36	-	**777.36**	**440.37**	-	**440.37**
Equity							
Equity Share capital		3,898.59	-	3,898.59	2,939.13	-	2,939.13
Other equity	(i) to (vii)	46,146.14	(1,695.88)	44,450.26	11,168.44	(1,034.17)	10,134.27
		50,044.73	**(1,695.88)**	**48,348.85**	**14,107.57**	**(1,034.17)**	**13,073.39**
Total		**1,53,196.07**	**6,435.36**	**1,59,631.43**	**54,179.44**	**(480.65)**	**53,698.80**

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(ii) Reconciliation of equity as at 01 April 2018 and as at 31 March 2019 summarised in below table :

Particulars	Notes	31 March 2019	01 April 2018
Equity as per Indian GAAP (A)		46,146.14	11,168.44
Ind AS Adjustments			
Impact of EIR of borrowings measured at amortised cost	(i)	611.01	281.43
Impact of EIR of loans measured at amortised cost	(i)	(355.37)	49.42
Impact of Securitisation of loans	(iii)	617.20	413.11
Impact of assignment of loans	(iii)	258.98	-
Impact of impairment of loans	(ii)	(3,451.62)	(1,766.04)
Impact of impairment of other financial assets	(ii)	(18.07)	-
Impact of fair valuation of security deposits	(iv)	(2.70)	-
Impact on account of lease accounting as per Ind AS 116	(v)	(52.04)	(12.09)
Deferred tax on above adjustments	(vii)	696.73	-
Total adjustments		**(1,695.88)**	**(1,034.17)**
Equity as per Ind AS (A)		**44,450.26**	**10,134.27**

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(iii) Reconciliation of total comprehensive income for the year ended 31 March 2019

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
Interest Income	(i) & (iii)	24,562.66	(3,308.34)	21,254.32
Net gain on derecognition of financial instruments under amortised cost category	(iii)	-	525.37	525.37
Total Revenue from operations		**24,562.66**	**(2,782.97)**	**21,779.69**
Other Income	(iii) & (iv)	17.11	7.96	25.07
Total income		**24,579.77**	**(2,775.01)**	**21,804.76**
Expenses				
Finance Costs	(i), (iii), (iv) & (v)	8,269.98	(155.65)	8,114.33
Fees and commission expenses	(i)	3,240.54	(2,910.56)	329.98
Impairment of financial instruments	(ii)	3,334.81	1,733.56	5,068.36
Employee Benefit Expense	(vi)	3,078.32	4.91	3,083.23
Depreciation, amortisation and impairment	(v)	125.70	124.18	249.89
Other Expenses	(i), (iii) & (v)	3,247.41	(208.11)	3,039.30
Total Expense		**21,296.76**	**(1,411.67)**	**19,885.10**
Profit Before Tax		**3,283.01**	**(1,363.34)**	**1,919.67**
Tax Expense :				
- Current tax		820.93	-	820.93
- Deferred tax (income) / expense	(vii)	(975.09)	(698.16)	(1,673.25)
		(154.16)	**(698.16)**	**(852.31)**
Profit after tax		**3,437.17**	**(665.19)**	**2,771.98**
Other comprehensive income (a) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	(vi)	-	4.91	4.91
(b) Income tax relating to items that will not be reclassified to profit or loss	(vii)	-	(1.43)	(1.43)
Other comprehensive income, net of tax		-	**3.48**	**3.48**
Total Comprehensive Income		**3,437.17**	**(661.71)**	**2,775.46**

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(iv) Reconciliation of total comprehensive income for the year ended 31 March 2019 summarised in below table:

Particulars	Notes	31 March 2019
Total net profit after tax as per Indian GAAP		3,437.17
Ind AS Adjustments		
Impact of EIR of borrowings measured at amortised cost	(i)	329.58
Impact of EIR of loans measured at amortised cost	(i)	(404.79)
Impact of impairment of loans	(ii)	(1,685.57)
Impact of impairment of other financial assets	(ii)	(18.07)
Impact of security deposit	(iv)	(2.70)
Impact of direct assignment	(iii)	258.98
Impact of securitisation	(iii)	204.09
Impact on account of lease accounting as per Ind AS 116	(v)	(39.95)
Remeasurement of gains/ (losses) on defined benefit plans	(vi)	(4.91)
Deferred tax on above adjustments	(vii)	698.16
Total adjustments		**(665.19)**
Profit after tax as per Ind AS		**2,771.98**
Other Comprehensive income		
Remeasurement of gains/ (losses) on defined benefit plans	(vi)	4.91
Deferred tax on above adjustment	(vii)	(1.43)
Total		**3.48**
Total comprehensive income under Ind AS		**2,775.46**

Explanations to reconciliation

(i) EIR adjustment of transaction costs/incomes integral to the sourcing of loans/borrowings
Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs/incomes related to sourcing of loans/borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2019.

(ii) Impairment of financial assets
Under previous GAAP, loan losses and provisions were computed basis RBI guidelines and management estimations. Under Ind AS, the same is required to be computed as per the impairment principles laid out in Ind AS 109 – 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same. Accordingly, the difference between loan losses and provisions as computed under previous GAAP and as computed under Ind AS is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2019.

(iii) Service asset
Under Ind AS 109, an entity on transfer of a financial asset that qualifies for derecognition in its entirely and retains the right to service the financial asset for a fee, shall on the date of derecognition recognise a servicing asset at fair value of fees to be received over the contractual life in excess of its cost of the servicing obligation. The impact of fair value change is recognised in statement of profit and loss. Under previous GAAP such revenues were recognised in statement of profit and loss over servicing period. Accordingly, the fair value of service asset is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2019.

(iv) Interest free deposits:
Under Indian GAAP, interest free security deposits (that are refundable on completion of the contract) are recorded at their transaction value. Under Ind AS, all financial assets are to be recorded at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposits has been recognised in prepaid expenses.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2020

(₹ in Lakhs unless otherwise stated)

(v) Leases:
Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

(vi) Components of other comprehensive income (OCI)
Under Ind AS, re-measurement gains/(losses) on defined benefit plans has been recognised in other comprehensive income reserve (net of related deferred taxes) as at the date of transition and for the year ended 31 March 2019 and subsequently in the OCI section in the Statement of Profit and Loss for the year ended 31 March 2019. There is no impact on the total equity

(vii) Deferred taxes
Under the Indian GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31 March 2019
There are no material adjustments on transition to Ind AS in the Statement of Cash Flows for the year ended 31 March 2019.

51. The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number:
301003E/E300005

JAYESH MANHARLAL GANDHI
Digitally signed by JAYESH MANHARLAL GANDHI
DN: cn=JAYESH MANHARLAL GANDHI, c=IN, o=Personal, email=darshana.barge@srb.in
Location: Mumbai
Date: 2020.06.30 23:29:29 +05'30'

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date: 30 June 2020

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

HARSHVARDHAN R LUNIA
Digitally signed by HARSHVARDHAN R LUNIA
Date: 2020.06.30 22:29:28 +05'30'

Harshvardhan Lunia
Chairman & Managing Director
DIN No. 01189114

MITHUN SUNDAR
Digitally signed by MITHUN SUNDAR
Date: 2020.06.30 22:27:01 +05'30'

Mithun Sundar
Chief Executive Officer

MOHIT BAJAJ
Digitally signed by MOHIT BAJAJ
Date: 2020.06.30 22:22:54 +05'30'

Mohit Bajaj
Chief Financial officer
Membership No. 401316

UMESH JAIPRAKASH NAVANI
Digitally signed by UMESH JAIPRAKASH NAVANI
Date: 2020.06.30 22:21:25 +05'30'

Umesh Navani
Company Secretary
Membership No. A40899

Place: Mumbai
Date: 30 June 2020

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Lendingkart Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lendingkart Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss, the Cash Flow Statement and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit its cash flows and for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the "Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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



S.R. BATLIBOI & CO. LLP
Chartered Accountants

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



S.R. BATLIBOI & CO. LLP
Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act

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

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

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Per Jayesh Gandhi
Partner
Membership Number: 037924

Place of Signature: Mumbai
Date: June 20, 2019

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

Re: Lendingkart Finance Limited

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

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

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

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

(iii) (a) The Company has granted loan to company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loan to company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/ receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

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

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

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

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



S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

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

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

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer and hence not commented upon.
Further, monies raised by the Company by way of debt instrument and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the cost sharing arrangement with the holding Company. Accordingly, no specific reporting under clause 3(xi) has been made.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

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

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

Per Jayesh Gandhi
Partner
Membership Number: 037924

Place of Signature: Mumbai
Date: June 20, 2019



S.R. BATLIBOI & CO. LLP
Chartered Accountants

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of Lendingkart Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the



S.R. BATLIBOI & CO. LLP
Chartered Accountants

company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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.

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

Per Jayesh Gandhi
Partner
Membership Number: 037924

Place of Signature: Mumbai
Date: June 20, 2019

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

Lendingkart Finance Limited
Balance Sheet as at 31 March 2019

(Amount in Rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-19	As at 31-Mar-18
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	38,98,59,200	29,39,12,590
(b) Reserves and surplus	4	4,61,46,13,681	1,11,68,44,232
		5,00,44,72,881	**1,41,07,56,822**
Non current liabilities			
(a) Long term borrowings	5	4,35,87,13,739	1,25,29,70,987
(b) Long term provisions	6	13,68,66,849	7,04,94,273
		4,49,55,80,588	**1,32,34,65,260**
Current liabilities			
(a) Short term borrowings	7	2,14,81,33,695	1,27,21,93,732
(b) Current maturity of long term borrowings	5	3,30,72,58,367	1,25,15,09,078
(c) Short term provisions	6	2,97,45,278	1,46,96,967
(d) Other current liabilities	8	46,75,69,397	21,03,06,307
		5,95,27,06,737	**2,74,87,06,083**
Total Equity and Liabilities		**15,45,27,60,206**	**5,48,29,28,166**
II. ASSETS			
Non current assets			
(a) Fixed assets			
(i) Property plant and equipment	9	2,26,15,024	1,30,38,509
(ii) Intangible assets	10	60,35,031	26,03,125
(iii) Intangible assets under development	10	14,76,046	-
(b) Deferred tax assets	11	4,37,67,436	-
(c) Long term loans and advances towards financing activities	12	6,51,71,03,383	1,34,75,04,141
(d) Other long term loans and advances	12	16,23,34,941	3,95,01,782
(e) Other non-current assets	14	17,04,25,226	20,00,00,000
		6,92,37,57,087	**1,60,26,47,557**
Current assets			
(a) Cash and bank balances	13	2,20,60,09,070	72,38,86,525
(b) Short term loans and advances towards financing activities	12	6,04,44,06,680	3,04,99,71,359
(c) Other short term loans and advances	12	10,23,08,456	3,13,46,823
(d) Other current assets	14	17,62,78,913	7,50,75,902
		8,52,90,03,119	**3,88,02,80,609**
Total Assets		**15,45,27,60,206**	**5,48,29,28,166**

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 20 June 2019

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

Harshvardhan Lunia
Chairman
DIN No. 01189114

Umesh Navani
Company Secretary
Membership No. A40899

Piyush Kabra
Chief Financial Officer

Place : Mumbai
Date : 20 June 2019

Lendingkart Finance Limited
Statement of Profit and Loss for the year ended 31 March 2019

(Amount in Rupees unless otherwise stated)

Particulars	Notes	For the year ended 31-Mar-19	For the year ended 31-Mar-18
I. Revenue from operations	15	2,36,02,32,886	86,53,53,545
II. Other income	16	9,77,44,467	3,70,63,526
III. Total revenue (I + II)		**2,45,79,77,353**	**90,24,17,071**
IV. Expenses			
Employee benefit expense	17	30,78,32,217	21,85,81,977
Finance costs	18	82,69,98,194	33,04,23,209
Depreciation expenses	9 & 10	1,25,70,297	90,93,694
Other expenses	19	64,87,95,035	31,35,30,038
Provisions and write offs	20	33,34,80,594	26,17,84,688
Total expenses		**2,12,96,76,337**	**1,13,34,13,606**
V. Profit/(loss) for the year before tax (III - IV)		**32,83,01,016**	**(23,09,96,535)**
Tax expenses:			
Current tax		8,20,93,490	-
MAT credit entitlement		(5,37,41,576)	-
Deferred tax	11	(4,37,67,436)	-
VI. Total tax expenses		**(1,54,15,522)**	-
VII. Profit/(loss) for the year after tax (V - VI)		**34,37,16,538**	**(23,09,96,535)**
VIII. Earning per equity share:			
Basic (Computed on the basis of total Profit/ (loss) for the year)	21	10.00	(8.33)
Diluted (Computed on the basis of total Profit/ (loss) for the year)	21	10.00	(8.33)

Summary of significant accounting policies **2.1**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Jayesh Gandhi
Partner
Membership No. 037924

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

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

Harshvardhan Lunia
Chairman
DIN No. 01189114

Umesh Navani
Company Secretary
Membership No. A40899

Piyush Kabra
Chief Financial officer

Place : Mumbai
Date : 20 June 2019

Place : Mumbai
Date : 20 June 2019

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
Cash Flow Statement for the year ended 31 March 2019

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-19	31-Mar-18
Cash flow from operating activities		
Profit/(loss) before tax	32,83,01,016	(23,09,96,535)
Adjustments to reconcile profit before tax to net cash flows:		
Provision for gratuity	37,78,065	23,33,377
Provision for leave benefit	94,74,084	84,39,941
Provision in respect of standard and sub-standard assets	6,81,68,738	3,04,64,283
Bad debt written offs	26,53,11,867	23,13,20,405
Discount on Commercial Paper	2,64,21,482	-
Depreciation and amortization	1,25,70,297	90,93,694
Share issue expenses	41,61,625	11,67,751
Interest on bank deposits	(8,29,99,419)	(3,57,60,309)
Loss/(profit) on sale of property, plant and equipment	15,36,273	31,551
Operating profit/(loss) before working capital changes	**63,67,24,028**	**1,60,94,158**
Movements in working capital :		
Decrease / (increase) in short term loans and advances	(3,01,16,55,378)	(1,73,75,07,725)
Decrease / (increase) in long term loans and advances	(5,54,87,95,553)	(1,29,99,90,520)
Decrease / (increase) in other current assets	(10,12,03,010)	(4,13,55,886)
Increase / (decrease) in other current liabilities	25,72,63,090	15,40,92,265
Net change in working capital	**(8,40,43,90,851)**	**(2,92,47,61,866)**
Cash generated from /(used in) operations	**(7,76,76,66,822)**	**(2,90,86,67,708)**
Direct taxes paid (including TDS) net of refund	(9,10,42,205)	(87,35,386)
Net cash flow from / (used in) operating activities (A)	**(7,85,87,09,028)**	**(2,91,74,03,094)**
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(2,88,34,621)	(77,69,424)
Proceeds from sale of fixed assets	2,43,584	8,475
Decrease/(increase) in fixed deposits with original maturity of greater than three months	(16,70,43,825)	(34,88,86,473)
Interest on bank deposits	8,29,99,419	3,57,60,309
Net cash flow from/ (used in) investing activities (B)	**(11,26,35,443)**	**(32,08,87,113)**
Cash flows from financing activities		
Proceeds from issue of equity share capital	8,11,85,600	2,59,74,020
Proceeds from share premium on issue of equity shares	2,66,88,14,229	37,40,25,888
Proceeds from inter-corporate loan*	50,00,00,000	20,00,00,000
Repayment of inter-corporate loan	(308)	-
Proceeds from long term borrowings	7,34,50,00,000	2,50,00,00,000
Repayment of long term borrowings	(2,18,35,07,961)	(73,19,86,137)
Proceeds of short term borrowings	3,04,58,78,880	1,65,50,00,000
Repayment of short term borrowings	(2,24,93,28,590)	(77,98,38,123)
Change in Cash Credit / Overdraft	5,29,68,191	36,06,84,589
Share issue expenses	(41,61,625)	(11,67,751)
Net cash flow from/ (used in) in financing activities (C)	**9,25,68,48,416**	**3,60,26,92,486**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,28,55,03,945**	**36,44,02,279**
Cash and cash equivalents at the beginning of the year	36,90,72,914	46,70,635
Cash and cash equivalents at the end of the year (refer note 13)	**1,65,45,76,859**	**36,90,72,914**

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Components of cash and cash equivalents		
(a) Cash on Hand	28,257	12,614
(b) Balance with Banks		
(i) In Current account	30,58,92,647	6,90,60,300
(ii) In deposit accounts with original maturity of less than 3 months.	1,34,86,55,955	30,00,00,000
Total cash and cash equivalents (refer note 13)	**1,65,45,76,859**	**36,90,72,914**

*During the financial year ended 31 March 2019, Inter-corporate loan from the Holding Company was converted into 14,76,101 number of equity shares of Rs. 10 each fully paid-up at a premium of Rs. 328.73 each, aggregating to Rs. 49,99,99,692. These items being non cash in nature, are not reflected in the above cash flow statement.

Summary of significant accounting policies **2.1**
The accompanying notes are an integral part of the financial statements

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration number : 301003E/E300005

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 20 June 2019

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

Harshvardhan Lunia
Chairman
DIN No. 01189114

Umesh Navani
Company Secretary
Membership No. A40899

Piyush Kapra
Chief Financial officer

Place : Mumbai
Date : 20 June 2019

Note:
The above cash flow statement has been prepared under the indirect method as prescribed in Accounting Standard 3 on Cash Flow Statements.

Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2019
(Amount in Rupees unless otherwise stated)

1. Corporate information

Lendingkart Finance Limited ("the Company") is a public limited company domiciled in India. The Company is a "Non-Banking Financial Company" as defined under section 45-IA of the Reserve Bank of India ("RBI") Act, 1934 and engaged in the business of providing working capital loan to the Small and medium sized enterprises and others.

As at 31 March 2019, Lendingkart Technologies Private Limited ("Holding Company") owned 100% of the Company's equity share capital and has the ability to control its operating and financial policies.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Reserve Bank of India ('RBI') as applicable to a non-banking financial company. The financial statements have been prepared under historical cost convention on an accrual basis except for interest on loans, which have been classified as non-performing assets are accounted on realisation basis.

The notified Accounting Standards (AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulation.

The accounting policies adopted in preparation of financial statements are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Interest income on loans given

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Income including interest or any other charges on non-performing asset is recognized only when realized. Any such income recognized before the asset became non-performing and remaining unrealized is reversed.

ii. Income from assignments / securitisation of loans

Profit/premium arising at the time of securitisation/assignment of loan portfolio is amortised over the life of the underlying loan portfolio/securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess income spread) is recognised in the statement of profit and loss net of any losses when redeemed in cash. Interest retained under assignment of loan receivables is recognised on realisation basis over the life of the underlying loan portfolio. Interest on retained portion of assigned portfolio is recognised on accrual basis except in case of non-performing assets wherein interest income is recognised on realisation basis as per NBFC prudential norms. Service fee received is accounted for based on the underlying deal structure of transaction as per the agreement.

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LENDINGKART FINANCE LIMITED (INDIA)

iii. Income from deposits

Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

iv. Fee income

Loan origination income i.e. processing fees and other charges collected upfront, are recognised at the inception of the loan.

v. Other operating income

Additional charges such as penal interest, rescheduling charges are recognised on realisation basis.

(c) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the arrangement of borrowings.

(d) Property, plant and equipment

Property, plant and equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from sale of fixed assets are measured as difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

(e) Depreciation on property, plant and equipment

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

ii. Leasehold improvements are amortised over the primary lease period.

iii. Residual value has been taken at 5% of the cost.

(f) Intangible assets

Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on the straight line basis over the estimated useful economic life. Computer software is amortised on a straight line basis over a period of three years.

(g) Impairment of property, plant, equipment and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(h) Commercial papers

Commercial paper is recognised at redemption value net of unamortized finance charges. The difference between redemption value and issue value is amortised on a time basis and is disclosed separately under finance charges.





Lendingkart Finance Limited
Notes forming part of financial statements for the year ended 31 March 2019
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(i) Securitisation & Assignment Transactions

Securitisation

i. Securitised portfolio loans are de-recognised in the balance sheet when they are securitised i.e. if they fully meet the true sale criteria.

ii. Gains arising on securitisation of portfolio loans are recognised over the tenure of securities issued by special purpose vehicle trust (SPV) and any loss arising there-from is accounted upfront.

iii. The excess interest spread on securitisation transactions are recognised in statement of Profit & Loss account only when it is redeemed in cash by the SPV.

Assignment

i. Portfolio loans under assignment are de-recognised in the balance sheet when they are assigned subject to the Minimum Retention Criteria (MRC) as per RBI guidelines. MRC portion of assigned loan are shown under Loans & Advance.

ii. Gains arising at the time of assignment transactions are amortised over the life of underlying portfolio loans.

iii. Interest on retained portion of assignment portfolio is recognised on accrual basis except in case of Non Performing Assets where interest income is recognised on receipt basis as per NBFC prudential norms.

iv. Service fees are accounted for based on the underlying deal structure of transaction.

(j) Classification and provisioning of loan portfolio

i. Loans are classified as standard and non-performing assets in accordance with Company's policy. A loan is classified as non-preforming assets, where interest/instalment is overdue for a period of 90 days and above, from the day it becomes due which is in compliance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

ii. Provision/Write off in respect of non-performing assets are made based on management's assessment of the degree of impairment of the loans and advances subject to the minimum provision required as per Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

(k) Leases (Where the Company is lessee)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(l) Foreign currency transaction

i. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

ii. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

iii. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(m) Retirement and other employee benefits

i. Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

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LENDINGKART FINANCE LIMITED (INDIA)

ii. Gratuity liability is a defined benefit plan and the costs of providing benefit under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

(n) Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(o) Provisions

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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Lendingkart Finance Limited
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(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

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LENDINGKART FINANCE LIMITED (INDIA)

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3 SHARE CAPITAL

Particulars	As at 31-Mar-19	As at 31-Mar-18
Authorized Shares		
3,93,45,000 (31 March 2018 : 2,97,50,000) Equity shares of Rs 10/- each	39,34,50,000	29,75,00,000
	39,34,50,000	**29,75,00,000**
Issued, subscribed and fully paid-up shares		
3,89,85,920 (31 March 2018 : 2,93,91,259) Equity shares of Rs 10/- each fully paid up	38,98,59,200	29,39,12,590
	38,98,59,200	**29,39,12,590**

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

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,93,91,259	29,39,12,590	2,54,95,156	25,49,51,560
Issued during the year	95,94,661	9,59,46,610	38,96,103	3,89,61,030
Shares at the end of the year	3,89,85,920	38,98,59,200	2,93,91,259	29,39,12,590

(b) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of equity shares issued by the Company, shares held by its holding company, are as below:

Shareholders Name	As at 31-Mar-19		As at 31-Mar-18	
	No. of shares held	% of share holding	No. of shares held	% of share holding
Lendingkart Technologies Private Limited	3,89,85,920	100%	2,93,91,259	100%

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

Shareholders Name	As at 31-Mar-19		As at 31-Mar-18	
	No. of shares held	% of share holding	No. of shares held	% of share holding
Lendingkart Technologies Private Limited	3,89,85,920	100%	2,93,91,259	100%

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

4 RESERVES AND SURPLUS

Particulars	As at 31-Mar-19	As at 31-Mar-18
(a) Securities Premium		
Balance as per last financial statements	1,52,59,28,067	96,48,89,235
Add : Additions on fresh issue of equity shares	3,15,40,52,911	56,10,38,832
Closing Balance	**4,67,99,80,978**	**1,52,59,28,067**
(b) Statutory Reserve (under section 45 IC of The Reserve bank of India Act,1934)		
Balance as per last financial Statements	65,079	65,079
Add :Amount transferred from surplus balance in the statement of profit and loss	6,87,43,308	-
Closing Balance	**6,88,08,387**	**65,079**
(c) Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial Statements	(40,91,48,914)	(17,81,52,379)
Add: Net profit/(loss) for the period	34,37,16,538	(23,09,96,535)
Less : Transferred to Statutory Reserve [@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934]	(6,87,43,308)	-
Net surplus/ (deficit) in the statement of profit and loss	**(13,41,75,684)**	**(40,91,48,914)**
Total reserve & surplus	**4,61,46,13,681**	**1,11,68,44,232**

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Lendingkart Finance Limited
Notes to financial statements for the year ended 31 March 2019
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5 LONG TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Debentures*				
Nil (31 March 2018: 50) 12.51% redeemable debentures of Rs. 10,00,000 each (secured)	-	-	-	62,50,000
Nil (31 March 2018: 75) 12.26% redeemable debentures of Rs. 10,00,000 each (secured)	-	-	-	2,18,75,025
300 (31 March 2018: 300) 13.30% redeemable debentures of Rs. 10,00,000 each (secured)	30,00,00,000	30,00,00,000	-	-
1500 (31 March 2018: Nil) 12.60% redeemable debentures of Rs. 10,00,000 each (secured)	24,00,00,000	-	96,00,00,000	-
1500 (31 March 2018: Nil) 12.70% redeemable debentures of Rs. 10,00,000 each (secured)	69,69,69,696	-	55,75,75,757	-
2500 (31 March 2018: Nil) 12.77% redeemable debentures of Rs. 1,00,000 each (secured)	25,00,00,000	-	-	-
200 (31 March 2018: Nil) 13.75% redeemable debentures of Rs. 10,00,000 each (secured)	20,00,00,000	-	-	-
250 (31 March 2018: Nil) 13.00% redeemable debentures of Rs. 10,00,000 each (secured)	-	-	22,91,66,667	-
Term loans				
Indian rupee loan from banks (secured)**	1,28,79,69,395	1,57,90,960	23,75,44,373	2,42,09,040
Indian rupee loan from banks (unsecured)	25,00,00,007	-	-	-
Indian rupee loan from other than banks (secured)**	1,13,37,74,641	83,71,80,027	1,32,29,71,570	1,19,91,75,013
Indian rupee loan from other than banks (unsecured)	-	10,00,00,000	-	-
	4,35,87,13,739	**1,25,29,70,987**	**3,30,72,58,367**	**1,25,15,09,078**

***The debenture are secured by:**

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Company (To the extent of 1 to 1.10 times of outstanding amount of debentures).
ii) Corporate guarantee of the Holding Company of Rs. 343.37 crores.

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

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Company (To the extent of 1 to 1.33 times of outstanding loan amount).
ii) Corporate guarantee of the Holding Company in case of 20 lenders amounting to Rs. 529.57 crores.
iii) Guarantee by third party (to the extent of 15% to 23% of initial value of term loans, capped at 35% due to amortization).
iv) First loss default guarantee (FLDG) in the form of fixed deposits of Rs. 23.36 crores in case of three lenders.
v) First loss default guarantee (FLDG) in the form of security deposits of Rs. 1.25 crore in case of one lender.
vi) Overdraft availed from a bank secured by pledge of Rs. 22.45 crores fixed deposits.

Terms of Repayment - Debentures as at 31 March 2019

Original Maturity	1-4 years		Total
Repayment frequency	Monthly/Quarterly repayment		
Rate of interest	12%-13%	13%-14%	
Due within 1 year			
No. of instalments	55	-	
Amount	1,74,67,42,424	-	1,74,67,42,424
Due 1 to 2 years			
No. of instalments	29	-	
Amount	79,75,75,756	-	79,75,75,756
Due 2 to 3 years			
No. of instalments	7	2	
Amount	38,93,93,940	30,00,00,000	68,93,93,940
Due 3 to 4 years			
No. of instalments	-	1	
Amount	-	20,00,00,000	20,00,00,000
Total	**2,93,37,12,120**	**50,00,00,000**	**3,43,37,12,120**

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LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
Notes to financial statements for the year ended 31 March 2019
(Amount in Rupees unless otherwise stated)

Terms of Repayment - Debentures as at 31 March 2018

Original Maturity	1-2 years			Total
Repayment frequency	Monthly repayment			
Rate of interest	12.51%	12.26%	13.30%	
Due within 1 year				
No. of instalments	3	7	-	
Amount	62,50,000	2,18,75,025	-	2,81,25,025
Due 3 to 4 years				
No. of instalments	-	-	2	
Amount	-	-	30,00,00,000	30,00,00,000
Total	62,50,000	2,18,75,025	30,00,00,000	32,81,25,025

Terms of Repayment - Term Loans/ working capital demand loans/ commercial papers as at 31 March 2019

Original Maturity	1-6 years				Total
Repayment frequency	Monthly/Quarterly repayment			Bullet repayment	
Rate of interest	10%-14%	14%-15%	15%-16%	10%-15%	
Due within 1 year					
No. of instalments	276	30	2	18	
Amount	1,82,92,70,838	24,45,76,298	1,25,02,140	1,18,00,00,000	3,26,63,49,276
Due 1 to 2 years					
No. of instalments	193	13	-	-	
Amount	95,61,74,093	30,41,66,667	-	-	1,26,03,40,760
Due 2 to 3 years					
No. of instalments	89	12	-	-	
Amount	42,43,25,314	30,00,00,000	-	-	72,43,25,314
Due 3 to 4 years					
No. of instalments	13	11	-	-	
Amount	13,08,27,976	27,50,00,000	-	-	40,58,27,976
Due 4 to 5 years					
No. of instalments	3	-	-	-	
Amount	3,12,49,993	-	-	-	3,12,49,993
Above 5 years					
No. of instalments	-	-	-	2	
Amount	-	-	-	25,00,00,000	25,00,00,000
Total	3,37,18,48,214	1,12,37,42,965	1,25,02,140	1,43,00,00,000	5,93,80,93,319

Terms of Repayment - Term Loans/ working capital demand loans as at 31 March 2018

Original Maturity	1-7 years			Within 1 year	Total
Repayment frequency	Monthly/Quarterly repayment			Bullet repayment	
Rate of interest	10%-14%	14%-15%	15%-16%	15.00%	
Due within 1 year					
No. of instalments	192	77	4	1	
Amount	1,64,57,33,379	43,13,27,976	89,84,629	1,25,00,000	2,09,85,45,984
Due 1 to 2 years					
No. of instalments	74	30	-	-	
Amount	38,07,34,382	22,92,43,105	-	-	60,99,77,487
Due 2 to 3 years					
No. of instalments	40	1	-	-	
Amount	22,49,37,949	41,66,667	-	-	22,91,04,616
Due 3 to 4 years					
No. of instalments	2	-	-	-	
Amount	1,38,88,884	-	-	-	1,38,88,884
Due after 5 years					
No. of instalments	-	1	-	-	
Amount	-	10,00,00,000	-	-	10,00,00,000
Total	2,26,52,94,594	76,47,37,748	89,84,629	1,25,00,000	3,05,15,16,971

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6 PROVISIONS

Particulars	Current		Non-current	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Provision for employee benefits				
Provision for gratuity benefits	52,674	-	81,97,014	44,71,623
Provision for leave benefits	53,85,108	24,69,611	1,98,24,519	1,32,65,932
Other provisions				
Contingent provision against standard assets (including securitisation and assigned assets)	2,43,07,496	1,22,27,356	2,58,92,996	50,72,359
Provision for sub-standard assets (including securitisation and assigned assets)	-	-	7,06,70,736	4,76,84,359
Provision on securitised portfolio against doubtful assets	-	-	1,22,81,584	-
	2,97,45,278	**1,46,96,967**	**13,68,66,849**	**7,04,94,273**

7 SHORT TERM BORROWINGS

Particulars	As at 31-Mar-19	As at 31-Mar-18
Loans repayable on demand*		
Overdraft from bank (secured)	-	4,65,06,459
Cash credit from banks (secured)	30,00,00,000	20,05,25,351
Cash credit from other than banks (secured)	15,00,00,000	15,00,00,000
Other loans and advances		
Indian rupee loan from banks (secured)*	1,12,58,33,333	66,00,00,000
Indian rupee loan from other than banks (secured)*	15,00,00,000	21,01,61,922
Indian rupee loan from other than banks (unsecured)	-	50,00,000
Commercial Paper (Unsecured):		
Face value	43,00,00,000	-
Less: Unmatured discounting charges	(76,99,638)	-
	42,23,00,362	-
	2,14,81,33,695	**1,27,21,93,732**

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

i) A charges by way of hypothecation of all book debts and receivables, present and future of the Company (To the extent of 1 to 1.33 times of outstanding loan amount).
ii) Corporate guarantee of the Holding Company in case of 20 lenders amounting to Rs. 529.57 crores.
iii) Guarantee by third party (to the extent of 15% to 23% of initial value of term loans, capped at 35% due to amortization).
iv) First loss default guarantee (FLDG) in the form of fixed deposits of Rs. 23.36 crores in case of three lenders.
v) First loss default guarantee (FLDG) in the form of security deposits of Rs. 1.25 crore in case of one lender.
vi) Overdraft availed from a bank secured by pledge of Rs. 22.45 crores fixed deposits.

8 OTHER CURRENT LIABLITIES

Particulars	As at 31-Mar-19	As at 31-Mar-18
Expense and other payables	14,07,20,860	6,91,29,011
Payable towards securitisation/ direct assignment of loans	13,32,30,281	5,12,55,559
Payables to employees	2,13,69,108	1,40,91,179
Statutory dues payable	2,40,34,470	1,71,63,379
Interest accrued but not due on borrowings	9,51,79,327	2,62,96,831
Advances from customers	2,02,42,269	66,66,026
Payables to holding company	3,27,93,082	2,57,04,322
	46,75,69,397	**21,03,06,307**

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9 PROPERTY, PLANT AND EQUIPMENT

Particulars	Computers and Networks	Furniture and Fittings	Office Equipments	Leasehold Improvements	Total
Cost					
As at 01-Apr-17	64,53,740	69,75,297	20,43,583	47,62,485	2,02,35,105
Additions	56,34,837	3,94,097	8,41,541	-	68,70,475
Disposals	-	62,296	-	-	62,296
As at 31-Mar-18	**1,20,88,577**	**73,07,098**	**28,85,124**	**47,62,485**	**2,70,43,284**
Additions	1,91,00,465	6,70,589	19,94,212	-	2,17,65,266
Disposals	5,36,726	26,36,238	8,55,845	47,62,485	87,91,294
As at 31-Mar-19	**3,06,52,316**	**53,41,449**	**40,23,491**	**-**	**4,00,17,256**
Depreciation					
As at 01-Apr-17	23,87,032	16,60,441	8,01,004	13,52,874	62,01,351
Charge for the year	35,24,475	14,05,542	6,99,141	21,96,536	78,25,694
Disposals	-	22,270	-	-	22,270
As at 31-Mar-18	**59,11,507**	**30,43,713**	**15,00,145**	**35,49,410**	**1,40,04,775**
Charge for the period	75,27,300	10,90,392	8,35,261	9,55,940	1,04,08,893
Disposals	4,79,779	13,95,660	6,30,647	45,05,350	70,11,436
As at 31-Mar-19	**1,29,59,028**	**27,38,445**	**17,04,759**	**-**	**1,74,02,232**
Net Block					
As at 31-Mar-18	**61,77,070**	**42,63,385**	**13,84,979**	**12,13,075**	**1,30,38,509**
As at 31-Mar-19	**1,76,93,288**	**26,03,004**	**23,18,732**	**-**	**2,26,15,024**

10 INTANGIBLE ASSETS

Particulars	Computer Software
Cost	
As at 01-Apr-17	33,23,678
Additions	8,98,949
Disposals	-
As at 31-Mar-18	**42,22,627**
Additions	55,93,309
Disposals	-
As at 31-Mar-19	**98,15,936**
Amortization	
As at 01-Apr-17	3,51,501
Charge for the year	12,68,000
Disposals	-
As at 31-Mar-18	**16,19,501**
Charge for the period	21,61,404
Disposals	-
As at 31-Mar-19	**37,80,905**
Net Block	
As at 31-Mar-18	**26,03,125**
As at 31-Mar-19	**60,35,031**

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11 DEFERRED TAX ASSETS (NET)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Tax effect of items constituting deferred tax assets		
Carry forward of unabsorbed losses/ (profit)	-	9,78,56,186
Provision for expenses allowed for tax purposes on payment basis under Section 43B of Income tax Act, 1961	97,43,353	62,44,014
Provision for standard and sub-standard assets	3,26,96,830	2,00,75,468
Impact of difference between tax depreciation and depreciation charged for the financial reporting	13,27,253	10,52,847
Tax effect of items constituting deferred tax liabilities		
Impact of accrued interest on non performing assets	-	-
Deferred Tax Assets (Net)	**4,37,67,436**	**12,52,28,515**
Deferred tax asset recognized	**4,37,67,436**	-

12 LOANS AND ADVANCES

Particulars	Current		Non-current	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
I. Term loans and advances towards financing activities				
(a) Unsecured, Considered good*				
Term loans	6,02,27,98,260	3,04,99,71,359	6,38,34,53,079	1,25,45,67,903
(b) Unsecured, Considered doubtful**				
Term loans	-	-	13,11,86,557	9,29,36,238
(c) Receivables under loans assigned				
Unsecured, Considered good*	2,16,08,420	-	17,29,962	-
Unsecured, Considered doubtful**	-	-	7,33,785	-
(a+b+c)	**6,04,44,06,680**	**3,04,99,71,359**	**6,51,71,03,383**	**1,34,75,04,141**
II. Other Loan and Advances				
(d) Loans given as collateral towards asset securitised transactions				
Unsecured, Considered good*	3,24,65,010	69,13,827	8,80,65,990	1,35,21,779
Unsecured, Considered doubtful**	-	-	2,17,02,713	24,32,481
	3,24,65,010	**69,13,827**	**10,97,68,703**	**1,59,54,260**
(e) Security deposits				
Unsecured, considered good	11,05,740	1,60,95,100	2,74,73,222	74,03,222
Unsecured, considered doubtful	1,04,000		-	-
	12,09,740	**1,60,95,100**	**2,74,73,222**	**74,03,222**
Less: Provision for doubtful security deposit	(1,04,000)	-	-	-
	11,05,740	**1,60,95,100**	**2,74,73,222**	**74,03,222**
(f) Other loans and advances (Unsecured, considered good)				
CENVAT/ GST credit receivable	33,18,332	10,37,905	-	-
Advance Income Tax (net of provision for tax)	-	-	2,50,93,016	1,61,44,300
MAT credit entitlement	5,37,41,576	-	-	-
Prepaid expenses	76,25,712	64,36,113	-	-
Advances to employees for expenses	1,57,095	6,16,796	-	-
Advance against expenses	24,71,960	2,47,082	-	-
Other Advances	14,23,031	-	-	-
(d+e+f)	**10,23,08,456**	**3,13,46,823**	**16,23,34,941**	**3,95,01,782**
(I+II)	**6,14,67,15,136**	**3,08,13,18,182**	**6,67,94,38,324**	**1,38,70,05,923**

* Represents standard assets in accordance with Company assets classification policy refer note 2.1 (j)
** Represents sub-standard assets in accordance with Company assets classification policy refer note 2.1 (j)

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13 CASH AND BANK BALANCES

Particulars	Current		Non-current	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Cash and cash equivalents				
(a) Cash on hand	28,257	12,614	-	-
(b) Balance with banks				
(i) On current accounts	30,58,92,647	6,90,60,300	-	-
(ii) Deposits with original maturity of less than 3 months	1,34,86,55,955	30,00,00,000	-	-
	1,65,45,76,859	**36,90,72,914**	-	-
Other bank balances				
(c) Deposits with remaining maturity for less than 12 months*	55,14,32,211	35,48,13,611	-	-
(d) Deposits with remaining maturity for more than 12 months*	-	-	17,04,25,226	20,00,00,000
	2,20,60,09,070	**72,38,86,525**	**17,04,25,226**	**20,00,00,000**
Amount disclosed under non-current assets (Note 14)	-	-	17,04,25,226	20,00,00,000
	2,20,60,09,070	**72,38,86,525**	-	-

* Fixed deposits pledged against credit facilities of Rs. 54.18 crores (31 March 2018 : Rs.35.39 crores).

14 OTHER ASSETS

Particulars	Current		Non-current	
	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Non-current bank balances (Note 13)	-	-	17,04,25,226	20,00,00,000
Interest accrued but not due on deposits placed with banks	89,99,235	70,68,072	-	-
Interest accrued and due on portfolio loans	3,17,96,062	1,30,47,965	-	-
Interest accrued but not due on portfolio loans	13,32,33,813	4,68,23,337	-	-
Interest accrued and due on deposits placed with lenders	4,315	20,83,944	-	-
Others current assets	22,45,488	60,52,584	-	-
	17,62,78,913	**7,50,75,902**	**17,04,25,226**	**20,00,00,000**

15 REVENUE FROM OPERATIONS

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest on loans		
Interest income on portfolio loans	1,90,78,06,561	70,76,99,394
Income from securitisation of portfolio loans	5,78,53,333	1,38,11,532
Income from assigned loans	52,15,790	-
Other operating revenue		
Processing fees	37,18,37,067	13,15,56,936
Other charges	1,75,20,135	1,22,85,683
	2,36,02,32,886	**86,53,53,545**

16 OTHER INCOME

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest on fixed deposits with banks	8,29,99,419	3,57,60,309
Interest on deposits with others	1,02,056	12,00,000
Interest on income tax refund	5,85,287	-
Interest on Inter-corporate loan	1,23,46,452	-
Other Income	17,11,253	1,03,217
	9,77,44,467	**3,70,63,526**

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17 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Salaries, bonus and incentives	25,84,56,129	19,30,56,793
Contribution to provident and other funds	85,93,855	62,45,500
Reimbursement of ESOP expense	1,18,39,588	15,56,011
Leave benefit expense	1,27,98,392	96,34,603
Gratuity benefits expense	37,78,065	23,33,377
Staff welfare expenses	1,23,66,188	57,55,693
	30,78,32,217	**21,85,81,977**

18 FINANCE COSTS

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Interest on		
Loans from banks	19,77,23,626	4,05,78,861
Loans from other than banks	49,90,62,007	20,33,34,913
Inter-corporate loans	15,27,397	1,53,69,863
Overdraft from bank	44,36,365	35,03,833
Discount on commercial papers	2,64,21,482	-
Loan processing fees	6,26,77,951	3,31,71,821
Other finance cost	2,57,28,870	3,44,63,918
Finance cost of assignment / securitisation	94,20,496	-
	82,69,98,194	**33,04,23,209**

19 OTHER EXPENSES

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Rent	2,49,03,430	1,41,24,027
Rates and taxes	14,23,263	8,12,118
Insurance	45,88,566	16,78,858
Professional and legal fees	5,57,46,472	2,09,47,899
Commission and brokerage	32,40,53,678	11,61,61,356
Service charges of outsourced employees	6,21,14,212	2,64,76,936
License fees	3,25,69,265	7,97,43,629
Business support services	3,39,92,385	1,94,36,649
Printing and stationery	14,04,944	10,94,000
Electricity expenses	50,96,368	24,59,897
Internet and communication expenses	66,09,893	28,18,233
Travelling and conveyance	52,70,803	35,80,236
Advertisement expenses	41,18,411	89,271
Franking and stamping expenses	3,08,97,712	1,11,20,207
Bank charges	65,09,005	31,18,490
Courier expenses	32,99,904	10,10,179
Repairs and maintenance	31,09,237	21,93,306
Share issue expenses	41,61,625	11,67,751
Auditors remuneration (refer note 19.1 below)	24,76,455	15,86,363
Software expenses	3,04,95,015	15,51,666
Security expenses	7,36,992	2,44,272
Loss on sale of fixed assets (net)	15,36,273	31,551
Director sitting fee	1,82,813	3,80,375
Housekeeping expense	12,26,449	6,87,193
Miscellaneous expenses	22,71,865	10,15,576
	64,87,95,035	**31,35,30,038**

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19.1 AUDITORS' REMUNERATION

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
As Auditor:		
Audit fee	18,74,498	11,61,997
Tax Audit fee	3,27,000	2,11,250
In other capacity:		
Certification matters	1,85,300	1,56,750
Reimbursement of expenses	89,657	56,366
	24,76,455	**15,86,363**

20 PROVISIONS AND WRITE OFFS

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Contingent provision against standard assets (including securitisation and assigned assets)	3,29,00,766	1,34,04,453
Provision for non-performing assets (including securitisation and assigned assets)	2,29,86,377	1,70,59,830
Loans written offs (net of recoveries) (including assigned assets)	26,53,11,867	23,13,20,405
Provision on doubtful securitised loans	1,22,81,584	-
	33,34,80,594	**26,17,84,688**

21 EARNING PER SHARE

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net profit/(loss) after tax for the year	34,37,16,538	(23,09,96,535)
Weighted average number of outstanding equity shares	3,43,59,453	2,77,15,401
Weighted average number of equity shares diluted	3,43,59,453	2,77,15,401
Basic earning per share	10.00	(8.33)
Diluted earning per share	10.00	(8.33)
[Nominal value of shares INR 10 each (Previous Year : INR 10)]		

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22. Segment Information

The Company has a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS-17 on 'Segment Reporting' notified under section 133 of the Companies Act 2013 read with rule 7 of the Companies Act Rules 2014. The Company operates in a single geographical segment i.e. domestic.

23. Related party disclosures*

a. Related party where control exists irrespective whether transactions have occurred or not

Nature of relationship	Name of Parties
Holding Company	Lendingkart Technologies Private Limited

b. Other related parties where transactions have occurred during the year

Nature of relationship	Name of Parties
Relative of Director	Anand Raichand Lunia
Independent Director	Mr. G.S. Sundararajan (w.e.f. 30-Jun-17 to 25-Jan-18)
Independent Director	Ms. Divya Himanshu Jain
Independent Director	Mr. Gaurav Mittal (w.e.f. 29-Jun-18)

(as per Accounting Standard 18 issued by ICAI)

c. Transactions with related parties for the year ended 31 March 2019

Sr. No.	Nature of transactions	31-Mar-19	31-Mar-18
1.	**Holding Company**		
(a)	**Transactions during the year**		
	Unsecured inter-corporate loan taken	50,00,00,000	20,00,00,000
	Conversion of unsecured inter corporate loan into equity share capital (refer note 1 below)	49,99,99,692	19,99,99,954
	Issue of equity share capital (including share premium on issue of equity shares) (refer note 2 below)	2,74,99,99,829	39,99,99,908
	Interest paid on inter-corporate loans	15,27,397	1,53,69,863
	Unsecured inter-corporate loans given	23,00,00,000	-
	Interest income on inter-corporate loans	1,23,46,452	-
	License fee paid for use of software (Excludes 50% reversal of goods and services tax input credit) (refer note 3 below)	2,92,55,202	7,39,24,480
	Reimbursement of expenses incurred on behalf of the Company	-	31,955
	Business support charges paid (Excludes 50% reversal of goods and services tax input credit)	2,94,52,336	1,94,36,649
	Reimbursement of ESOP expense	1,18,39,588	15,56,011
	Employee advances/ Other deposits transferred from Holding Company	-	2,00,000
	Transfer of advance given to Omnifin against customization and implementation of the Omnifin Software	6,50,000	-
	Reimbursement of expenses incurred on behalf of the Holding Company	12,772	6,659
(b)	**Balance payable to Holding Company as at year end**	**3,27,93,082**	**2,57,04,322**

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Sr. No.	Nature of transactions	31-Mar-19	31-Mar-18
(c)	**Guarantees given by Holding Company**		
	Loans borrowed from financial institutions and Banks guaranteed by the Holding Company (including CC facility)	5,29,57,08,490	2,78,17,44,031
	Non-Convertible debentures issued to financial institutions, banks and other company guaranteed by the Holding Company.	3,43,37,12,120	32,81,25,025
2.	**Anand Raichand Lunia**		
(a)	Unsecured loans taken	-	5,00,00,000
	Interest & processing fee paid on loan (Excludes 50% reversal of goods and services tax input credit)	-	23,69,862
	Loan repaid (Principal)	-	5,00,00,000
(b)	**Balance payable as at year end**	-	-
3.	**Mr. G.S. Sundararajan**		
(a)	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	-	3,12,500
(b)	**Balance payable as at year end**	-	-
4.	**Ms. Divya Himanshu Jain**		
(a)	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	81,250	37,500
(b)	**Balance payable as at year end**	**12,500**	**12,500**
5.	**Mr. Gaurav Mittal**		
(a)	Director sitting fee (Excludes 50% reversal of goods and services tax input credit)	87,500	-
(b)	**Balance payable as at year end**	**12,500**	-

Note 1: During the financial year ended 31 March 2019, Inter-corporate loan from the Holding Company was converted into 14,76,101 number of equity shares of Rs. 10 each fully paid-up at a premium of Rs. 328.73 each, aggregating to Rs. 49,99,99,692.

Note 2: During the year ended 31 March 2019, the company issued 81,18,560 equity shares of Rs. 10 each fully paid-up at a premium of Rs. 328.73 per share to Holding Company. For detailed terms of the equity shares, please refer note 3 to the Financial Statements.

Note 3:

- The Company has entered into License Agreement with Holding Company dated 19 June 2015 for a term of 5 years for use of the licensed software to digitally lend money to its customers.
- The services provided by the Holding Company to the Company are of a specialised nature and hence difficult to benchmark with other external sources. The Company has engaged the services of an expert to assess the arm's length price for this inter-company transaction. Based on the assessment of such expert license fees are revised from 1 April 2018 and are charged by the Holding Company to the Company and are considered at arm's length. Until the previous year the Company paid license fees to the Holding Company as a percentage of the interest income earned by the Company.

24. Employee stock option plans

The Holding Company has Employee Stock Option Plans ("ESOP") scheme in force. As per the ESOP scheme, Holding Company has granted ESOP options to acquire its equity shares that would vest in a graded manner to Company's employees. Based on the group policy/ arrangement, Holding Company has cross charged the fair value of such ESOP, Company has recognised the same under the employee cost. Current year release of Rs. 1,18,39,588 (31 March 2018: Rs. 15,56,011).





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25. Leases

Registered office and corporate office premises are acquired on operating lease. There are no restrictions imposed by lease arrangements. Lease payments during the period charged to statement of profit and loss were as follows:
Non-cancellable operating lease rentals payable (minimum lease payments) under the lease is as under;

Particulars	31-Mar-19	31-Mar-18
Operating lease payment recognized during the year	2,49,03,430	1,41,24,027
Minimum lease obligation		
Within one year	3,02,73,850	1,58,29,091
After one year but not more than three years	3,85,95,013	2,55,67,273
More than three years	1,17,19,260	-

26. Expenditure in foreign currency (on accrual basis)

Particulars	31-Mar-19	31-Mar-18
Professional fees	3,56,629	-
Software Expenses	10,75,242	-
Total	14,31,870	-

27. The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. Hence, no disclosure is made for the same.

The Company has unhedged foreign currency exposure of Rs. 38,736 (USD 560) payable as at 31 March 2019 (31 March 2018:NIL).

28. Contingent liability and Commitments

a) Contingent liabilities

Description of the Liability	31-Mar-19	31-Mar-18
Credit enhancements provided by the Company towards securitisation (including corporate guarantee, cash collateral and loan assets retained as Minimum Retention Requirement (MRR))	24,43,05,510	6,13,26,287

b) Capital and other commitments

Description	31-Mar-19	31-Mar-18
Loans sanctioned not yet disbursed	36,75,27,000	23,78,03,000
A S Software Services Private Limited (Omnifin Software) (Excludes 50% reversal of goods and services tax input credit)	1,26,70,569	-

29. Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days' salary (last drawn salary) for each completed year of service.

Statement of Profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	31-Mar-19	31-Mar-18
Current service cost	39,31,537	25,36,719
Interest cost on benefit obligation	3,37,356	1,49,526
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the period	(4,90,828)	(7,10,363)
Transfer in/(out) obligation	-	-
Recognised past Service Cost- Unvested	-	3,57,495
Net benefit expense	37,78,065	23,33,377

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

LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
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Balance Sheet

Benefit asset/ liability

Particulars	31-Mar-19	31-Mar-18
Present value of unfunded obligations	82,49,688	44,71,623
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability /(Asset)	82,49,688	44,71,623

Financial assumptions

Particulars	31-Mar-19	31-Mar-18
Discount Rate (p.a.)	7.50%	7.55%
Salary Growth Rate (p.a.)	12%	12%
Withdrawal rates	18% at younger ages reducing to 6% at older ages	18% at younger ages reducing to 6% at older ages
Expected Rate of Return (p.a.)	Not Applicable	Not Applicable

Change in Defined Benefit Obligation

Particulars	31-Mar-19	31-Mar-18
Opening Defined Benefit Obligation	44,71,623	21,38,246
Transfer in/(out) obligation	-	-
Current Service cost	39,31,537	25,36,719
Interest cost	3,37,356	1,49,526
Actuarial losses/(gains)	(4,90,828)	(7,10,363)
Benefits Paid	-	-
Recognised past Service Cost- Unvested	-	3,57,495
Closing Defined Benefit Obligation	82,49,688	44,71,623

Change in Plan Assets

Particulars	31-Mar-19	31-Mar-18
Opening Value of Plan Assets	-	-
Expenses deducted from the fund	-	-
Expected return	-	-
Actuarial gains/(losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing Value of Plan Assets	-	-

The Experience adjustment on plan assets

Particulars	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Defined benefit obligation	82,49,688	44,71,623	21,38,246	3,76,777	-
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(82,49,688)	(44,71,623)	(21,38,246)	(3,76,777)	-
Experience adjustment of plan assets	-	-	-	-	-
Experience adjustment of plan liabilities	(5,25,663)	(10,45,124)	8,52,210	58,171	-

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30. Based on the information available with the Company, there are no micro, small and medium enterprises to whom the Company has paid interest or any interest payable on outstanding (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended 31 March 2019.

31. The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts. Basis the forgoing, liability of Provident Fund is unascertainable.

32. The Company does not have any outstanding loans against gold jewellery as at 31 March 2019 (31 March 2018: NIL).

33. Disclosure as per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time ('RBI Directions').

As per the RBI directions the Company was classified as a Systemically Important Non-Deposit taking Company during the previous financial year based on its assets size. Accordingly, disclosures applicable to Systemically Important Non-Deposit taking Company as per RBI directions are given.

A. Capital Risk Asset Ratio

Sl. No.	Items	31-Mar-19	31-Mar-18
(a)	Capital Risk Asset Ratio (%)	38.78%	31.22%
(b)	Capital Risk Asset Ratio (%) - Tier I Capital (%)	37.02%	29.20%
(c)	Capital Risk Asset Ratio (%) - Tier II Capital (%)	1.76%	2.02%
(d)	Amount of subordinated debt raised as Tier-II capital	25,00,00,000	10,00,00,000

B. Details of investments

Particulars	31-Mar-19	31-Mar-18
Current Investments:		
1. Quoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		
2. Unquoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		
Long Term investments:		
1. Quoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		

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Particulars	31-Mar-19	31-Mar-18
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		
2. Unquoted:	NIL	NIL
i. Shares:		
a. Equity		
b. Preference		
ii. Debentures and Bonds		
iii. Units of mutual funds		
iv. Government Securities		
v. Others (please specify)		

C. Disclosure for securitisation*

a. The information on securitisation of the Company as an originator in respect of outstanding amount of assets securitised under par structure is given below:

Sl. No.	Particulars	31-Mar-19	31-Mar-18
1	No. of SPVs sponsored by the NBFC for securitisation transactions	4	2
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	91,17,84,294	34,64,74,787
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
	a. Off balance sheet exposure		
	First Loss	2,16,34,847	3,84,58,200
	Others	-	-
	b. On balance sheet exposure		
	First Loss	8,04,36,950	-
	Others (Overcollateralization)	14,22,33,713	-
4	Amount of exposures to securitisation transactions other than MRR		
	a. Off balance sheet exposure		
	I. Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	II. Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-
	b. On balance sheet exposure		
	I. Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	II. Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-

(*The above figures are based on the information duly certified by the SPV's auditors).

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b. During the year the Company has transferred loans through securitisation. The information on securitisation activity of the Company as an originator is given below:

Particulars	31-Mar-19	31-Mar-18
Total number of loans securitised	2,209	1,454
Total book value of the loans securitised	1,27,93,84,077	45,73,61,735
Total book value of the loans securitised including loans placed as collateral	1,27,93,84,077	45,73,61,735
Sale consideration received for the loan asset securitised	1,15,06,72,142	43,44,93,648
Overcollateralization of the loans securitised	12,87,11,935	2,28,68,087
Excess interest spread recognised in the statement of profit and loss	3,49,31,593	1,38,11,532

Particulars	31-Mar-19	31-Mar-18
Credit enhancements provided and outstanding (Gross):		
Cash Collateral	8,04,36,950	-
Corporate Guarantee	-	3,84,58,200
Loan assets retained as MRR	12,87,11,935	2,28,68,087

D. Disclosure for direct assignment

Details of assignment transactions undertaken by the Company during the year

Particulars	31-Mar-19	31-Mar-18
No. of accounts	2,122	-
Aggregate value (net of provisions) of accounts sold	45,08,28,391	-
Aggregate consideration	45,08,28,391	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

E. Details of non-performing financial assets sold

Sl. No.	Particulars	31-Mar-19	31-Mar-18
1	No. of accounts sold	940	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	1,77,12,286	-

F. Maturity pattern of certain items of assets and liabilities

Particulars	Year ended 31-Mar-2019		
	Advances	Investments	Borrowings
Upto 1 month	64,52,21,088	-	79,20,52,602
Over 1 month to 2 months	52,27,94,782	-	1,02,98,68,578
Over 2 months upto 3 months	48,82,97,827	-	46,81,68,332
Over 3 months to 6 months	1,45,77,58,057	-	1,28,00,85,290
Over 6 months to 1 year	2,93,03,34,926	-	1,88,52,17,260
Over 1 year to 3 years	6,38,51,83,041	-	3,47,16,35,770
Over 3 years to 5 years	-	-	63,70,77,969
Over 5 years	6,59,60,171	-	25,00,00,000
Total	**12,49,55,49,892**	-	**9,81,41,05,801**

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Particulars	Year ended 31-Mar-2018		
	Advances	Investments	Borrowings
Upto 1 month	52,17,34,274	-	55,17,04,360
Over 1 month to 2 months	37,69,81,095	-	27,19,93,948
Over 2 months upto 3 months	31,36,52,779	-	23,90,49,358
Over 3 months to 6 months	80,22,60,584	-	62,20,98,319
Over 6 months to 1 year	1,03,53,42,626	-	83,88,56,825
Over 1 year to 3 years	1,25,45,67,903	-	83,90,82,103
Over 3 years to 5 years	-	-	31,38,88,884
Over 5 years	4,64,68,119	-	10,00,00,000
Total	**4,35,10,07,380**	-	**3,77,66,73,797**

G. Exposures

(a) Exposure to capital market
The Company has no exposure to the capital markets directly or indirectly in the current and previous year.

(b) Exposure to Real Estate Sector
The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.

H. Registration with other financial sector regulator
The company has obtained registration as a Corporate Agent (Composite) in **February-2019** with Insurance Regulatory and Department Authority of India (IRDAI). The Registration no. is **CA0641** and is valid till **27-February-2022**.

I. No penalties imposed on the Company by the Reserve Bank of India or any other regulator during the year ended 31 March 2019 (31 March 2018: NIL).

J. Ratings assigned by credit rating agencies and migration of ratings during the year
The overall rating of the Company by ICRA Limited is BBB+/A2. Further, the Company has obtained rating from ICRA Limited in respect of outstanding securitisation/ assignment transactions, Non-Convertible Debentures and Commercial Paper. The ratings obtained for the said transactions are provided below:

Instrument	Year ended 31-Mar-2019			
	Date of rating	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	03-Dec-18	ICRA	[ICRA] BBB+/ A2	Till next rating
	12-Jun-18	India Ratings & Research	IND BBB+/Stable	Till next rating
Non-Convertible Debentures/ CP	03-Dec-18	ICRA	[ICRA] BBB+	Till next rating
	12-Jun-18	India Ratings & Research	IND A2	Till next rating
Securitisation/ Assignments	13-Jul-18	ICRA	[ICRA] A- (SO)	NA
	30-Jan-19	ICRA	Provisional [ICRA] A (SO)	NA
	30-Jan-19	ICRA	Provisional [ICRA] BBB+ (SO)	NA
	06-Sep-18	India Ratings & Research	IND A- (SO)	NA
	06-Sep-18	India Ratings & Research	IND BBB+ (SO)	NA
	15-Jun-18	India Ratings & Research	IND A- (SO)	NA
	08-Jun-18	ICRA	[ICRA] BBB- (SO)	NA

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Instrument	Year ended 31-Mar-2018			
	Date of rating	Rating Agency	Current rating assigned	Valid upto
Line of Credit/ Bank lines	09-Oct-17	ICRA	[ICRA] BBB-	30-Jun-18
Term Loans	28-Nov-17	India Ratings & Research	IND A- (SO)	27-Nov-19
	26-Mar-18	ICRA	[ICRA] A- (SO)	31-Mar-21
Non-Convertible Debentures	11-Dec-17	ICRA	[ICRA] BBB-	21-Dec-21
	16-Mar-18	ICRA	[ICRA] A (SO)	26-Jun-18
	12-Mar-18	ICRA	[ICRA] A (SO)	09-Oct-18
Securitisation	19-Mar-18	ICRA	Provisional [ICRA] BBB- (SO)	17-Dec-19
	13-Feb-18	ICRA	[ICRA] BBB- (SO)	17-Dec-18

K. Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	31-Mar-19	31-Mar-18
Contingent provision against standard assets (including securitisation and assigned assets)	3,29,00,766	1,34,04,453
Provision for non-performing assets (including securitisation and assigned assets)	2,29,86,377	1,70,59,830
Loans written offs (net of recoveries) (including securitisation and assigned assets)	26,53,11,867	23,13,20,405
Provision on doubtful securitised loans	1,22,81,584	-

L. Concentration of Deposits, Advances, Exposures and NPAs

i. Concentration of Advances

Particulars	31-Mar-19	31-Mar-18
Total Advances to twenty largest borrowers	30,55,63,559	38,49,24,836
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	2.43%	8.75%

ii. Concentration of Exposures

Particulars	31-Mar-19	31-Mar-18
Total Exposure to twenty largest borrowers	30,55,63,559	38,49,24,836
Percentage of Exposure to twenty largest borrowers to Total Advances of the applicable NBFC	2.43%	8.75%

iii. Concentration of NPAs

Particulars	31-Mar-19	31-Mar-18
Total Exposure to top four NPA accounts	1,13,58,161	74,34,435

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LENDINGKART FINANCE LIMITED (INDIA)

Lendingkart Finance Limited
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iv. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		31-Mar-19	31-Mar-18
1.	Agriculture & allied activities	-	-
2.	MSME	-	-
3.	Corporate borrowers	0.81%	1.03%
4.	Services	1.08%	2.65%
5.	Unsecured personal loans	-	-
6.	Auto loans	-	-
7.	Other personal loans	-	-
8.	Other retail loans	1.07%	2.24%

M. Movement of NPAs

Sl. No.	Particulars	31-Mar-19	31-Mar-18
i	Net NPAs to net advances (%)	0.53%	1.07%
ii	**Movement of NPAs (Gross)**		
	i) Opening balance	9,29,36,238	6,12,49,061
	ii) Additions during the year	40,71,92,529	32,90,70,810
	iii) Reductions during the year	36,82,08,425	29,73,83,633
	iv) Closing balance	13,19,20,342	9,29,36,238
iii	**Movement of net NPAs**		
	i) Opening balance	4,64,68,119	3,06,24,531
	ii) Additions during the year	20,35,96,264	16,45,35,405
	iii) Reductions during the year	18,41,04,212	14,86,91,817
	iv) Closing balance	6,59,60,171	4,64,68,119
iv	**Movement of provisions for NPAs (excluding provision on standard assets)**		
	i) Opening balance	4,64,68,119	3,06,24,531
	ii) Provisions made during the year	20,35,96,264	16,45,35,405
	iii) Write-off/Write-back	18,41,04,212	14,86,91,817
	iv) Closing balance	6,59,60,171	4,64,68,119

N. Classification and provisions for loan portfolio

Asset classification	31-Mar-19	31-Mar-18
Loan outstanding		
Standard assets	12,42,95,89,721	4,30,45,39,262
Non performing assets	13,19,20,342	9,29,36,238
Loss assets	26,53,11,867	23,13,20,405
Less: Provision		
Standard assets	4,97,18,368	1,72,17,973
Non performing assets	6,59,60,171	4,64,68,119
Loss assets	26,53,11,867	23,13,20,405
Loan outstanding (net)		
Standard assets	12,37,98,71,353	4,28,73,21,289
Non performing assets	6,59,60,171	4,64,68,119
Loss assets	-	-

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O. Customer Complaints

Sl. No.	Particulars	31-Mar-19	31-Mar-18
i)	No. of complaints pending at the beginning of the year	3	NIL
ii)	No. of complaints received during the year	62	33
iii)	No. of complaints redressed during the year	53	30
iv)	No. of complaints pending at the end of the year*	12	3

*Pending all 12 complaints were resolved in May 19.

P. As required by the RBI circular no DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2nd March 2012 the details of frauds noticed / reported are as below:

Particulars	31-Mar-19	31-Mar-18
Amount involved	72,63,558	1,42,68,602
Amount recovered	-	6,58,833
Amount written off / provided	72,63,558	1,36,09,769
Balance	-	-

34. The Company has reclassified/ regrouped previous year figures to conform to current year's classification, where applicable.

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

Harshvardhan Lunia
Chairman
DIN No. 01189114

Umesh Navani
Company Secretary
Membership No. A40899

Piyush Kabra
Chief Financial officer

Place: Mumbai
Date: 20 June 2019

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

LENDINGKART FINANCE LIMITED (INDIA)

ANNEXURE V: ILLUSTRATION OF DEBENTURE CASH FLOWS

Illustration of DEBENTURE Cash Flows	
Company	Lendingkart Finance Limited
No. of Debentures	700
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh only)
Issue Opening Date	16-July-2021 (DD-MM-YYYY)
Deemed date of allotment	16-July-2021 (DD-MM-YYYY)
Final Redemption Date	16-January-2023 (DD-MM-YYYY)
Coupon Rate	11 % (Eleven per cent) per annum gross of applicable tax
Frequency of the Coupon Payment	Quarterly
Day Count Convention	Actual/Actual

Redemption Instalments	Redemption Date	Interest per Debenture (in INR)	Amount to be redeemed per Debenture (in INR)
1	16-Oct-2021	27726.03	142857.14
2	16-Jan-2022	23765.17	142857.14
3	16-Apr-2022	19373.78	142857.14
4	16-Jul-2022	15671.23	142857.14
5	16-Oct-2022	11882.58	142857.14
6	16-Jan-2023	7921.72	285714.29

ANNEXURE VI
FORM PAS 4

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

[Pursuant to section 42 read with section 71 of the Companies Act, 2013 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

1. GENERAL INFORMATION

Name, address, website and other contact details of the Company indicating both registered office and corporate office.	**Name** : Lendingkart Finance Limited **Registered Office** : A-303/304, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India. **Corporate Office** : B Block, 6th Floor, The First, The First Avenue Road Behind Keshavbaug Party Plot, Vastrapur Ahmedabad 380015. **Contact Person** : Mr. Umesh Navani **Email** : umesh.navani@lendingkart.com **CIN** : U65910MH1996PLC258722 **Website** : www.lendingkartfinance.com **Contact No** : +91-79-6677 0600/ 6814 4500
Date of incorporation of the Company.	26/12/1996
Business carried on by the Company and holding/subsidiary company of the Company with the details of branches or units, if any.	Business carried on by the Company. Lendingkart Finance Limited, is a non-deposit taking NBFC, providing working capital loan to micro, small and medium enterprises in India. The Company aims to transform small business lending by making it convenient for micro, small and medium enterprises to access credit easily. The Company uses technology and analytics tools, analysing thousands of data points from various data sources to assess the creditworthiness of businesses rapidly and accurately. The Company aims to make working capital finance available at the fingertips of entrepreneurs, so that they can focus on business instead of worrying about the gaps in their cash-flows. The Company does not have any subsidiaries. Business carried on by the Holding Company. Lendingkart Technologies Private Limited, 100% holding company of the Company, is a fin-tech company in the working capital space. LTPL has developed technology tools based on big data analysis which facilitates lenders to evaluate borrower's credit worthiness and provides other related services. Details of office locations of the Company:

Sr. No.	Address
1.	Registered Office: A-303/304, Citi Point, Andheri-Kurla Road, Andheri East, Mumbai, Maharashra 400 059.
2.	Corporate Office: B Block, 6th Floor, 'The First', The First Avenue Road, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad, Gujarat - 380 015.
3.	Office: Indraprasth Business Park, 6th Floor Makarba, sarkhej Roza Road, Makarba Ahmedabad - 380 051. Gujarat.
4.	Office: The Circle Work, 5th Floor, Huda City Centre Metro Station, Sector 29, Gurugram Haryana 122 001, India.
5.	Indiqube Lakeside, 1st Floor, SY No-80/2,BBMP Khatha no-820/835/915/80/2, Bellandur Village,Varthur Hobli, Bangalore, Karnataka-560103.

Details of office locations of the Holding Company:

Sr. No.	Address
1.	Registered Office: A-602, 6th Floor, The First, The First Avenue Road Behind Keshavbaug Party Plot, Vastrapur Ahmedabad - 380015, Gujarat, India.
2.	Office: Indiqube Lakeside, 1st Floor, SY No-80/2,BBMP Khatha no-820/835/915/80/2, Bellandur Village,Varthur Hobli, Bangalore, Karnataka- 560103.

Brief particulars of the management of the Company.

Name	Function, Designation & Experience
Mr. Harshvardhan Raichand Lunia	**Designation:** Managing Director **Qualification:** MBA from Indian School of Business and Chartered Accountant. **Experience:** Mr. Lunia has over 14 years of experience in finance and banking. He has worked with different banks like HDFC Bank, Standard Chartered Bank and ICICI Bank in departments like credit risk, corporate banking, relationship of SME Banking, etc. He also has experience in debt advisory.

The following table sets forth details of the Board of Directors as of the date of this Offer Letter.

Name, address, director identification number (DIN) and occupation of the Directors.

Sr No.	Name	Address	DIN	Occupation
1	Mr. Harshvardhan Raichand Lunia	A/93 - May Fair, Opp. Ashwamegh - 1, Opp. IOC Petrol Pump, 132 FT Ring Road, Vejalpur, Ahmedabad - 380051.	01189114	Business
2	Mr. Raichand Sardarmal Lunia	A/93 - May Fair, Opp. Ashwamegh - 1, Opp. IOC Petrol Pump, 132 FT Ring Road, Vejalpur, Ahmedabad – 380051	01188845	Practising Chartered Accountant
3.	Mr. Anindo Mukherjee	70, Grange Road, #04-01 Singapore - 249574.	00019375	Service

4.	Mr. Pankaj Makkar	D-801, Pearl Gateway Towers, Sector-44, Gautam Budh Nagar, Noida-201301.	03442209	Service
5.	Mr. Anand Pande	2 Leonie Hill Road, #03-02 Singapore – 239192.	08233960	Management Consultant
6.	Mr. Vikram Suhas Godse	132 Shaan Apartments, Kashinath Dhuru Marg, Dadar (West), Near Kirti College, Mumbai - 400028.	00230548	Professional
7.	Mr. Hong Ping Yeo	6 Cuscaden Walk, #16-02 Singapore - 249691.	08401270	Service
8.	Mr. Thallapaka Venkateswara Rao	Flat No. 402, Block-A, Mahaveer Sanctum Apartments, 7th Cross, L B Shastry Nagar, Off HAL Airport Road, Bangalore- 560017.	05273533	Professional
9.	Ms. Uma Subramaniam	105, Bhaggyam Sadhana, Dargah Road, Zamin Pallavaram, Chennai 600 043	07434953	Professional

Management's perception of risk factors:

As provided in "**Section 3: Risk Factors**" of Information Memorandum

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of-

Particulars		**Amount (in INR)**	**Duration of default**	**Present status**
i	statutory dues;	Nil	N.A	N.A
ii	debentures and interest thereon;	Nil	N.A	N.A
iii	deposits and interest thereon;	Nil	N.A	N.A
iv	loan from any bank or financial institution and interest thereon.	Nil	N.A	N.A
Any Default in annual filing of the Company under the Act or the rules made thereunder		None		
Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Company, if any, for the private placement offer process.		Name : Mr. Umesh Navani Designation : Company Secretary & Compliance Officer Address : 6th Floor, B Block The First, The First Avenue Road, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad 380 015 Phone : 079 – 6677 0600 E-mail : umesh.navani@lendingkart.com		

2. PARTICULARS OF THE OFFER

(i)	Financial position of the Company for the last 3 (three) Financial Years.	Refer Point Number 5 (f) of Offer Letter
(ii)	Date of passing of Board/Borrowing Committee Resolution	Board Resolution passed on 20th August, 2020; Board Resolution passed on 11th February, 2020; and Borrowing Committee Resolution passed on 14th July, 2021 (The resolutions are attached as **Annexure A**)
(iii)	Date of passing of resolution in the general meeting authorizing the offer of securities.	Not Applicable. The amount proposed to be raised through the Offer of NCDs is within the limit as approved by the shareholders of the Company pursuant to Section 180(1)(c) at the extraordinary general meeting held on 13th February, 2020, attached as **Annexure B**.
(iv)	Kinds of securities offered (i.e. whether	Up to 700 (seven hundred) Rated Unsubordinated Secured Transferable Redeemable Non-convertible debentures

	share or debenture), class of security and the total number of shares or other securities to be issued	of face value of INR 10,00,000/- (Indian rupees ten lakh only) each, aggregating up to Rs. 70,00,00,000/- (Indian rupees seventy crore only).
(v)	Price at which the security is being offered including the premium, if any, Along with justification of the price.	The Debentures are being offered at face value of INR 10,00,000 (Indian Rupees ten lakh only) per Debenture. Justification of price: Not applicable as each Debenture is a non-convertible debt instrument and is being issued at par (face value).
(vi)	Name and address of the valuer who performed valuation of the security offered and basis on which the price has been arrived at along with report of the registered valuer.	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at par (face value).
(vii)	Relevant date with reference to which the price has been arrived at.	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at par (face value).
(viii)	The class or classes of persons to whom the allotment is proposed to be made.	Limited company
(ix)	Intention of Promoters, Directors or key managerial personnel to subscribe to the Offer (applicable in case they intend to subscribe to the Offer)	Not applicable
(x)	The proposed time within which the allotment shall be completed.	The Debentures will be deemed to be allotted on July 16, 2021 ("**Deemed Date of Allotment**").
(xi)	The names of the proposed allottees and the percentage of post private placement capital that may be held by them.	Not applicable
(xii)	The change in control, if any, in the Company that would occur consequent to the private placement.	Not applicable
(xiii)	The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of number of securities as well as price.	During the year 2021-22, the Company has made the allotment on preferential/private placement basis to 4 (Four) person in the following manner: i. 150 (one hundred fifty) Rated, Secured, Senior, Redeemable, Transferable, Listed, Principal Protected, Market Linked, Non-Convertible Debentures having of face value INR 10,00,000/-(Indian rupees ten lakh only) each, aggregating up to Rs. 15,00,00,000/- (Indian rupees fifteen crore only) on a private placement basis to a Private Limited Company. ii. 400 (Four hundred) Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures having of face value INR 10,00,000/-(Indian rupees ten lakh

<table>
<tr><td></td><td></td><td>only) each, aggregating up to Rs. 40,00,00,000/- (Indian rupees forty crore only) on a private placement basis to 2 Private Limited Companies.
iii. 150 (one hundred fifty) Rated, Secured, Senior, Redeemable, Transferable, Listed, Principal Protected, Market Linked, Non-Convertible Debentures having of face value INR 10,00,000/-(Indian rupees ten lakh only) each, aggregating up to Rs. 15,00,00,000/- (Indian rupees fifteen crore only) on a private placement basis to a Private Limited Company.</td></tr>
<tr><td>(xiv)</td><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.</td><td>Not applicable as the Debentures are non-convertible debt instruments to be issued for the consideration in cash at face value.</td></tr>
<tr><td>(xv)</td><td>Amount which the Company intends to raise by way of proposed offer securities.</td><td>The Company proposes to raise amount aggregating up to INR 70,00,00,000/- (Upto Indian rupees seventy crore only) through issue of up to 700 (seven hundred) NCDs of face value of INR 10,00,000/- (Rupees ten lakh only) each.</td></tr>
<tr><td>(xvi)</td><td>Terms of raising of securities. Duration, if applicable, rate of interest, mode of payment and repayment.</td><td>The terms of Issue of NCDs is as provided in Annexure I of Information Memorandum and further set out in the DTD.</td></tr>
<tr><td>(xvii)</td><td>Proposed time schedule for which the Offer Letter is valid.</td><td>Issue Opens on: 16-July-2021
Issue Closing on: 16-July-2021

Pay-in Date: 16-July-2021
Even in case the Issue schedule changes for some reasons, the Offer Letter will be valid for that period as will be confirmed by the Issuer, subject to the provisions of applicable law.</td></tr>
<tr><td>(xviii)</td><td>Purposes and objects of the Offer.</td><td>As provided in point 5.21 of the Information Memorandum</td></tr>
<tr><td>(xix)</td><td>Contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of such objects.</td><td>No contribution is being made by the Promoters of the Company or Directors as part of the Offer and none of the Promoters or Directors of the Company intends to subscribe to the Debentures offered through the Offer.</td></tr>
<tr><td>(xx)</td><td>Principle terms of assets charged as security, if applicable.</td><td>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Property") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Property shall at all times be equal to 1.10 times of the outstanding principal amount of the Debentures., more particularly defined in Annexure I of Information Memorandum.</td></tr>
<tr><td>(xxi)</td><td>The details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.</td><td>None</td></tr>
<tr><td>(xxii)</td><td>The pre-issue and post-issue shareholding pattern of the Company.</td><td>
<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Category</th><th colspan="2">Pre-issue</th><th colspan="2">Post Issue</th></tr>
<tr><th>No. of shares</th><th>% of Shareholding</th><th>No. of shares held</th><th>% of Shareholding</th></tr>
</table>
</td></tr>
</table>

			held			
		A	Promoter's Holding			
		1	Indian	Nil	Nil	Nil	Nil
			Individual	Nil	Nil	Nil	Nil
			Bodies Corporate	4,41,87,931	100%	4,41,87,931	100%
			Sub-Total	4,41,87,931	100%	4,41,87,931	100%
		2	Foreign Promoters	Nil	Nil	Nil	Nil
			Sub-Total (A)	4,41,87,931	100%	4,41,87,931	100%
		B	Non-Promoters' Holding	Nil	Nil	Nil	Nil
		1	Institutional Investors	Nil	Nil	Nil	Nil
		2	Non-Institutional Investors	Nil	Nil	Nil	Nil
			Private Corporate Bodies	Nil	Nil	Nil	Nil
			Directors and Relatives	Nil	Nil	Nil	Nil
			Indian Public	Nil	Nil	Nil	Nil
			Others [Including Non-Resident Indians (NRI's) & ESOP Trust]	Nil	Nil	Nil	Nil
			Sub-Total (B)	Nil	Nil	Nil	Nil
			GRAND TOTAL (A+B)	4,41,87,931	100%	4,41,87,931	100%

3. MODE OF PAYMENT FOR SUBSCRIPTION.

( ) Cheque

( ) Demand Draft

(✓) Other Banking Channels

4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

(i)	Any financial or other material interest of the Directors, Promoters or key managerial personnel in the Offer and the effect of such interest in so far as it is different from the interests of other persons.	None

(ii)	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the offeree Company during the last 3 (three) years immediately preceding the year of the circulation of the Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	None	
(iii)	Remuneration of Directors (during the current year and last 3 (three) Financial Years).	Except for paying sitting fees to the independent Directors, the Company does not pay any remuneration to the Directors.	
(iv)	Related party transactions entered during the last 3 (three) Financial Years immediately preceding the year of circulation of this Offer Letter including with regard to loans made or, guarantees given or securities provided.	Related party transactions entered by the Company is enclosed Annexure IV of Information Memorandum**.**	
(v)	Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) Financial Years immediately preceding the year of circulation of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark.	There have been no reservations or qualifications or adverse remarks of auditors in the last 5 (five) Financial Years immediately preceding the year of circulation of Offer Letter.	
(vi)	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act in the last 3 (three) years immediately preceding the year of circulation of this Offer Letter in the case of Company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of the Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries.	None	
(vii)	Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the Company.	Material Frauds	Action taken
		None	NA

5. FINANCIAL POSITION OF THE COMPANY

(a) The capital structure of the Company as on the date of the Offer is as follows.

(i)	**Particulars**	**Number of Equity Shares**	**Description**	**Aggregate nominal value at face value (INR.)**
(A)	Authorised share capital	5,07,27,600	Equity Shares	50,72,76,000
	Issued, subscribed and paid up share capital before the Offer (number of securities, description and aggregate nominal value)	4,41,87,931	Equity Shares	44,18,79,310
(B)	Size of the present Offer of non-convertible debentures	-	Non-convertible debentures	70,00,00,000/-

(C)	Paid up share capital			
	(i) after the Offer	4,41,87,931	Equity Shares	44,18,79,310
	(ii) after conversion of convertible instruments (if applicable)	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.	N.A	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
	Securities Premium Account			
	(i) before the Offer	N.A	N.A	6,72,52,71,414
	(ii) after the Offer	N.A	N.A	6,72,52,71,414

(ii) The details of the existing share capital of the Company in a tabular form indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

a) Shareholding Pattern of the Company as on the date of this Offer.

Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding
1	Lendingkart Technologies Private Limited (and its 6 nominees)	Equity	4,41,87,931	100%
	Total Equity Shares		**4,41,87,931**	**100%**

b) Details of Allotment made by the Company:

Date of allotment	Class of shares allotted	Number of shares allotted	Face value per share (INR)	Premium per share (INR)	Subscription Amount (INR)	Form of consideration
26.12.1996	Equity	2100	10	-	2,10,00	Cash
21.06.1997	Equity	67500	10	-	6,75,000	Cash
31.12.1999	Equity	214500	10	-	2,14,5000	Cash
18.02.2016	Equity	90,41,666	10	14	21,69,99,984	Conversion of loan
11.07.2016	Equity	61,74,200	10	46.9	35,13,11,980	Cash
08.08.2016	Equity	99,95,190	10	54.9	64,86,87,831	Cash
24.08.2017	Equity	25,97,402	10	144	39,99,99,908	Cash
29.09.2017	Equity	12,98,701	10	144	19,99,99,954	Conversion of loan
24.09.2018	Equity	14,76,101	10	328.73	49,99,99,691.73	Conversion of loan
24.09.2018	Equity	81,18,560	10	328.73	2,74,99,99,828.80	Cash
11.09.2019	Equity	52,02,011	10	393.69	2,09,99,99,820.59	Cash

Note: The aforesaid table also includes allotments made by the Company in the last 1 (one) year preceding the date of this Offer Letter.

c) Provided that the issuer Company shall also disclose the number and price at which each of the allotments were made in the last 1 (one) year preceding the date of the private placement

offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case: Not applicable.

d) Profits of the Company, before and after making provision for tax, for the 3 (three) Financial Years immediately preceding the date of circulation of this Offer Letter.

Particulars	Financial Year 2020-21 (INR in Crores) (IND AS)	Financial Year 2019-20 (INR in Crores) (IND AS)	Financial Year 2018-19 (INR in Crores) (IND AS)
Profits of the Company before provision for tax	28.16	41.94	19.20
Profits of the Company after provision for tax	18.80	29.65	27.75

e) Dividends declared by the Company in respect of the said 3 (three) Financial Years; interest coverage ratio for last 3 (three) years (cash profit after tax plus interest paid/interest paid).

Year	Dividend declared	Interest Coverage Ratio (profit after tax plus interest paid/interest paid)
2020-21 (IND AS)	Nil	1.10
2019-20 (IND AS)	Nil	1.17
2018-19 (IND AS)	Nil	1.34

f) Summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter.

Particulars	Financial Year 2020-21 (INR in Crore) (INDAS)	Financial Year 2019-20 (INR in Crore) (INDAS)	Financial Year 2018-19 (INR in Crore) (INDAS)
a. Gross Fixed Assets	6.18	6.05	3.15
b. WDV	1.61	3.08	2.26
c. Cash and cash equivalents	287.86	50.50	165.51
d. Revenue from operations	483.52	459.90	217.80
e. Net Profit	18.80	29.65	27.75
PAT	18.80	29.65	27.75

g) Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter - Enclosed as Annexure IV of Information Memorandum.

h) **Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company** – IND AS is applicable to the company with effect from 01st April, 2019, and the profits and reserves would have to be calculated/determined accordingly.

[Remainder of this page has been left blank intentionally]

6. DECLARATION

The Directors of the Company hereby declare that:

(a) the Company has complied with the provisions of the Act and the rules made thereunder;

(b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(c) the monies received under the Offer shall be used only for the purposes and objects indicated in this Offer Letter;

I, the undersigned, am authorised by the Board of Directors of the Company *vide* resolution no. 11 dated August 20, 2020 read with the Borrowing Committee of the Company *vide* resolution no. 01 dated July 14, 2021 to sign this form and declare that all the requirements of the Act and the rules made thereunder in respect of the subject matter of this Offer Letter and matters incidental thereto have been complied with. Whatever is stated in this Offer Letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Offer Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Name	:	Umesh Navani
Designation	:	Company Secretary and Compliance Officer
ICSI Membership No.		A40899
Address	:	H/104, Sai Sneh Residency Motera-Koteshwar Road, Motera Ahmedabad 380005 Gujarat India.
Place	:	Ahmedabad
Date	:	July 15, 2021

Attachments.

1. Annexure A – Copy of Board/ Borrowing Committee Resolution; and
2. Annexure B - Copy of Shareholders Resolution passed under Section 180(1)(c) of the Companies Act, 2013.

ANNEXURE A
COPY OF BOARD/ BORROWING COMMITTEE RESOLUTION

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BORROWING COMMITTEE OF LENDINGKART FINANCE LIMITED (THE "COMPANY") HELD ON WEDNESDAY JULY 14, 2021 AT AHMEDABAD.

"RESOLVED THAT pursuant to the resolution passed by the members of the Company on 13th February, 2020 under section 180(1)(c) of the Companies Act, 2013 (the **"Act"**), the resolution passed by the Board of Directors on 11th February, 2020, effective from 14th February, 2020, giving powers to the Borrowing Committee and the resolution passed by the Board of Directors of the Company ("**Board**") on 20th August, 2020 under section 179(3)(c) of the Act approving the issuance of non-convertible debentures of various types (listed or unlisted, secured or unsecured) in one or more tranches or series up to the amount specified therein and other applicable provisions, if any, of the Act, including Section 42 and 71 therein, read with the rules framed thereunder and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (including any statutory modifications, amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued by the Government of India) and the Memorandum and Articles of Association of the Company, the approval of the Borrowing Committee be and is hereby accorded to borrow funds by offering up to 700 (seven hundred) rated, unsubordinated, secured, transferable, redeemable, non-convertible debentures of INR 10,00,000/- (Indian Rupees ten lakhs only) each, aggregating INR 70,00,00,000/- (Indian Rupees seventy crores only), (the "**NCDs**") ("**Offer**") on private placement basis to Northern Arc Capital Limited ("**Investor**").

RESOLVED FURTHER THAT the terms of borrowing by way of issuance of NCDs shall be subject to such terms and conditions as provided in the transaction documents and which may include the following:

Type of Instruments	Rated, unsubordinated, secured, transferable, redeemable, non-convertible debentures
Listing	The NCDs shall be listed on Wholesale Debt Market segment of BSE
Issue Amount	Up to INR 70 crore
Tenor	18 Months from deemed date of allotment
Principal Repayment	NCDs shall be redeemed quarterly on a pro rata basis and shall be fully redeemed by the Final Redemption Date
Coupon	11.00% per annum
Coupon Payment Frequency	Payable quarterly.
Security	NCDs are secured by way of first ranking, exclusive and continuing charge on receivables to the extent of 1.10 times (1.1x) of the outstanding facility amount.

	Corporate guarantee to be provided by Lendingkart Technologies Private Limited, holding company of the Company
Rating Covenants	In the event the Credit Rating of the Debenture issued by the Issuer is downgraded from the current rating of A-, the Coupon Rate shall be increased by 0.5% for every notch of rating downgrade, applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the Debentures. If the Issuer of the Debenture is rated by more than one rating agency, then the lowest of the ratings shall be considered.

RESOLVED FURTHER THAT the Borrowing Committee hereby authorizes the Company Secretary of the Company to record the names of the Investor(s) and maintain such record of private placement offer of the subscription securities in Form PAS-5 as required under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

RESOLVED FURTHER THAT Mr. Harshvardhan Lunia, Managing Director, Mr. Raichand Lunia, Director, Mr. Sudeep Bhatia, Chief Financial Officer and Mr. Umesh Navani, Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to:

(i) Issue letter(s) of offer ("**Offer Letter(s)**") to the Investor(s) as per draft presented in the meeting and to make such modifications or amendments as may be deemed appropriate;

(ii) Provide Information Memorandum as per the draft presented in the meeting.

(iii) Settle all questions or difficulties that may arise in regard to the issue including amending or modifying any of the terms of such issue or allotment, as may be made pursuant to and in accordance with the transaction documents or otherwise.

RESOLVED FURTHER THAT the Borrowing Committee hereby appoints Catalyst Trusteeship Limited (the "**Debenture Trustee**") as the Debenture Trustee, for the issuance of NCDs, and further authorises the Debenture Trustee to exercise such powers and perform such duties as contained in the debenture trust deed or other relevant documents.

RESOLVED FURTHER THAT the Borrowing Committee hereby accords its consent to secure the redemption amount of the NCDs by creating a charge on assets of the Company (the "**Security**"), by executing an unattested deed of hypothecation between the Company and Debenture Trustee to secure NCDs.

RESOLVED FURTHER THAT Mr. Harshvardhan Lunia, Managing Director, Mr. Raichand Lunia, Director, Mr. Sudeep Bhatia, Chief Financial Officer and Mr. Umesh Navani, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized on behalf of the Company to accept any change(s) or modification(s) as may be suggested by the appropriate authorities and/or agreed by the parties, to execute forms on behalf

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of the Company and do all such other acts, deeds, matters or things as may be necessary, appropriate, expedient or desirable to give effect to this resolution, with further powers to delegate all or any of the above authorities conferred to them to any officer(s)/authorized person(s) of the Company, including but not limited to:

(i) maintain record in Form PAS-5 and file other relevant documents with the Registrar of Companies;

(ii) to make relevant entries in the statutory registers and execute the said registers;

(iii) making all applications/filings to the appropriate authorities (wherever applicable) including the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under;

(iv) to create and operate debenture redemption reserve account, if applicable;

(v) to execute listing agreement with BSE Limited and/or do all such acts, deeds and things and execute such documents as may be required for listing of the NCDs on BSE; and

(vi) to settle all such questions, difficulties or doubts that may arise in relation to the offer/issue, allotment and utilisation of the proceeds and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient in implementation of this Resolution."

For and on behalf of the Borrowing Committee of Lendingkart Finance Limited

UMESH JAIPRAKASH NAVANI
Digitally signed by UMESH JAIPRAKASH NAVANI
Date: 2021.07.15 15:35:00 +05'30'

Umesh Navani
Company Secretary & Compliance Officer
ICSI Membership No: A40899

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CERTIFIED TRUE COPY OF A RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF LENDINGKART FINANCE LIMITED ("THE COMPANY") HELD ON TUESDAY, 11TH FEBRUARY, 2020 AT BANGALORE.

"RESOLVED THAT in partial modification of the resolution passed by the Board of Directors at their meeting held on 13th November, 2019 and pursuant to the provisions of Section 179, Section 180(1)(c), Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), and relevant regulations/directions as may be prescribed by the Reserve bank of India from time to time (including any amendment(s), modification(s) thereof) and the Articles of Association of the Company, the Board of Directors accord their consent to the Borrowing Committee to exercise borrowing power on behalf of the Company by obtaining loans, overdraft facilities, lines of credit, commercial papers, non-convertible debentures, external commercial borrowings (INR), or by any other form(s) from banks, financial institutions, insurance companies, mutual funds or other corporates or other eligible investors, including by way of availing credit limits through non-fund based limits i.e. bank guarantee, etc. or to raise funds by way of direct assignment/securitization of receivables of the Company; or by any other means as deemed fit by it, against the security of term deposits, movables, immovable or such other assets as may be required or as unsecured, at any time or from time to time, any sum or sums of money(ies) which together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of paid-up share capital of the Company, its free reserves and Securities Premium, provided that the total amount (outstanding) so borrowed by the Board shall not at any time exceed INR 3,000 crore (Rupees three thousand crore).

RESOLVED FURTHER THAT the terms of reference of the Borrowing Committee shall comprise of following:

a) to negotiate, finalise and periodically review, the terms of borrowings, rate of interest, the tenure, fees or commission payable, nature and extent of security and guarantee to be provided, approve prepayment of borrowings and any amendments or modifications therein;
b) to issue non-convertible debentures or other debt instruments on private placement basis;
c) to approve co-lending arrangement with banks, financial institutions, and other eligible persons, and to accord approval for providing first-loss default guarantee and/or other security in compliance with the extant Policy on co-origination/co-lending arrangements, and to accord approval for modifying/amending the terms of the existing co-lending arrangements;
d) to appoint rating agencies, trustees and servicing agents as may be required in the course of the Company's borrowing, direct assignment, securitization and co-lending/co-origination programmes;
e) to allot debentures;
f) to approve sale/transfer/assignment of the receivables and book debts of the Company by way of direct assignment and/or securitization;
g) to carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;
h) delegation of authorities to one or more employee(s), officer(s) or authorized representative(s) jointly or severally to negotiate, finalise, execute, modify, sign, accept, submit and withdraw deeds,

LENDINGKART FINANCE LIMITED (INDIA)

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agreements, undertakings, guarantees and all such documents and papers with respect to the above borrowing(s), assignment(s), guarantee(s) and/or co-lending arrangement(s), including post facto reporting compliances / submissions in relation to the borrowings, and to affix common seal of the Company; and

i) approve to open/close current, overdraft and/or share/securities application account(s) of the Company with scheduled banks, nationalized banks, small finance banks and payment banks; and to authorise officials and/or signatories of the Company and/or modify the authorization(s) granted (authorized signatories and mode of operation) to operate the bank account(s) and do all such acts, deeds and things as may be required in connection therewith.

j) to do all such acts, deeds and things as may be necessary or expedient for carrying out of the aforesaid activities.

RESOLVED FURTHER THAT a copy of the aforesaid resolution certified to be true duly signed by Mr. Harshvardhan Lunia, Managing Director or Mr. Raichand Lunia, Director or Mr. Umesh Navani, Company Secretary & Compliance Officer of the Company be furnished to the lenders and they be requested to act thereon.

RESOLVED FURTHER THAT this Resolution shall come into effect from 14th February, 2020".

For Lendingkart Finance Limited

Umesh Navani
Company Secretary & Compliance Officer
ICSI Membership No.- A40899
22nd January, 2021

LENDINGKART FINANCE LIMITED (INDIA)

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CERTIFIED TRUE COPY OF A RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF LENDINGKART FINANCE LIMITED ("THE COMPANY") HELD ON, THURSDAY, 20TH AUGUST, 2020 AT AHMEDABAD.

"RESOLVED THAT in supersession of the Resolution passed by the Board of Directors at their meeting held on 26th August, 2019 in this regard and subject to the limits approved by the shareholders of the Company under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 ('**Act**') from time to time and pursuant to Section 179(3)(c) of the Act and other applicable provisions of the Act, the Memorandum & Articles of Association of the Company and rules, regulations, clarifications issued under the Act, if any, regulations issued by the Securities and Exchange Board of India ('**SEBI**') including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and all amendment regulations thereto, norms, circular, guidelines, clarification, notification prescribed or issued by the Reserve Bank of India or SEBI from time to time and other applicable provisions if any, the approval of the Board of Directors of the Company be and is hereby accorded to the Company to borrow up to Rs. 1,000 Crores (Rupees One Thousand Crores Only) by issuing Non-Convertible Redeemable Debentures of various types (listed or unlisted, secured or unsecured) including subordinated, fixed rate, floating rate, zero coupon, market linked debentures and any other category of debentures (collectively, the **"NCDs"**), on a private placement basis, in one or more tranches or series, as per, *inter alia*, the terms and conditions set out below, and to secure the amounts to be raised pursuant to the issue of NCDs or any tranche/issue together with all interest and other charges up to such limits and security cover as may be agreed and within such timelines as may be agreed:

Sr. No.	Particulars	Terms
1.	Type of instrument	Non-convertible redeemable debentures
2.	Issue price	To be issued in one or more tranches or series provided the total amounts outstanding under the NCDs do not exceed INR 10,00,00,00,000/- at any time.
3.	Face Value	as per issue requirements
4.	Rate of interest	as per issue requirements
5.	Tenure	as per issue requirements
6.	Purpose	To meet the funding requirements of the business of the Company (including for the general corporate purposes of the Company).

RESOLVED FURTHER THAT the Borrowing Committee of the Board of Directors ("**Borrowing Committee**") is hereby authorized to exercise all powers of the

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Board and do all such acts and deeds which are required to give effect to this resolution including but not limited to acts mentioned hereinafter.

RESOLVED FURTHER THAT the Borrowing Committee be and is hereby authorized to decide, negotiate and finalise the terms of the issue of any tranche/issue of NCDs, including but not limited to, the issue date, redemption, minimum application money, interest on application money, put and call options, security and allotment date, etc.

RESOLVED FURTHER THAT the Borrowing Committee be and is hereby authorized to identify the investors/lenders to whom any tranche/issue of NCDs are to be offered and to issue the allotment letter/debenture certificate to persons subscribing to the issue of any tranche/issue of NCDs on a private placement basis and do all such things as required under the applicable law.

RESOLVED FURTHER THAT the Borrowing Committee be and is hereby authorised to delegate authorities to one or more employee(s), officer(s) or authorized representative(s) jointly or severally to negotiate, finalise, execute, modify, sign, accept, submit and withdraw deeds, agreements, undertakings, guarantees (including in respect of the security to be created to secure any tranche/issue of NCDs (if any)) and all such documents and papers with respect to the above issue of any tranche/issue of NCDs including post facto reporting compliances / submissions in relation to the issue and to do all such acts, deeds and things as may be required in connection with the issue of the NCDs.

RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any of the Director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

For Lendingkart Finance Limited

LENDINGKART FINANCE LIMITED (INDIA)

Umesh Navani
Company Secretary & Compliance Officer
Address: H/104, Sai Sneh Residency,
Motera- Koteshwar Road,
Motera, Ahmedabad – 380 005.
Date: 20th August, 2020

ANNEXURE B

COPY OF SHAREHOLDERS RESOLUTION

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CERTIFIED TRUE COPY OF A SPECIAL RESOLUTION PASSED BY THE MEMBERS OF LENDINGKART FINANCE LIMITED ("THE COMPANY") AT THE EXTRAORDINARY GENERAL MEETING HELD ON THURSDAY, 13TH FEBURARY, 2020, AT AHMEDABAD.

"RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company at the extraordinary general meeting held on 7th February, 2019 and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant regulations/directions as may be prescribed by the Reserve bank of India from time to time (including any amendment(s), modification(s) thereof) and the articles of association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors ("**the Board**", which shall include any Committee of the Board), for selling, leasing or otherwise disposing off all or any of the present and future immovable and/ or movable properties, assets or undertakings of the Company wherever situated, of every nature and kind whatsoever, including creation of such mortgages/ charges/ hypothecation / floating charges in such form and in such manner as may be agreed between the Board and the lenders, to secure loans, debentures, advances and all other moneys payable by the Company, subject, however, to an overall limit of INR 3,000,00,00,000/- (Rupees three thousand Crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For Lendingkart Finance Limited

LENDINGKART FINANCE LIMITED (INDIA)

Umesh Navani
Company Secretary & Compliance Officer

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CERTIFIED TRUE COPY OF A SPECIAL RESOLUTION PASSED BY THE MEMBERS OF LENDINGKART FINANCE LIMITED ("THE COMPANY") AT THE EXTRAORDINARY GENERAL MEETING HELD ON THURSDAY, 13TH FEBURARY, 2020, AT AHMEDABAD.

"RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company at the extraordinary general meeting held on 7th February, 2019 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant regulations/directions as may be prescribed by the Reserve bank of India from time to time (including any amendment(s), modification(s) thereof) and article of association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors ("**the Board**", which shall include any Committee of the Board) to borrow from time to time by obtaining loans, overdraft facilities, lines of credit, commercial papers, non-convertible debentures, external commercial borrowings (INR), or by any other form(s) from banks, financial institutions, insurance companies, mutual funds or other corporates or other eligible investors, whether in India or abroad, any sum or sums of monies which, together with the monies already borrowed by the Company (apart from non-fund based facility in the form of letter of credits, bank guarantees, etc. obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company, its free reserves, that is to say, reserves not set apart for any specific purpose and securities premium, provided that the total amount so borrowed by the Board (including by way of the commercial paper issuances) shall not at any time exceed an aggregate limit of INR 3,000,00,00,000/- (Rupees three thousand crore) (which limit constitutes the specific limit of commercial paper issuance not exceeding INR 100,00,00,000/- (Rupees one hundred crore)).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For Lendingkart Finance Limited

LENDINGKART FINANCE LIMITED (INDIA)

Umesh Navani
Company Secretary & Compliance Officer

ANNEXURE VII
CREDIT RATING LETTER

INFOMERICS VALUATION AND RATING PVT. LTD.
Integrated Financial Omnibus Metrics Research of International Corporate Systems

Infomerics Ratings

Mr. Sudeep Bhatia,
CFO
Lendingkart Finance Limited
6th Floor, B Wing, the First,
First Avenue Road, Vastrapur,
Ahmedabad-380015 (Gujarat)

July 07, 2021

Dear Sir,

Credit rating for bank facilities

After taking into account all the relevant recent developments including operational and financial performance of your company for FY2020 and FY2021 (Audited),

1. Our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action
Long term Bank Facilities	312.60	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)	Reaffirmed
NCD	132.00	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)	Reaffirmed
Proposed NCD	43.00	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)	Reaffirmed
Unallocated - (Long Term/Short term Bank Facilities)	162.40	IVR A-/ Outlook (IVR Single A Minus with Stable Outlook)/IVR A2+ (IVR A Two Plus)	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)/IVR A2+ (IVR A Two Plus)	Reaffirmed
Total	**650.00 (INR Six Hundred and Fifty Crores Only)**			

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.

3. The press release for the rating(s) will be communicated to you shortly.

4. The above rating is normally valid for a period of one year from the date of communication of rating to you (that is, **July 07, 2021**).

Corporate Office : Kanakia Wallstreet, Office No.1105, B Wing, Off Andheri-Kurla Road, Andheri (East), Mumbai - 400093, India
Phone : +91-22 62396023 E-mail: mumbai@infomerics.com Website: www.infomerics.com
Registered & Head Office : Flat No. 194/106/108/303, 1st Floor, Golf Apartments, Sujan Singh Park, New Delhi - 110003, (INDIA)
Phone : +91-11-24601142, 24611910, 24649425 Fax : +91-11-2462 7549 E-mail : vrsu@infomerics.com
CIN : U32202DL1986PTC024579

Infomerics Ratings

5. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.

6. INFOMERICS reserves the right to undertake a surveillance/review of the rating(s) from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

7. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.

8. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to nds@Infomerics.com and to the mail id of the undersigned.

9. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**

10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance based on best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.

11. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.

12. Users of this rating may kindly refer our website www.infomerics.com for latest update on the outstanding rating.

Page 2 of 6

Continuation Sheet No.



Infomerics Ratings

13. Further, this is to mention that all the clauses mention in the initial rating letter dated June 11, 2020 are also stands applicable. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Ravi Prakash
Senior Rating Analyst
Email: rprakash@infomerics.com

Abhijeet
Rating Analyst
Email: abhijeet.kumar@infomerics.com

Encl.: As above

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs, in addition to the financial performance and other relevant factors.

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Continuation Sheet No

Informerics Ratings

ANNEXURE - I

A.1. Long term Rupee Term Loan/ Fund based working capital Limits:

Name of the Lender	Type of Loan	Sanctioned (₹ in Cr)	Outstanding amount (₹ in Cr)	Total Limits to be rated (₹ in Cr)	Date of Maturity
IDFC First Limited	Term Loan	80.00	72.50	72.50	25-02-23
	Term Loan	100.00	97.22	97.22	25-02-23
	CC/WCDL	25.00	-	25.30	
State Bank of India	CC	25.00	22.44	25.30	28-02-22
	WCDL	25.00	12.48	12.86	
	WCDL	50.00	47.82	47.82	
	WCDL	2.50	2.50	2.50	
ICICI Bank	CC	30.00	6.03	30.30	Based on Renewal
	Total	**347.50**	**261.87**	**312.90**	

A.2 Non-Convertible Debentures/Unallocated facilities:

(Rs. Crore)

Lender	Issue date	Coupon Rate	Maturity date	Amount
NCD (ISIN: INE090W07279)	Aug 28, 2020	11% p.a	Feb 24, 2022	25.00
NCD (ISIN: INE090W07296)	Sep 17, 2020	11% p.a	March 17, 2022	25.00
NCD (ISIN: INE090W07352)	Mar 31, 2021	11.75% P.a	April 28, 2023	32.00
NCD (ISIN: INE090W07311)	Nov 13, 2020	10.75% p.a	May 13, 2022	25.00
NCD (ISIN: INE090W07329)	Nov 19, 2020	11.00 p.a	May 19, 2022	25.00
Proposed NCD	–	–	–	43.00
Unallocated (NCDs/Long Term and Short-Term Bank facilities) – Proposed	–	–	–	12.40
Total				**187.40**

Infomerics Ratings

A3. Proposed (NCDs/Long Term and Short-Term Bank facilities) – Proposed.

Lender	Issue date	Coupon Rate	Maturity date	Amount
Proposed (NCDs/Long Term and Short-Term Bank facilities) – Proposed	--	--	--	160.00
Total				160.00

Total = A1+A2+A3 = Rs.650.00 Crores

for Period

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Continuation Sheet No.

Infomerics Ratings

ANNEXURE II

INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
IVR AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
IVR A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
IVR BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
IVR BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
IVR B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
IVR C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
IVR D	Instruments with this rating are in default or are expected to be in default soon.

INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.

INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.

INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.

Page 6 of 6

Continuation Sheet No.

ANNEXURE VIII
DUE DILIGENCE CERTIFICATE GIVEN BY THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CTL/21-22/1781

DUE DILIGENCE CERTIFICATE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB.: Issue of 700 Rated Unsubordinated Secured Transferable Redeemable Non-Convertible Debentures bearing Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs only) and aggregating upto Rs. 70,00,00,000/- (Rupees Seventy Crores only), by Lendingkart Finance Limited.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:

   a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

   b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

   c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.

   d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

   e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum.

CATALYST
Believe in yourself... Trust us!

f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai
Date: July 15, 2021

For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED
Authorised Signatory

Authorised Signatory

ANNEXURE IX
DRAFT DEED OF GUARANTEE

THIS DEED OF GUARANTEE ("**Guarantee**") is executed at the place and on the date specified in the first schedule to this Guarantee (hereinafter referred to as "**Schedule 1**")

BY:

The **Guarantor** as described in the **Schedule 1**, (the expression "**Guarantor**" shall unless be repugnant to the context mean and include representatives in interest, executors, administrators, successors and permitted assigns);

IN FAVOUR OF

CATALYST TRUSTEESHIP LIMITED (Formerly GDA TRUSTEESHIP LIMITED), a company incorporated under the Companies Act, 1956 and having its registered office at GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune MH 411038 IN and its branch office at Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098 , and 810, 8th Floor, Kailash Building, 26,Kasturba Gandhi Marg, New Delhi -110001, acting in its capacity as debenture trustee for the Debenture Holders (hereinafter referred to as the **Debenture Trustee**, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns)].

(In this Guarantee, the Guarantor and the Debenture Trustee shall hereinafter be collectively referred to as the **Parties** and individually as a **Party**)
WHEREAS:

The Guarantor had agreed to guarantee the payment of principal, interest and other monies payable in relation to the Debentures (as defined below) issued/to be issued by Issuer (as defined below) to the Debenture Holders in the event of default in payment thereof by Issuer and in consideration of the subscription of the Debentures by the Debenture Holders, the Guarantor is now issuing this Guarantee in favour of the Debenture Trustee for the benefit of the Debenture Holders, guaranteeing all payment obligations of Issuer in related to the Debentures under the Debenture Trust Deed (as defined below).

NOW THIS DEED WITNESSETH AS FOLLOWS:

Definitions and Interpretation

Definitions

Unless otherwise defined, capitalised terms in this Deed of Guarantee shall have the meanings given to them in the Debenture Trust Deed executed by Issuer in favour of the Debenture Trustee. In this Guarantee, the capitalised terms not separately defined shall have the following

meanings:

Debentures shall have the meaning given to such term in the Debenture Trust Deed.

Debenture Trust Deed shall have the meaning ascribed to such term in Schedule 1 hereto.

Issuer means shall have the meaning ascribed to such term in Schedule 1 hereto.

Final Settlement Date means the date on which all Obligations have been discharged in full under this Guarantee.

Net Worth Certificate means a net worth certificate provided by the chartered accountant of the Guarantor, stating that the Guarantor has adequate and sufficient net worth to provide the Guarantee and meet all Obligations; and

Obligations means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Debenture Trust Deed and shall include the obligation to redeem the Debentures in terms thereof, any outstanding remuneration of the Debenture Trustee, default interest payable, if any, and all fees, costs, charges and expenses and other monies payable by the Issuer under the Transaction Documents.

Construction

Unless the context requires otherwise, the principles of construction as set forth in Clause 1.2 of the Debenture Trust Deed shall apply to this Guarantee as if expressly set out in full herein, except that references to the Debenture Trust Deed in those provisions are to be construed as references to this Guarantee.

Acknowledgement

The Guarantor acknowledges and agrees with the Debenture Trustee that it has received executed copies of the Debenture Trust Deed and agrees that it has read the Debenture Trust Deed and fully understands all the terms and conditions thereunder, including the obligation of Issuer to punctually discharge their obligations under the Debenture Trust Deed

Guarantee

Guarantee

In consideration of the premises and for other good and valuable consideration, the sufficiency of which is acknowledged by the Guarantor, the Guarantor irrevocably and unconditionally guarantees the Debenture Trustee and the Debenture Holders the due and punctual payment and discharge of the Obligations by the Issuer in accordance with the Transaction Documents.

Guaranteed Amount

(a) The amount payable by the Guarantor hereunder is the Guaranteed Amount which shall include the all the amounts due to be paid by Issuer to the Debenture Trustee / Debenture Holders from time to time including interest accrued and due and interest accrued but not due, default interest and any expenses recoverable from Issuer. On the failure of Issuer to discharge its Obligations in full, the Guarantor shall, upon written demand from the Debenture Trustee substantially in the form set in Schedule 2 hereto (Demand Certificate), pay to the Debenture

Trustee without demur or protest, within 5 Business Days of such Demand Certificate, the amount stated therein.

(b) In the event of any delay on the part of the Guarantor in making payments to the Debenture Trustee / Debenture Holders as contemplated in sub-clause (a) of Clause 2.2 above within the timelines stipulated therein, the Guarantor shall, without prejudice to the other rights of the Debenture Trustee / Debenture Holders under this Deed of Guarantee, pay such delayed amounts together with interest at 18% (Eighteen percent) per annum computed from the date on which such amounts became due and payable till the date on which they are actually paid.

Independent Obligation

The obligations of the Guarantor hereunder are separate and distinct from any obligations of the Guarantor under any other guarantee or security being provided by the Guarantor to the Debenture Trustee. The Guarantor shall, as a separate and independent obligation and without prejudice to the other provisions contained herein, as primary obligor and not merely as surety, on a full indemnity basis, indemnify the Debenture Trustee in the event of the whole or any of the Obligations being or becoming void, voidable, unenforceable or ineffective as against Issuer for any reason whatsoever irrespective of whether such reason or any related fact or circumstance was known or ought to have been known to the Debenture Trustee / Debenture Holders or any of their officers, employees, agents or advisers.

Demand

Any demand given or made by Debenture Trustee to the Guarantor shall be final, conclusive and binding evidence that the Guarantor's liability hereunder has accrued and that the extent of the Guarantor's liability is the Guaranteed Amount notwithstanding any difference or any dispute between the Debenture Trustee / Debenture Holders and Issuer, or arbitration or any other legal proceedings, pending before any court, tribunal, arbitrator or any other authority in this respect. Such demand shall be deemed to have been made by delivery of the Demand Certificate to the Guarantor by the Debenture Trustee / Debenture Holders. The Demand Certificate shall be final, conclusive and binding evidence against the Guarantor of the amount for the time being due from Issuer and the Guarantor in any action or proceeding brought hereunder against the Guarantor.

No Requirement to Exhaust Remedies

Prior to making any demand hereunder, the Debenture Trustee shall not be required to take any step, make any demand upon, exercise any remedies or obtain any judgment against Issuer, give notice to Issuer or any other Person under the debenture Trustee Deed or other related documents or otherwise and howsoever arising, or make or file any claim or proof in the dissolution or winding-up of Issuer, or enforce or seek to enforce any security now or hereafter held by the Debenture Trustee / Debenture Holders in respect of the Obligations.

Indemnity

The Guarantor shall indemnify and keep the Debenture Trustee / Debenture Holders indemnified against all losses, damages, costs, claims and expenses whatsoever which Debenture Trustee / Debenture Holders may suffer or incur by reason of or in connection with

any such default on the part of the Guarantor or Issuer including legal proceedings taken against Issuer and/or the Guarantor for recovery of the monies referred to in Clause 2 above.

Power to Vary

The Guarantor hereby agrees that, without the concurrence of the Guarantor and without impairing or discharging in any way the Guarantor's obligations hereunder or incurring liability to the Guarantor, the Debenture Trustee / Debenture Holders shall be at liberty to, at any time without the consent of or notice to the Guarantor:

(a) exercise or refrain from exercising any rights against Issuer;

(b) settle, release or compromise any of the Obligations, any security therefor or any liability (including hereunder) incurred directly or indirectly in respect thereof or hereof;

(c) vary, alter, waive, release or modify any and all the provisions of the Debenture Trust Deed and/or the Deed of Guarantee including without limitation any increase the aggregate principal amount of, or interest rate on, the Debenture or the amount of principal or interest scheduled to be paid in accordance with the Debenture Trust Deed, as the case may be;

(d) defer, postpone or revise the repayment of the payments/Obligations payable by Issuer to the Debenture Trustee / Debenture Holders on such terms and conditions as may be considered necessary by the Debenture Trustee / Debenture Holders; or

(e) enter into any composition or compound with or to grant any other indulgence or facility to Issuer.

Waivers

The Guarantor shall not be released by any act or omission on the part of the Debenture Trustee / Debenture Holders or by any other matter or thing whatsoever which under the law relating to sureties would have the effect of so releasing the Guarantor and the Guarantor hereby waives in favour of the Debenture Trustee / Debenture Holders so far as may be necessary to give effect to any of the provisions of this Deed of Guarantee, all the suretyship and other rights which the Guarantor might otherwise be entitled to enforce.

No Release

The rights of the Debenture Trustee / Debenture Holders against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between the Debenture Trustee / Debenture Holders and the other guarantor/s, if any, or notwithstanding the release of such other guarantor from liability and notwithstanding that any time hereafter the other guarantor/s may cease for any reason whatsoever to be liable to the Debenture Trustee / Debenture Holders shall be at liberty to require the performance by the Guarantor of its obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations. This Deed of Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Debenture Trustee / Debenture Holders by Issuer and shall be valid and binding on the

Guarantor and operative until repayment in full of the Obligations.

Principal Debtor

To give effect to this Deed of Guarantee, the Debenture Trustee / Debenture Holders may act as though the Guarantor was the principal debtor.

No Proof in Liquidation; No Exercise of Rights

(a) Whilst this Deed of Guarantee continues and so long as the Guarantor is in breach of its obligations under this Deed of Guarantee, the Guarantor agrees that:

(i) it shall not in the event of the liquidation of Issuer prove in competition with the Debenture Trustee / Debenture Holders in the liquidation proceedings; and

(ii) it shall have no right of subrogation or indemnity against Issuer nor shall it exercise any such rights available under law, to claim any sum relating to the Obligations from the Issuer, including those of subrogation and of proof in the Issuer's insolvency, and shall hold the benefit of any such rights on trust for the Debenture Trustee / Debenture Holders.

(b) The Guarantor hereby agrees that the Guarantor's right to indemnity (if any) against Issuer will arise only after all the Obligations of Issuer have been fully and completely discharged to the satisfaction of the Debenture Trustee / Debenture Holders.

Irrevocable Guarantee

This Deed of Guarantee shall be unconditional, absolute and irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the Guarantor or by Issuer and the demand or notice by the Debenture Trustee / Debenture Holders as provided in Clause 12 hereof shall be sufficient notice to or demand on the Guarantor.

Liability Not Affected

The liability of the Guarantor under this Guarantee shall not be affected by:

i) any change in the constitution, ownership or corporate existence of Issuer, any absorption, merger, conversion or amalgamation of Issuer with any other entity;

ii) any insolvency, liquidation, bankruptcy or similar situation or proceeding in respect of Issuer;

iii) any change in the management of Issuer or take-over of the management of Issuer by any

governmental authority;

iv) acquisition of Issuer and/ or of any of its respective undertaking(s) pursuant to any Applicable Law;

v) any change in the constitution of any of the Debenture Trustee / Debenture Holders;

vi) the absence or deficiency of powers on the part of the Guarantor to give guarantees and/or indemnities or any irregularity in the exercise of such powers;

vii) any intermediate payment or satisfaction of any part of the Obligations;

viii) the granting of any time or other indulgence to Issuer or any other person;

ix) any illegality, invalidity, irregularity or unenforceability of all or any part of the Obligations; or

x) any other act, thing or omission whatsoever whereby the liability of the Guarantor under this Guarantee would or may, but for this Clause, have been discharged, impaired or otherwise affected any other matter or thing whatsoever.

Continuing Guarantee

(a) This Guarantee shall be a continuing one and shall remain in full force and effect till the Final Settlement Date or till the Guarantor pays the Guaranteed Amount in full.

(b) Without limiting the generality of the foregoing this Guarantee shall continue to be effective and be re-instated should the Debenture Trustee / Debenture Holders be required as a result of any Applicable Law to return to Issuer or any other person any payment made by Issuer to them;

Notice of Demand

(a) Any Demand Certificate, notice or any other communication under this Guarantee shall be (i) in writing and (ii) sent by facsimile, courier or registered post at the address of the Guarantor specified in **Schedule 1** hereto.

(b) A Demand Certificate, notices and other communication shall be effective,

(i) if sent by facsimile transmission, when sent (on receipt of a confirmation to the correct facsimile number),
(ii) if sent by courier 2 (two) Business Days after deposit with the courier, and
(iii) if sent by registered post, when the registered letter would, in the ordinary course of post, be delivered whether actually delivered or not.

(c) An original of each notice and communication sent by facsimile shall be dispatched by courier or registered post, *provided* that the effective date of any such notice shall be determined in accordance with sub-clause (i) or (ii) of Clause 12(b), as the case may

be, without regard to the dispatch of such original.

NO RIGHT OF Set-Off And Lien OF THE GUARANTOR

Until the Guaranteed Amount shall have been paid or discharged:

(i) The Guarantor will not by paying off any sum recoverable hereunder or by any other means or on any other ground claim any set-off or counterclaim against Issuer in respect of any liability on the part of the Guarantor to Issuer or claim or prove in competition with the Debenture Trustee / Debenture Holders in respect of any payment by the Guarantor hereunder or be entitled to claim or have the benefit of any set-off counterclaim or proof against or divided composition or payment by Issuer or the benefit of any other security which the Debenture Trustee / Debenture Holders or any other lender may now or hereafter hold for any moneys or liabilities due or incurred by Issuer to any Debenture Trustee / Debenture Holders or to have any share therein but will hold on trust for and give to the Debenture Trustee / Debenture Holders, the benefit of any set-off, counterclaim, proof, divided composition or payment in the liquidation of Issuer or in any arrangement or composition with creditors;

(ii) any right of the Guarantor, by reason of performance of any of its obligations under this Guarantee, to be indemnified by Issuer or to take the benefit of or enforce any security or other guarantee or indemnity shall be exercised and enforced by it only in such manner and on such terms as the Debenture Trustee / Debenture Holders may require and any amount received or recovered by the Guarantor as a result of any exercise of any such right shall be held in trust for the Debenture Trustee / Debenture Holders and immediately paid to the Debenture Trustee / Debenture Holders.

Payments; Gross Up

All payments to be made hereunder shall be at such place as designated by the Debenture Trustee / Debenture Holders. If the Guarantor is required to make a payment to the Debenture Trustee / Debenture Holders hereunder subject to the deduction or withholding of any nature (including any tax), the sum payable by the Guarantor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Debenture Trustee / Debenture Holders receive and retain (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

Taxes and Expenses

The Guarantor agrees to bear all Taxes or any other levies (including stamp or documentary taxes) incurred in connection with this Guarantee and all costs, expenses or charges relating to or arising out of this Guarantee including all or any other Taxes and costs, expenses or charges incurred in connection with the preservation or enforcement of the rights of the Debenture Trustee / Debenture Holders.

Representations and Warranties

The Guarantor makes the following representations and warranties as of the date hereof and which representations and warranties shall survive the execution and delivery of this Guarantee till the Final Settlement Date:

(a) Status of the Guarantor

The Guarantor has good standing.

(b) Authorisation

The Guarantor has the competence, full power and authority to enter into this Guarantee and to exercise its rights and perform its obligations hereunder.

(c) Binding Effect

This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms.

(d) No material adverse change

There has been no material adverse change in the assets, business or consolidated financial condition of the Guarantor.

(e) Government Consents and Actions

All acts, conditions and things, which are necessary or advisable to be done, fulfilled or performed in connection with (i) the execution, delivery or performance of the Guarantee, (ii) the legality, validity and enforceability hereof and (iii) the admissibility in evidence in India, of this Guarantee have been duly done, fulfilled and/or performed and are in full force and effect.

(f) No Contravention

The execution, delivery and performance of this Guarantee and all instruments and agreements required hereunder do not and would not contravene, violate or constitute a default under (a) any provision of any agreement or other instrument to which the Guarantor is a party or by which the Guarantor or the assets of the Guarantor is or may be bound, (b) any treaty, law or regulation applicable to the Guarantor or (c) any judgment, injunction, order or decree binding upon the Guarantor or any of his/her assets. The Guarantor has done all such things as may be necessary or required under Applicable Law to ensure that this Guarantee is in full force and effect, does not breach any provisions of Applicable Law and is in full compliance with provisions thereof.

(g) No Default

No event has occurred and is continuing which constitutes or which, upon the lapse of time or the giving of notice or both, would become an event of default relating to the Guarantor under the Guarantee or a default under any agreement, mortgage, indenture,

note or other instrument to which the Guarantor is a party or by which the Guarantor or any of its assets is or may be bound.

(h) Litigation

There are no legal, administrative or other actions, claims or other proceedings current, pending or, threatened against the Guarantor which if decided adversely would materially and adversely affect the financial condition, business or operations of the Guarantor or would materially and adversely affect the Guarantor's ability to perform its obligations under this Guarantee or which question the legality, validity or binding effect of any provision of this Guarantee.

(i) Immunity

The Guarantor has no immunity and the waiver of immunity by the Guarantor herein is legal, valid, binding and enforceable and the Guarantor is not entitled to claim for itself or any of its assets any right of immunity from suit, execution, attachment prior to judgment, attachment in aid of execution or any other legal process with respect to its obligations under this Guarantee in any jurisdiction, including, without limitation, India.

(j) Proper Legal Form

This Guarantee is in proper legal form under the laws of India for enforcement in the respective courts.

(k) Regulatory Requirements

It is not necessary to obtain any regulatory approval for this Guarantee, file, register or otherwise record this Guarantee in any court, public office or elsewhere in India or to pay any stamp, registration or similar tax on or in relation to this Guarantee to ensure the validity, legality, effectiveness, enforceability or admissibility in evidence hereof, other than the payment of stamp duty on this Guarantee.

(l) Commercial Activity

The Guarantor is subject to civil and commercial law with respect to its obligations under this Guarantee. The execution and delivery of this Guarantee constitute, and the Guarantor's performance of and compliance with its obligations under this Guarantee will constitute, private and commercial acts rather than public or governmental acts.

(m) Full Disclosure

All information heretofore furnished by the Guarantor to the Debenture Trustee / Debenture Holders for purposes of or in connection with this Guarantee or any transaction contemplated hereby is, and all such information hereafter furnished by the Guarantor to the Debenture Trustee / Debenture Holders will be, true and accurate in all material respects on the date as of which such information is stated or certified. The Guarantor has disclosed to the Debenture Trustee / Debenture Holders in writing any and all facts which materially and adversely affect or may affect (to the extent the Guarantor can now reasonably foresee) the business, operations or financial condition of the Guarantor or

the ability of the Guarantor to perform its obligations under this Guarantee.

(n) Further Assurance

The Guarantor hereby undertakes and agrees that, subject to Applicable Law, if so required by the Debenture Trustee / Debenture Holders, it shall do all such acts and things (including execution of instruments or documents) as may be required to implement and carry out the intent of this Guarantee.

(o) Security outstanding, unrealised or lost

This Guarantee shall be enforceable against the Guarantor notwithstanding that any post-dated cheques, negotiable instruments, security comprised in any instrument(s) executed or to be executed in favour of the Debenture Trustee / Debenture Holders shall, at the time when the proceedings are taken against the Guarantor under this Guarantee, be outstanding or unrealised or lost.

(p) Transfer of Assets

The Guarantor hereby agrees and gives consent to the sale, transfer, mortgage on prior, *pari passu* or subsequent charge basis, release etc., of any of the assets of Issuer from time to time as may be approved by the Debenture Trustee / Debenture Holders or to the release or lease out by the Debenture Trustee / Debenture Holders any or whole of the assets of Issuer charged to the Debenture Trustee / Debenture Holders on such terms and conditions as the Debenture Trustee / Debenture Holders may deem fit and this may be treated as a standing and continuing consent for each and every individual act of transfer, mortgage, release or lease of any of such assets of Issuer. The Guarantor hereby declares and agrees that no separate consent for each such transfer, mortgage, release or lease any of such assets would be necessary in future.

(q) Further Assistance

The Guarantor hereby agrees and declares that Issuer will be free to avail of further loan(s) or other facilities from the Debenture Holders or any other person and/or to secure the same during the subsistence of this Guarantee and in that event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain in full force and effect and binding on the Guarantor.

(r) No Consideration

In case the Guarantor is an individual, no consideration whether by way of commission, brokerage fees or any other form has been received or will be received by the Guarantor from the Issuer directly or indirectly for extending this Guarantee.

Covenants

The Guarantor covenants and agrees that from the date of this Guarantee and for so long as this Guarantee is outstanding:

(i) Compliance

The Guarantor shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all approvals, authorisations, consents and licenses required by Applicable Law to enable it lawfully to enter into and perform its obligations under this Guarantee or to ensure the legality, validity, priority, enforceability or admissibility in evidence of this Guarantee in India and in case the Guarantor is not an individual, obtaining such corporate authorizations as may be necessary;

(ii) Notifications

Further, the Guarantor shall notify the Debenture Trustee / Debenture Holders as soon as it becomes aware of the occurrence of any event which, upon the lapse of time or the giving of notice or both, would become (a) an Event of Default relating to Issuer, or (b) a breach or default under this Guarantee, or any event which interferes, or threatens to interfere, with the performance by the Guarantor of its obligations under this Guarantee.

(iii) Guarantor shall provide the following documents/ disclosures as required by the Debentures Trustee under the applicable regulations/circulars issued by SEBI:

(a) Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities;
(b) Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created;
(c) Impact on the security in case of restructuring activity of the guarantor;
(d) Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor;
(e) Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer Company;
(f) Executed copies of previously entered agreements for providing guarantee to any other person, if any.
(g) Undertaking as provided in Schedule III of this Deed.

Governing Law

This Guarantee is governed by and shall be construed in accordance with the laws of India.

Jurisdiction

The Guarantor agrees that the courts and tribunals in Chennai shall have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee and that accordingly any suit, action or proceedings (together referred to as Proceedings) arising out of or in connection with this Guarantee may be brought in such courts or the tribunals and the Guarantor irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.

Nothing contained in this Clause shall limit any right of the Debenture Trustee / Debenture Holders to take Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Guarantor irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal and the Guarantor irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.

To the extent that the Guarantor may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Guarantor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

ASSIGMENT AND TRANSFER

The Debenture Trustee / Debenture Holders may, at any time, assign or transfer all or any of its rights, benefits and obligations under this Guarantee in accordance with the Debenture Trust Deed.

Severablility

Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but that shall not invalidate the remaining provisions of this Guarantee or affect such provision in any other jurisdiction.

Term of the Guarantee

This Guarantee shall expire on the Final Settlement Date. Provided that the expiry of the Guarantee shall not affect the liability of the Guarantor under this Guarantee up to and including the date of the expiry.

[Intentionally left blank]

IN WITNESS WHEREOF the Guarantor has executed these presents as a deed on the day, month and year written in Schedule 1 hereto and shall be deemed to be delivered on the date on which receipt of this Guarantee is acknowledged by the Debenture Trustee.

Signature:
Name:
Address:

Place:

Date:

Receipt of this Guarantee acknowledged by the **Debenture Trustee** represented by _____, its authorised signatory

_____
Place:

Date:

SCHEDULE 1

GUARANTEE DETAILS	
Date of execution of this Deed of Guarantee	**July 16, 2021**
Place of execution of this Deed of Guarantee	**Delhi**
GUARANTOR DETAILS	
Name	**LENDINGKART TECHNOLOGIES PRIVATE LIMITED**
Email	capitalmarket@lendingkart.com
Address for Notice	**A-602, 6th Floor, The First, The First Avenue Road Behind Keshavbaug Party Plot, Vastrapur Ahmedabad Ahmedabad GJ 380015 IN**
Identity No./CIN	**U72900GJ2014PTC081539**
OTHER DETAILS	
Issuer	**LENDINGKART FINANCE LIMITED**
Debenture Trust Deed	**Dated 16th July 2021 executed between the Issuer and the Debenture Trustee**

SCHEDULE 2

Form of Demand Certificate

To:
[●]

Dated: [·]

Dear Sirs,

Re: Guarantee dated [·] (the "**Guarantee**") executed by **[●]** ("**Guarantor**") in favour of **[●]** ("**Debenture Trustee**").

An amount of INR [•] is payable by **[●]** to the Debenture Trustee / Debenture Holders in terms of the Guarantee. Accordingly, we hereby give you notice pursuant to Clause 1.2 of the Guarantee that we require you to pay an amount of INR [•] by [•] to the bank account, details of which are set out below:

[*Account details*]

Capitalised terms used herein shall have the meaning given to them in the Guarantee.

Yours faithfully,

For [●]

SCHEDULE III

Format of undertaking from corporate guarantor

Date: [●]
To,

The Debenture Trustee
[*insert name and address*]

UNDERTAKING

1. With reference to the proposed issue of [●] [●] **[**rated/unrated**] [**listed/unlisted**]** secured redeemable non-convertible debentures each having a face value of Rs. [●] and aggregate nominal value of Rs. [●] (hereinafter referred to as the "**Debentures**") by [*insert name of issuer*] on a **[**private placement/public issue**]** basis, we, [*insert name of corporate guarantor*], [a company registered under the provisions of Companies Act, [●]], having its registered office at [●] (hereinafter referred to as the "**Guarantor**"), [pursuant to the authorization of our Board of Directors vide its resolution passed on [●] in this regard], hereby unequivocally and irrevocable declare, confirm and undertake as follows:

   (i) the repayment of the Debentures shall be secured, *inter alia,* by way of corporate guarantee to be furnished by the Guarantor;

   (ii) the guarantee to be provided in relation to the Debentures shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the Guarantor.

2. The Guarantor hereby acknowledges and agrees that in the event of breach of the terms of this undertaking, it shall indemnify and hold harmless the Debenture Trustee for the losses, damages and costs including but not limited to any legal costs, liability or claims of third party which may arise due to breach of the terms of this undertaking.

3. This undertaking and any dispute, claim or obligation arising out of or in connection with it shall be governed by laws of India and the courts of [*insert*] shall have jurisdiction over any matters arising hereof.

[*signature*]
_____
Authorised Signatory of the Guarantor

Name: [●]
Place: [●]