

## DIRECTORS' REPORT

**To the Members of  
InCred Capital Financial Services Private Limited ("the Company")**

Your Directors' are delighted to present to you the 26<sup>th</sup> Annual Report of the Company together with its Audited Financial Statements for the Financial Year ("F.Y.") ended March 31, 2023.

### 1. FINANCIAL HIGHLIGHTS OF THE COMPANY:

The highlights of the financial statements of the Company for the financial year 2022-2023 are as under:

(INR in lakhs)

PARTICULARS	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Income from Operations	9,764.21	11468.45	16,148.52	11,559.28
Other Income	212.90	274.29	223.10	286.76
<b>Total Income</b>	<b>9977.11</b>	<b>11742.74</b>	<b>16,371.62</b>	<b>11,846.04</b>
Expenses	8518.1	7424.3	22,137.63	8860.70
Depreciation & Amortization	733.91	147.98	1,008.15	152.60
<b>Total Expenses</b>	<b>9,252.01</b>	<b>7,572.28</b>	<b>23,145.78</b>	<b>9,013.30</b>
<b>Profit before exceptional items and tax</b>	725.10	4170.46	(6,774.16)	2,832.74
Exceptional Items	----	----	2,603.00	-
Share of Loss of Associate			70.45	-
<b>Profit after exceptional items and before tax</b>	725.10	4170.46	(9,447.61)	2,832.74
Tax Expense	(258.66)	1050.40	(2,195.25)	719.57
<b>Profit After Tax</b>	<b>983.76</b>	<b>3,120.06</b>	<b>(7,252.36)</b>	<b>2,113.17</b>
<b>OCI Income (Net of Tax)</b>	(5.77)	8.59	<b>(16.01)</b>	<b>9.19</b>
<b>Transfer to Special Reserve under Section 45-IC of The RBI Act, 1934</b>	204.58	624	-	422.63

### InCred Capital Financial Services Private Limited

Registered and Corporate Office: Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051

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## 2. OVERVIEW OF THE FY 2022-23

During the year under review, the Company's standalone revenue from operations stood at INR 9764.21 lakhs as compared to INR 11468.45 lakhs in previous year. The standalone profit after tax stood at INR 983.76 lakhs as compared to INR 3,120.06 lakhs in previous year.

During the year under review, the Company's consolidated revenue from operations stood at INR 16,371.62 lakhs as compared to INR 11,846.04 lakhs in previous year. The consolidated loss after tax stood at INR (7252.36) lakhs as compared to INR 2113.17 lakhs in previous year.

The Company maintains a healthy CRAR of 42.44% which is much higher than the prescribed minimum CRAR of 15% as per prudential norms. Following are the details of Tier I and Tier II Capital of the Company as on March 31, 2023:

CRAR- Tier I Capital: 34.65%

CRAR- Tier II Capital: 7.79%

The Company has complied with all applicable norms issued, prescribed by Reserve Bank of India, Government bodies from time to time.

## 3. TRANSFER TO RESERVES AND CREATION AND TRANSFER TO STATUTORY RESERVE U/S 45- IC of RBI Act, 1934

During the year under review, the Company being an NBFC, has transferred a sum of INR 204.58 lakhs to the statutory reserve as required under section 45-IC of RBI Act, 1935.

## 4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

The Company had made an application on January 24, 2023, for voluntarily surrendering its NBFC License in accordance with Reserve Bank of India ("RBI") press release dated December 01, 2022. Subsequent to the year under review, the RBI, vide its order dated July 04, 2023, accepted the application for surrender of NBFC license.

The Company itself and through its subsidiaries is an integrated provider of advisory services to corporate and institutional clients through capital markets, asset management

and investment banking platforms. The Company brings together some of India's most experienced banking professionals, backed by global and domestic marquee investors to provide world-class products and services to its clients.

The Company has undergone a Composite Scheme of Arrangement amongst itself, Clamant Tech Services Private Limited ('Clamant Tech), InCred Wealth Private Limited ('IWPL), MAPE Advisory Group Private Limited ('MAPE'), InCred Wealth and Investment Services Private Limited ('IWISPL') and their respective shareholders (hereinafter referred as 'Scheme'). The Scheme was approved by the National Company Law Tribunal vide its order dated April 26, 2022, certified true copy of which was received by the Company on June 6, 2022.

The Scheme was made effective on June 30, 2022. Upon effectiveness of the Scheme, the Company has allotted equity shares and Optionally Convertible Cumulative Redeemable Preference Shares (OCRPS') to the shareholders of the Clamant Tech, IWPL and MAPE as per the ratio given in the Scheme at their meeting held on July 20, 2022.

## **5. DIVIDEND**

In order to conserve the resources for future business requirements, the Board of Directors of the Company has not recommended dividend on the equity shares of the Company for the financial year ended March 31, 2023.

## **6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year under review, the provisions of Section 125(2) of the Companies Act, 2013 do not apply to the Company as no dividend was declared or paid in the previous financial years.

## **7. CHANGES IN SHARE CAPITAL**

During the year under review, following changes were occurred in the share capital:

- i. The Company has allotted 6,03,530 Series B Compulsorily Convertible Preference Shares (CCPS) of face value of Rs. 10 only on June 03, 2022, which subsequently got converted into 6,32,894 equity shares on February 09, 2023.
- ii. Pursuant to the order of Hon'ble National Company Law Tribunal dated April 26, 2022, sanctioning the Composite Scheme of Arrangement, the Company has

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allotted 4,53,962 Class A Optionally Convertible Redeemable Preference Shares (“OCRPS”) and 16,80,252 equity shares of face value of INR 10/- to the shareholders of the Demerged Companies and Transferor Company on July 20, 2022.

- iii. Pursuant to the InCred Capital Financial Services Private Limited Employee Stock Option Scheme, the Company has allotted 5,44,440 Equity Shares of the Company of face value of INR10/- to InCred Employees Welfare Trust on November 11, 2022.

The Company has reclassified the authorised share capital of the Company to (a) 3,36,84,000 (Three Crores Thirty-Six Lakh Eighty-Four Thousand) equity shares having the face value of INR 10/- (Indian Rupees Ten) each; (b) 6,00,000 (Six Lakh) optionally convertible redeemable preference shares having the face value of INR 10/- (Indian Rupees Ten) each;(c) 7,16,000 (Seven Lakh Sixteen Thousand) compulsorily convertible preference shares having the face value of INR 10/- (Indian Rupees Ten) each vide shareholders' approval at the Extraordinary General Meeting (EGM) held on May 04 2022.

As on March 31, 2023, the capital structure of the Company is as follows:

1. Authorized share capital of the Company – INR 3,36,84,000 divided into 3,44,00,000 equity shares of INR 10/- each and 6,00,000 optionally convertible redeemable preference shares of INR 10/- each and 7,16,000 compulsorily convertible redeemable preference shares having face value of INR 10/- each.
2. Issued, subscribed and paid-up share capital – INR 13,81,48,820 divided into 1,38,14,882 equity shares of INR 10/-

## 8. EMPLOYEE STOCK OPTION SCHEME

The Company believes that its success is largely determined by the quality of its workforce and their commitment towards achieving the goals of the Company. To enable the employees of the Company and its subsidiaries to participate in the future growth and success of the Company, the Company has implemented Incred Capital Financial Services Private Limited Employees Stock Option Scheme (“Scheme”)

In terms of Section 62 of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the disclosures for F.Y. 2022-23, is annexed in **Annexure I** to this report.

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

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

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

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

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

The Board has adopted in all material respects, an adequate internal financial controls system over financials reporting and such internal financial controls were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Company.

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

**12.DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES.**

As on March 31, 2023, the Company has three wholly-owned subsidiaries viz. InCred Asset Management Private Limited, InCred Wealth and Investment Services Private Limited and InCred Alternative Investment Services Private Limited. Further, InCred Asset Management Private Limited, wholly owned subsidiary of the Company is acting as a designated partner in Vishuddha Capital Management LLP.

As on March 31, 2023, in accordance with the meaning of Section 2(6) of the Companies Act, 2013, the Company has one Associate Company viz. Alpha Fintech Private Limited

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and does not have any joint ventures. Further, Oro Financial Consultants Private Limited is wholly owned subsidiary of Alpha Fintech Private Limited.

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

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

### **13. PUBLIC DEPOSITS AND RESERVE BANK OF INDIA COMPLIANCE**

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

### **14. STATUTORY AUDITORS AND THEIR REPORT**

In accordance with the provisions of Section 139 of the Companies Act, 2013 M/s PNAME & Co. LLP (formerly known as M/s. Soni Chatrath & Co. Chartered Accounts) (FRN :001092N)) the Statutory Auditors of the Company were re-appointed in its 24<sup>th</sup> Annual General Meeting of the Company to hold the office as the auditors of the Company for a term of 5 (Five) year until the conclusion of the Annual General Meeting of the Financial Year 2025-2026 at such remuneration as was mutually agreed between the Board of Directors of the Company and the said Auditors.

The Auditors' Report for the financial year ended March 31, 2023, does not contain any qualification, reservation, or adverse remark.

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

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The Auditors' Report along with the financial statements of the Company for the financial year ended March 31, 2023, form part of the Annual Report. During the year under review, there were no frauds reported under Section 143(12) of the Companies Act, 2013 to the Board.

## **15. MAINTENANCE OF COST RECORDS**

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

## **16. EXTRACT OF THE ANNUAL RETURN**

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

## **17. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, the Company had spent an amount of INR 1385.35 lakhs towards foreign exchange whereas foreign earnings were INR 4.11 lakhs.

## **18. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company was required to spend 2% of its average net profit, calculated as per the provisions of Section 198 of the Act, made during the three immediately preceding financial years on activities under Corporate Social Responsibility ("CSR")

Pursuant to the provisions of the Section 135 (9) of the Companies Act, 2013, the Company was not required to constitute Corporate Social Responsibility Committee since the amount required to be spent as a CSR activity was not exceeding the threshold limits of Rs. 50 Lakhs as prescribed under the Companies Act, 2013.

The Company has also formulated a policy with respect to its activities under CSR (“CSR Policy”) in accordance with the requirements of the Act and containing details specified therein which is available on the website of the Company at <https://www.incredcapital.com/investor-relations/>

The Company’s CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended (“CSR Rules”) and in accordance with CSR Policy. An amount of ₹ 19.82, being the amount required to be spent, has been donated to PM Cares Fund, an eligible fund specified under Schedule VII in accordance with the provisions of Companies Act, 2013

An annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure III** to this Report.

## **19. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)**

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

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

During the year under review, Mr. Deepak Dhingra resigned from the post of Chief Financial Officer on September 07, 2022.

Subsequent to the year under review, Mr. Varun Shah resigned from the post of Company Secretary and Mr. Mitesh Kamariya was appointed as the Company Secretary of the Company w.e.f April 24, 2023.

The Board places on record its appreciation for the invaluable contributions and guidance provided by Mr. Deepak Dhingra and Mr. Varun Shah during their association with the Company.

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## **20. DIRECTORS DECLARATION AND DISCLOSURES**

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

## **21. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board met at regular intervals inter-alia to discuss, review, and consider various matters. During the year the Board met Fifteen times during the financial year 2022-2023 viz. April 21, 2022; May 04, 2022; May 20 2022; June 03, 2022; July 06, 2022; July 20, 2022; July 23, 2022; September 07, 2022; October 05, 2022; November 21, 2022; December 30, 2022; January 17, 2023; February 01, 2023; February 09, 2023 and March 21, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## **22. COMMITTEES CONSTITUTED BY THE BOARD**

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

The Company is not statutorily required to constitute an Audit committee and Nomination and Remuneration Committee as required under section 177(1) & 178 (1) of the Act respectively for the year under review. However the Company has constituted a "Nomination and Remuneration Committee" ("NRC"), which is responsible for the implementation, administration and superintendence of the "ESOP Scheme"

During the year under review, the NRC met four times viz April 01, 2022, July 01, 2022, October 01, 2022, and December 30, 2022.

The details of formation, constitution, terms of reference, meetings held and attendance of the Members have been disclosed in the Financial Statements of the Company.

## **23. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

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

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## **24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Since the Company was Non-Banking Finance Company as on March 31, 2023, the disclosures regarding particulars of the loans given, guarantee given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013.

Further, pursuant to the provisions of Section 186 (4) of the Act the details of investments made by the Company are provided under notes forming part of the financial statements of the Company for the year ended March 31, 2023.

## **25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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

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

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

## **27. RISK MANAGEMENT POLICY**

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

## **28. COMPLIANCE WITH SECRETARIAL STANDARDS**

In terms of provisions of Section 118 of the Companies Act, 2013 the Company is in compliance with Secretarial Standards on Meetings of the Board of Directors and

Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India.

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

During the year under review, no application has been filed or by the Company or is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

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

During the year under review, there were no transactions as one time settlement and no loans were taken from Banks or Financial Institutions, accordingly no valuation was required to be obtained, hence the above information to be given is not applicable.

**31. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for that period;
- (c) We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) We have prepared the annual accounts on a going concern basis; and
- (e) We had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **ACKNOWLEDGEMENTS**

The Directors express their sincere gratitude to RBI, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company.

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

**Sd/-**

**Sd/-**

**Bhupinder Singh  
Director  
DIN: 07342318**

**Saurabh Jhalaria  
Director  
DIN: 07908327**

**Place: Mumbai**

**Date: September 06, 2023**

**Annexure I****Disclosure under the Employee Incentive Scheme pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on financial year ended March 31, 2023**

<b>Particulars</b>	<b>Disclosures</b>
Number of options granted (in FY 2022-23)	3,79,166
Number of options vested (in FY 2022-23)	-
Number of options exercised (in FY 2022-23)	(9,076)
Total number of shares arising as a result of exercise of options	-
Number of options lapsed / cancelled (in FY 2022-23)- includes both vested and unvested	(1,089)
Exercise Price	INR 367.30
Variation of terms of options	None
Money realised by the exercise of options	-
Total number of options in force	6,10,698

**Details of options granted to Key Managerial Personnel (“KMP”): NA****Details of employees who received a grant of options in any one year of options amounting to five per cent or more of options granted during that year:**

NIL

**Details of identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:**

NIL

**For and on behalf of the Board of Directors  
InCred Capital Financial Services Private Limited****Sd/-  
Bhupinder Singh  
Director  
DIN: 07342318  
Place: Mumbai  
Date: September 06, 2023****Sd/-  
Saurabh Jhalaria  
Director  
DIN: 07908327****InCred Capital Financial Services Private Limited****Registered and Corporate Office:** Unit No. 1203, 12th floor, B Wing, The Capital, Plot No. C - 70, G Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051

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**Annexure II  
Form AOC-1**

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

**Part “A”: Subsidiaries**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

1	Sr. No.	1	2	3
2	Name of the Subsidiary / Associate Company	InCred Asset Management Private Limited (Formerly Known as InCred Capital Investment Advisors and Managers Private Limited)	InCred Wealth and Investment Services Private Limited	InCred Alternative Investments Private Limited* (Refer Note)
3	Registered Office	1203 B Wing, The Capital, C 70, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.	1203 B Wing, The Capital, C 70, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.	1203 B Wing, The Capital, C 70, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051.
4	Nature of Business	The Company is acting as Investment Manager to various Alternative Investment Schemes which is registered with SEBI as a Category II and III AIF and providing Portfolio Management Services.	The Company is primarily engaged in the business of distribution of financial products by mobilizing funds and assets of various classes of investors. The Company has obtained the registration as Mutual Fund distributor from Association of Mutual Fund of India	The Company is acting as Investment Manager to various Alternative Investment Schemes

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			(AMFI) w.e.f March 17, 2022.	
5	No. Of Branches	Nil	Nil	Nil
6	Reporting period	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
7	Reporting currency	INR	INR	INR
8	Exchange rate on the last day of the financial year	Not Applicable	Not Applicable	Not Applicable
9	Share Capital	INR 3,300 lakhs	INR 817.58 lakhs	INR 303 lakhs
10	Reserves and Surplus	INR -1,491.46 lakhs	INR 31,055.99 lakhs	INR -413.84 lakhs
11	Total assets (Fixed assets + Investments + Other assets)	INR 2,489.08 lakhs	INR 38,596.14 lakhs	INR 1,446.74 lakhs
12	Total liabilities (Deposits + Borrowings + Other liabilities + Provisions)	INR 680.54 lakhs	INR 6,722.58 lakhs	INR 1,557.58 lakhs
13	Investments	NA	INR 14438.45 lakhs	NIL
14	Turnover	INR 571.79 lakhs	INR 8,508.07 lakhs	INR 227.31 lakhs
15	Profit/ (Loss) Before Tax	INR -2,100.37 lakhs	INR -5,772.54 lakhs	INR -2161.75 lakhs
16	Provision for tax	INR -521.91 lakhs	INR -881.70 lakhs	INR -544.06 lakhs
17	Profit/ (Loss)After Tax	INR -1578.46 lakhs	INR -4,890.83 lakhs	INR -1,617.69 lakhs

\*Note: The figures mentioned above are based on Management Accounts

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

### InCred Capital Financial Services Private Limited

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**Part “B”: Associates**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associate Companies</b>	Alpha Fintech Private Limited	Oro Financial Consultants Private Limited (wholly owned subsidiary of Alpha Fintech Private Limited)
<b>1. Latest audited Balance Sheet Date</b>	March 31, 2023	March 31, 2023
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	January 30, 2023	January 30, 2023
<b>3. Shares of Associate/Joint Ventures held by the company on the year end</b>		
No.	9911	64,50,000
Amount of Investment in Associates/Joint Venture	INR 99,110	INR 64,50,000
Extend of Holding%	25.54%	100%
<b>4. Description of how there is significant influence</b>	Associate Company	Wholly owned subsidiary of associate Company
<b>5. Reason why the associate/joint venture is not consolidated</b>	N.A.	N.A.
<b>6. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	27.00	125.02
<b>7. Profit/Loss for the year</b>	(336.23)	(22.93)
i. Considered in Consolidation	(71.84)	(2.83)
ii. Not Considered in Consolidation	(264.39)	(20.10)

1. As on March 31,2023, the Company does not have any joint ventures
2. Names of associates or joint ventures which are yet to commence operations: NA

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4. Names of associates or joint ventures which have been liquidated or sold during the year: NA

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

**Sd/-**

**Bhupinder Singh  
Director  
DIN: 07342318**

**Sd/-**

**Saurabh Jhalaria  
Director  
DIN: 07908327**

**Place: Mumbai**

**Date: September 06, 2023**

**ANNEXURE III**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

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

The CSR Policy adopted by your Company is available on the website of the Company at <https://www.incredcapital.com/investor-relations/>

2. Since the amount to be spent by a Company under CSR activities does not exceed INR 50 Lakhs, the Company does not require to constitute CSR Committee.
3. Impact assessments of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable
4. Amount available for set off in pursuance of sub -rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amount required for set off for the financial year:

<b>Sr. No.</b>	<b>Financial Year</b>	<b>Amount available for set off from preceding financial years (in INR)</b>	<b>Amount required to be set-off for the financial year, if any (in INR)</b>
1.	2021-22	NIL	NIL
2.	2020-21	NIL	NIL
3.	2019-20	NIL	NIL
	<b>Total</b>		

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5. Average net profit of the company as per section 135(5): INR 991.22 lakhs

6. CSR obligation

Sr. No.	Particulars	Amount (INR in Lakhs)
a.	Two percent of average net profits of the company as per section 135(5)	19.82
b.	Surplus arising out of the CSR Projects or programmes or activity of the previous financial years	NIL
c.	Amount required to be set off for the financial year	NIL
d.	<b>Total CSR obligation for the financial year (7a + 7b- 7c)</b>	<b>19.82</b>

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 19.82 lakhs	-----	-----	PM Cares Fund	Rs. 19.82 lakhs	May 10, 2023

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

1	2	3	4	5		6	7	8	9	10	11
Sr. No.	Name of the project	Items from the list of activities in Schedule	Local Area (Yes/No)	Location of the Project		Project duration	Amount allocated for the	Amount spent in the current	Amount transferred to unspent	Mode of Implementation Direct (Yes/No)	Mode of Implementation- Through Implementing Agency

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		Section VII of the act.	State	District	Project (in INR)	Financial year (in INR)	Amount spent for the project as per section 135(6) (in INR)	Name	CSR Registration No.
NIL									

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

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

(d) Amount spent in administrative overheads: NA

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

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): INR 19.82/- lakhs

(g) Excess amount for set off, if any: NIL

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	

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1.	2021-22	NIL	NIL	-	NIL	-	NIL
2.	2020-21	NIL	NIL	-	NIL	-	NIL
3.	2019-20	NIL	NIL	-	NIL	-	NIL

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

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

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

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

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

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

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

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

Sd/-

Sd/-

**Bhupinder Singh**  
**Director**  
**DIN: 07342318**

**Saurabh Jhalaria**  
**Director**  
**DIN: 07908327**

**Place: Mumbai**

**Date: September 06, 2023**

**Annexure IV**  
**Form No. AOC-2**

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

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

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

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

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

1. Name(s) of the related party and nature of relationship	2. Nature of contracts/arrangements/transactions	3. Duration of contracts/arrangements/transactions	4. Salient terms of contracts/arrangements/transactions including the value, if any	5. Date of approval by the board of directors	6. Amount paid as advance, if any
Alpha Fintech Private Limited	Investment in Associate	FY 22-23	INR 1220.16 lakhs	NA	NA
InCred Wealth and Investment Services Private Limited	Sale of Investments	FY 22-23	INR 1,339.75 lakhs	NA	NA
InCred Asset Management Private Limited	Investment in Subsidiary	FY 22-23	INR 2000 lakhs	NA	NA

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InCred Wealth and Investment Services Private Limited	Purchase of Investments	FY 22-23	INR 5,816.38 lakhs	NA	NA
InCred Wealth and Investment Services Private Limited	Investment in Subsidiary	FY 22-23	INR 42,229.85 lakhs	NA	NA
InCred Alternative Investment Private Limited	Investment in Subsidiary	FY 22-23	INR 1,510 lakhs	NA	NA
Godhuli Vishwanathan	Issue of Equity shares	FY 22-23	INR 1300.48 lakhs	NA	NA
InCred Employee Welfare Trust	Issue of Equity shares	FY 22-23	INR 3005.30 lakhs	NA	NA
InCred Wealth Private Limited	Issue of CCPS	FY 22 23	INR 1880 lakhs	NA	NA
InCred Wealth and Investment Services Private Limited	Purchase of Investments	FY 22 23	INR 5816.38 lakhs	NA	NA
InCred Wealth and Investment Services Private Limited	Sale of Investments	FY 22 23	INR 1339.75 lakhs	NA	NA

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

**Sd/-  
Bhupinder Singh  
Director  
DIN: 07342318  
Place: Mumbai  
Date: September 06, 2023**

**Sd/-  
Saurabh Jhalaria  
Director  
DIN: 07908327**

**InCred Capital Financial Services Private Limited**

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## Independent Auditor's Report

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To the Members of InCred Capital Financial Services Private Limited

Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **InCred Capital Financial Services Private Limited (“the Company”)** which comprises the Standalone Balance sheet as at 31<sup>st</sup> March 2023, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Cash Flows Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

1. The Company has allotted the equity and preference shares during the financial year ended 31st March 2023 for purchase consideration in business combination transactions. For the fresh allotment of shares the Company has filed a return of allotment in e-form PAS-3 to registrar on MCA Portal as required by Companies Act, 2013. Such e-form PAS-3 has been filed only mentioning the face value of shares as the consideration excluding the securities premium. Our conclusion is not modified in respect of the stated matter.
2. As per Release No. 1269/1998-99 dated April 08, 1999, issued by the Reserve Bank of India, a company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets are more than 50% of the gross total income of the company. Both these tests are required as the determinant factor for the company's principal business.

As per guidelines issued by RBI a company predominantly engaged in financial activity should get itself registered as NBFC with RBI.



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For the financial year ended 31<sup>st</sup> March 2023 the company has not carried out the financial activity as its principal business as the income from financial assets constitutes less than 50% of the gross total income of the company. Further, the board of directors vide its meeting dated 07<sup>th</sup> September 2020 had decided to exit the NBFC lending business and enter into wealth management, asset management, investment banking and debt broking business. Consequent to the same the Company is in the process of surrendering its NBFC license with the RBI. Our conclusion is not modified in respect of the stated matter.

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

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

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

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

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

## **Responsibility of Management for the Standalone Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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2. As required by Section 143(3) of the Act, we report that
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Standalone Balance sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which may impact its standalone financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses
    - iii. There is no amount that is required to be transferred, to the Investor Education and Protection Fund by the Company as on the close of the year.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 50(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

# PNAM & CO. LLP

Chartered Accountants

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no. 50(v) to the financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

For **PNAM & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No.: 001092N/N500395

**Parv**  
**Bansal**

Digitally signed  
by Parv Bansal  
Date: 2023.06.17  
22:34:17 +05'30'

**Parv Bansal**

Partner

Membership No.: 515167

**UDIN: 23515167BGUYLZ2971**

**Place: Mumbai**

**Date: 17<sup>th</sup> June 2023**

## Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **InCred Capital Financial Services Private Limited** on the accounts of the Company for the year ended 31st March 2023.

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

- i.**

  - a.** (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets
  - b.** The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified once in every three years. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - c.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property as on 31<sup>st</sup> March 2023.
  - d.** The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - e.** There are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ii.**

  - a.** The Company is a Non-Banking Finance Company (NBFC), engaged in the business of lending. Accordingly, it does not hold any physical inventories. Thus, reporting under clause 3(ii)(a) is not applicable.
  - b.** The Company has not been sanctioned any working capital limits during the financial year, thus reporting under clause 3(ii)(b) of the Order is not applicable.
- iii.**

  - a.** The principal business of the Company is to give loans and is registered as an NBFC and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable.
  - b.** During the year the investment made, guarantee provided, security given and the terms and conditions of the grant of all loans and guarantee provided to companies, firms, LLPs or any other parties are not prejudicial to the Company's interest.
  - c.** In respect of loans and advances in the nature of loans granted by the Company as part of its business of providing loans to individuals and corporates, the schedule of repayment of principal and payment of interest has been stipulated by the Company. All the receipts and repayments of such loans are regular and there are no overdue amounts as on the balance sheet date.
  - d.** In respect of loans and advances, there are no amounts overdue as at the balance sheet date therefore reporting under clause 3(iii)(d) of the Order is not applicable.
  - e.** The principal business of the Company is to give loans and is registered as an NBFC and accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable.

# P N A M & CO. LLP

Chartered Accountants

- f.** The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, LLPs or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable.
- iv.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 & 186(1) of the Companies Act, 2013, w.r.t loans and investments made by the Company. The Company being an NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.
- v.** In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable, therefore reporting under clause 3 (v) is not applicable.
- vi.** The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable.
- vii. a.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service taxes, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, and other material statutory dues were in arrears as at 31<sup>st</sup> March 2023 for a period of more than six months from the date they became payable.
- b.** According to the information and explanations given to us, there are no material dues of provident fund, income-tax, and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii.** In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessment under the Income Tax Act, 1961 as income during the year. Therefore, requirement to report under clause 3(viii) of the Order is not applicable.
- ix. a.** The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b.** The Company has not been declared willful defaulter by a bank or financial institution or government or any government authority.
- c.** The Company has not obtained any term loans during the financial year, therefore reporting under clause 3(ix)(c) of the order is not applicable.
- d.** On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

# P N A M & CO. LLP

Chartered Accountants

- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on Clause 3(ix)(f) of the Order is not applicable.
- x. a. According to the information and explanations given by management, during the year the Company has not raised money by way initial public offer or further public offer (including debt instrument) in the nature of non-convertible debentures. Therefore, reporting under clause 3(x)(a) is not applicable.  
b. During the year the Company has made private placement of equity shares, preference shares and debentures. In respect of such private placement the Company has complied with the provisions of Section 42 and Section 62 of the Companies Act, 2013. The amounts raised by way of private placement has been utilized for the purpose for which they have been raised.
- xi. a. No fraud/material fraud by the Company or no fraud or material fraud on the Company has been noticed or reported during the year.  
b. During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
c. As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company as defined in section 406 of the Companies Act, 2013 therefore reporting under clause 3(xii) is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.
- xiv. The Company is not required to have an internal audit system as per provisions of the Companies Act 2013 therefore reporting under clause 3(xiv) is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered non-cash transactions with the directors or persons connected with him. Therefore, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. a. The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).  
b. The Company has not conducted any non-banking financial or Housing finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 (2 of 1934).

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Chartered Accountants

- c. The Company is not a Core investment company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the order is not applicable.
- d. There is no Core investment company as a part of the Group, hence the requirement to report on clause 3(xvi)(d) of the order is not applicable.
- xvii. The Company has not incurred cash losses in the current financial year.
- xviii. There has been no resignation of the statutory auditors during the year ended 31st March 2023, therefore reporting on clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in Note 48 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
  - a. The company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
  - b. There is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, that has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For **PNAM & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No.: 001092N/N500395

**Parv**

Digitally signed  
by Parv Bansal  
Date: 2023.06.17  
22:34:52 +05'30'

**Bansal**

**Parv Bansal**

Partner

Membership No.: 515167

**UDIN: 23515167BGUYLZ2971**

**Place: Mumbai**

**Date: 17<sup>th</sup> June 2023**



## **Annexure - B to the Independent Auditors' Report**

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

#### **Opinion**

We have audited the internal financial controls over financial reporting of **InCred Capital Financial Services Private Limited (formerly known as Proud Securities and Credits Private Limited)** as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

# PNAM & CO. LLP

Chartered Accountants

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

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For **PNAM & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No.: 001092N/N500395

**Parv**  
**Bansal**

Digitally signed  
by Parv Bansal  
Date: 2023.06.17  
22:35:18 +05'30'

**Parv Bansal**

Partner

Membership No.: 515167

**UDIN: 23515167BGUYLZ2971**

**Place: Mumbai**

**Date: 17<sup>th</sup> June 2023**

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

**Standalone financial statements**

**For the year ended 31st March 2023**

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**InCred Capital Financial Services Private Limited**  
CIN: U67120MH1996PTC355036  
**Standalone Balance Sheet as at 31st March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>A. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	3	759.31	3,983.80
(b) Derivative financial instruments	4	811.31	-
(c) Trade receivables	5	1,356.04	1,426.42
(d) Loans	6	-	26,817.87
(e) Investments	7	59,536.50	5,798.92
(f) Other financial assets	8	1,203.70	61.38
<b>Total financial assets</b>		<b>63,666.86</b>	<b>38,088.39</b>
<b>2. Non-financial assets</b>			
(a) Current tax assets (Net)	9	892.03	388.50
(b) Deferred tax assets (Net)	30	458.32	110.78
(c) Property, plant and equipment	10	330.00	434.71
(d) Capital work in Progress	11	10.78	1.09
(e) Goodwill		1,363.84	-
(f) Other intangible assets	12	5,198.40	0.43
(g) Other non-financial assets	13	81.54	3,599.79
<b>Total non-financial assets</b>		<b>8,334.91</b>	<b>4,535.30</b>
<b>Total Assets</b>		<b>72,001.77</b>	<b>42,623.69</b>
<b>B. LIABILITIES AND EQUITY</b>			
<b>1. Liabilities</b>			
<b>1.1 Financial liabilities</b>			
(a) Derivative financial instruments	4	5,191.38	-
(b) Trade payables	14	-	-
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		406.32	2,294.06
(c) Debt Securities	15	3,908.31	-
(d) Deposits	16	13.00	15.44
(e) Other financial liabilities	17	632.83	917.70
<b>Total financial liabilities</b>		<b>10,151.84</b>	<b>3,227.20</b>
<b>1.2 Non-financial liabilities</b>			
(a) Provisions	18	61.56	13.27
(b) Other non-financial liabilities	19	112.84	320.99
<b>Total non-financial liabilities</b>		<b>174.40</b>	<b>334.26</b>
<b>Total Liabilities</b>		<b>10,326.24</b>	<b>3,561.46</b>
<b>2. Equity</b>			
(a) Equity share capital	20	1,321.14	989.98
(b) Other equity	21	60,354.39	38,072.25
<b>Total Equity</b>		<b>61,675.53</b>	<b>39,062.23</b>
<b>Total Liabilities and Equity</b>		<b>72,001.77</b>	<b>42,623.69</b>

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

As per our report of even date.

For **P N A M & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**  
Digitally signed by Parv Bansal  
Date: 2023.06.17 22:29:44 +05'30'  
**Parv Bansal**  
Partner  
Membership No.: 515167

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

**BHUPINDER SINGH**  
Digitally signed by BHUPINDER SINGH  
Date: 2023.06.17 19:36:36 +05'30'

**Bhupinder Singh**  
Director  
DIN - 07342318

**VENKATESH VISHWANATHAN**  
Digitally signed by VENKATESH VISHWANATHAN  
Date: 2023.06.17 19:37:06 +05'30'

**Venkatesh Vishwanathan**  
Director  
DIN - 08032824

**MITESH K KAMARIYA**  
Digitally signed by MITESH K KAMARIYA  
Date: 2023.06.17 19:45:23 +05'30'

**Mitesh Kamariya**  
Company Secretary  
Membership No.: A52519

Place : Mumbai  
Date : 17th June 2023

Place : Mumbai  
Date : 17th June 2023

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Standalone Statement of Profit & Loss for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
<b>(I) Revenue From operations</b>			
(i) Interest income	22	1,420.26	2,321.69
(ii) Fees and commission income	23	6,816.93	1,912.79
(iii) Net gain on fair value changes	24	1,527.02	7,233.97
<b>Total revenue from operations (I = i + ii + iii)</b>		<b>9,764.21</b>	<b>11,468.45</b>
<b>(II) Other income</b>	<b>25</b>	<b>212.90</b>	<b>274.29</b>
<b>(III) Total income (III = I + II)</b>		<b>9,977.11</b>	<b>11,742.74</b>
<b>(IV) Expenses</b>			
(i) Finance costs	26	436.56	229.25
(ii) Impairment on financial instruments	27	(102.68)	65.29
(iii) Employee benefits expenses	28	4,858.84	2,489.55
(iv) Depreciation, amortization and impairment	10 & 12	733.91	147.98
(v) Others expenses	29	3,325.38	4,640.21
<b>Total expenses (IV = i + ii + iii + iv + v)</b>		<b>9,252.01</b>	<b>7,572.28</b>
<b>(V) Profit/ (Loss) before exceptional items and tax (V = III - IV)</b>		<b>725.10</b>	<b>4,170.46</b>
<b>(VI) Exceptional items</b>		-	-
<b>(VII) Profit/ (Loss) before tax (VII = V - VI)</b>		<b>725.10</b>	<b>4,170.46</b>
<b>(VIII) Tax Expense:</b>	<b>30</b>		
(i) Current tax		-	323.36
(ii) Deferred tax		(298.45)	727.04
(iii) Pertaining to earlier years		39.79	-
<b>Total tax expense (VIII = i + ii + iii)</b>		<b>(258.66)</b>	<b>1,050.40</b>
<b>(IX) Profit/ (Loss) for the year (IX = VII - VIII)</b>		<b>983.76</b>	<b>3,120.06</b>
<b>(X) Other comprehensive income</b>			
<b>(A) Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of the defined benefit plans		(10.22)	7.47
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.45	1.12
<b>Subtotal (A = i + ii)</b>		<b>(5.77)</b>	<b>8.59</b>
<b>(B) Items that will be reclassified to profit or loss</b>			
(i) Net Gain/ (Loss) on instruments through other comprehensive income		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B = i + ii)</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income (X = A + B)</b>		<b>(5.77)</b>	<b>8.59</b>
<b>(XI) Total comprehensive income for the period (XI = IX + X)</b>		<b>977.99</b>	<b>3,128.65</b>
<b>(XII) Earnings per share (EPS)</b> <b>(Face value of INR. 10 each)</b>			
Basic (INR.)	31	8.66	31.63
Diluted (INR.)		8.14	31.63

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

As per our report of even date.

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**  
Digitally signed  
by Parv Bansal  
Date: 2023.06.17  
22:30:38 +05'30'

**Parv Bansal**  
Partner  
Membership No.: 515167

For and on behalf of the Board of Directors of

**InCred Capital Financial Services Private Limited**

**BHUPINDER SINGH**  
Digitally signed  
by BHUPINDER SINGH  
Date: 2023.06.17  
19:38:10 +05'30'

**Bhupinder Singh**  
Director  
DIN - 07342318

**MITESH K KAMARIYA**  
Digitally signed  
by MITESH K KAMARIYA  
Date: 2023.06.17  
19:44:49 +05'30'

**Mitesh Kamariya**  
Company Secretary  
Membership No.: A52519

**VENKATESH VISHWANATHAN HAN**  
Digitally signed  
by VENKATESH VISHWANATHAN  
Date: 2023.06.17  
19:38:35 +05'30'

**Venkatesh Vishwanathan**  
Director  
DIN - 08032824

Place : Mumbai  
Date : 17th June 2023

Place : Mumbai  
Date : 17th June 2023

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Standalone cash flow statement for the year ended 31st March 2022**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>725.10</b>	<b>4,170.46</b>
Adjustments to reconcile profit before tax to net cash flows from operating activities		
- Depreciation and amortisation	733.91	147.98
- Profit on sale of investments	(1,398.98)	(7,395.64)
- Interest Income on Loans	(1,410.92)	(2,169.50)
- Interest Income on Investments	-	-130.36
- Fair value gain on financial instruments at fair value through P&L	(128.04)	161.67
- Rent expense on deferred lease rentals	6.50	6.08
- Allowance for credit loss	(102.68)	65.29
- Loss on sale of fixed assets	0.86	0.28
- Assets written off	-	-
- Interest on Borrowings	299.76	179.71
- Interest on unwinding of financial liabilities	35.54	49.54
- Interest on unwinding of financial assets	(6.23)	(5.29)
- Share based payment to employees	2,777.34	291.72
<b>Operating profit/loss before working capital changes</b>	<b>1,532.16</b>	<b>(4,628.06)</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
- Trade receivables	1,018.07	(1,423.12)
- Other financial assets	(1,118.48)	(1.79)
- Other non-financial assets	333.39	(1,452.35)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
- Trade payables	(1,906.91)	2,202.72
- Deposits	(2.44)	13.00
- Other financial liabilities	(539.76)	402.26
- Other non-financial liabilities	(256.95)	148.08
- Provisions	2.94	8.34
<b>Cash generated from / (used in) operations</b>	<b>(937.98)</b>	<b>(4,730.92)</b>
Direct taxes (paid) net of refunds	(491.46)	(324.05)
<b>Net cash flow from (used in) operating activities (A)</b>	<b>(1,429.44)</b>	<b>(5,054.97)</b>
<b>B. Cash flows from investing activities</b>		
- Purchase of Property, Plant and Equipment	(18.34)	(87.62)
- Capital work in progress	(9.70)	4.27
- Proceeds from sale of fixed assets	9.15	0.20
- Net Proceeds from Loans	26,888.95	(5,931.86)
- Interest Income on Loans	1,410.92	2,169.50
- Investment in Subsidiary	(45,739.85)	(1,971.00)
- Purchase of investments	(2,76,227.77)	(2,71,653.45)
- Proceeds from sale of investments	2,68,993.05	2,79,420.54
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(24,693.59)</b>	<b>1,950.58</b>
<b>C. Cash flows from financing activities</b>		
- Share Capital	161.63	69.12
- Securities premium (Net of Share issue expenses)	13,716.78	3,242.91
- Proceeds from Borrowings	13,270.00	-
- Repayment of Borrowings	(4,532.00)	-
- Interest payment on borrowings	(47.97)	(179.71)
- Payment of lease liabilities	(164.23)	(144.40)
<b>Net cash flow from / (used in) in financing activities (C)</b>	<b>22,404.21</b>	<b>2,987.92</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(3,718.82)</b>	<b>(116.47)</b>
Cash and cash equivalents at the beginning of the year	4,478.13	4,100.27
Cash and cash equivalents at the end of the year [Refer Note 1 below]	759.31	3,983.80
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>(3,718.82)</b>	<b>(116.47)</b>

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Standalone cash flow statement for the year ended 31st March 2022**

(All amounts in INR Lakhs, unless otherwise stated)

**Notes to Standalone cash flow statement**

**1. Components of cash and cash equivalents**

Cash on hand

-

-

With banks - on current account & fixed deposits

759.31

3,983.80

**759.31**

**3,983.80**

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

As per our report of even date

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**  
Digitally signed  
by Parv Bansal  
Date: 2023.06.17  
22:31:19 +05'30'

**Parv Bansal**

Partner

Membership No.: 515167

For and on behalf of the Board of Directors of

**InCred Capital Financial Services Private Limited**

**BHUPINDER SINGH**  
Digitally signed  
by BHUPINDER  
SINGH  
Date: 2023.06.17  
19:39:00 +05'30'

**Bhupinder Singh**

Director

DIN - 07342318

**MITESH K KAMARIYA**  
Digitally signed by  
MITESH K KAMARIYA  
Date: 2023.06.17  
19:44:22 +05'30'

**Mitesh Kamariya**

Company Secretary

Membership No.: A52519

**VENKATESH VISHWANATHAN**  
Digitally signed  
by VENKATESH  
VISHWANATHAN  
Date: 2023.06.17  
19:39:21 +05'30'

**Venkatesh Vishwanathan**

Director

DIN - 08032824

**Place : Mumbai**

**Date : 17th June 2023**

**Place : Mumbai**

**Date : 17th June 2023**

InCred Capital Financial Services Private Limited  
 CIN: U67120MH1996PTC355036  
**Standalone Statement of Changes in Equity for the year ended 31st March 2023**  
 (All amounts in INR Lakhs, unless otherwise stated)

A. Equity share capital	As at 31st March 2023	As at 31st March 2022
<b>Particulars</b>		
<b>Issued, subscribed and fully paid-up</b>		
<b>Equity share capital of INR 10 each issued</b>		
Balance as at the beginning of the year	989.98	920.86
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	<b>989.98</b>	<b>920.86</b>
Changes in equity share capital during the year	285.76	69.12
<b>Balance as at the end of the year</b>	<b>1,275.74</b>	<b>989.98</b>
<b>B. Preference share capital</b>		
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Issued, subscribed and fully paid-up</b>		
<b>Compulsorily convertible preference shares of INR 10 each</b>		
Balance as at the beginning of the year	-	-
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	<b>-</b>	<b>-</b>
Changes during the year	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Optionally convertible preference shares of INR 10 each</b>		
Balance as at the beginning of the year	-	-
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	<b>-</b>	<b>-</b>
Changes during the year	45.40	-
<b>Balance as at the end of the year</b>	<b>45.40</b>	<b>-</b>
<b>Total</b>	<b>45.40</b>	<b>-</b>

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InCred Capital Financial Services Private Limited  
 CIN: U67120MH1996PTC355036  
**Standalone Statement of Changes in Equity for the year ended 31st March 2023**  
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Share application money pending allotment	Contingency reserve	Reserves and Surplus			Total Other Equity	
			Share based payment reserve	Statutory reserve	Securities premium		Retained earnings
<b>Balance as at 31st March 2021</b>	2,711.75	0.54	-	95.05	30,409.71	(1,808.07)	31,408.98
Profit / (loss) for the year	-	-	-	-	-	3,120.06	3,120.06
Other comprehensive income for the year	-	-	-	-	-	8.59	8.59
<b>Total comprehensive income for the year (net of tax)</b>	-	-	-	-	-	<b>3,128.65</b>	<b>3,128.65</b>
<b>Transfer / utilisations:</b>							
Share application money pending allotment	(2,711.75)	-	-	-	-	-	(2,711.75)
Utilisation on conversion of Share capital	-	-	-	-	-	-	-
Premium on private placement	-	-	-	-	5,961.66	-	5,961.66
Amounts utilised towards share issue expenses	-	-	-	-	(6.99)	-	(6.99)
Transferred to statutory reserve from retained earnings	-	-	624.01	-	-	(624.01)	-
Employee stock option expense	-	-	291.72	-	-	-	291.72
<b>Balance as at 31st March 2022</b>	-	<b>0.54</b>	<b>291.72</b>	<b>719.06</b>	<b>36,364.38</b>	<b>696.57</b>	<b>38,072.27</b>
Profit / (loss) for the year	-	-	-	-	-	983.76	983.76
Other comprehensive income for the year	-	-	-	-	-	(5.77)	(5.77)
<b>Total comprehensive income for the year (net of tax)</b>	-	-	-	-	-	<b>977.99</b>	<b>977.99</b>
<b>Transfer / utilisations:</b>							
Share application money pending allotment	-	-	-	-	-	-	-
Utilisation on conversion of Share capital	-	-	(51.50)	-	(2.94)	-	(54.44)
Premium on private placement	-	-	-	-	20,885.01	-	20,885.01
Amounts utilised towards share issue expenses	-	-	-	-	(531.65)	-	(531.65)
Transferred to statutory reserve from retained earnings	-	-	-	196.75	-	(196.75)	-
Employee stock option expense	-	-	2,777.34	-	-	-	2,777.34
Reserves acquired on amalgamation/merger	-	-	-	-	-	(1,772.12)	(1,772.12)
<b>Balance as at 31st March 2023</b>	-	<b>0.54</b>	<b>3,017.56</b>	<b>915.81</b>	<b>56,714.80</b>	<b>(294.31)</b>	<b>60,354.40</b>

The accompanying notes are an integral part of the standalone financial statements  
 As per our report of even date

For P N A M & Co. LLP  
 Chartered Accountants  
 ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**  
 Partner  
 Digitally signed by Parv Bansal  
 Date: 2023.06.17 22:32:00 +05'30'

Place : Mumbai  
 Date : 17th June 2023

**Bhupinder Singh**  
 Director  
 DIN - 07342318  
 Digitally signed by BHUPINDER SINGH  
 Date: 2023.06.17 19:39:56 +05'30'

Place : Mumbai  
 Date : 17th June 2023

**Venkatesh Vishwanathan**  
 Director  
 DIN - 08032824  
 Digitally signed by VENKATESH VISHWANATHAN  
 Date: 2023.06.17 19:40:18 +05'30'

Place : Mumbai  
 Date : 17th June 2023

**Mitesh Kamariya**  
 Company Secretary  
 Membership No.: A52519  
 Digitally signed by MITESH K KAMARIYA  
 Date: 2023.06.17 19:44:01 +05'30'

Place : Mumbai  
 Date : 17th June 2023

**Note 1 : General information**

**1.1. Corporate information**

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

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

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

**1.2. Basis of preparation**

**A. Compliance with Ind AS**

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

These standalone financial statements are approved for issue by the Board of Directors on 17th June 2023.

**B. Functional and presentation currency**

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

**C. Basis of measurement**

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

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

**D. Use of estimates and judgements**

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

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

**Significant judgements**

**Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. Further details are disclosed in **Note No. 34**.

**Recognition of deferred tax assets/liabilities**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forward and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forward and unused tax credits could be utilised. Further details are disclosed in **Note No. 30**.

**Recognition and measurement of provisions and contingencies**

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

**Discounting of long-term financial assets/liabilities**

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

**Impairment of financial assets**

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

**Leases**

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

**E. Presentation of standalone financial statements**

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

**F. Current / Non-current classification of assets and liabilities**

All assets and liabilities are classified into current and non-current.

**Assets:**

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

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

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

**Liabilities:**

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

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

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

All other liabilities are classified as non-current.

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

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

**Note 2 : Significant accounting policies**

**2.1. Measurement of fair values**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

## **2.2. Financial instruments**

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

### **A. Recognition and initial measurement**

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

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

### **B. Classification of financial assets:**

#### **Financial assets:**

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

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

#### **Financial assets measured at amortised cost:**

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

- (i) the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) the Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

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

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (ii) the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

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

### **C. Subsequent recognition of financial assets:**

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

#### **Financial assets at amortised cost:**

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

#### **Financial assets at FVTPL:**

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

**Debt investments at FVOCI:**

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

**Equity investments designated at FVOCI:**

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

**D. Classification of financial liabilities:**

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

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

**E. Subsequent recognition of financial liabilities:**

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

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

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

**F. Derecognition of financial assets and financial liabilities**

**Financial assets:**

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

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

**Financial liabilities:**

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

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

**G. Offsetting of financial instruments**

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

**H. Reclassification of financial assets and financial liabilities**

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

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

Further reclassification is not allowed in following cases:

- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified,
- Reclassification of financial liabilities.

**2.3. Impairment**

**A. Impairment of financial assets**

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

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

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

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

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

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

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

**Key elements considered for ECL calculation are as under:**

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

**Exposure at Default:** The Exposure at Default is an estimate of the exposure at a future default date.

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

**B. Impairment of non-financial assets**

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

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

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

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

**2.4. Cash and cash equivalents**

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

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

**2.5. Investments**

**Investment in subsidiaries**

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

**Investment in Mutual Fund**

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

**Investment in Equity**

Equity instruments outstanding as at the balance sheet date are measured at fair value using quoted market prices in an actively traded market, wherever available, as the best evidence of fair value. In absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.

**Investment in AIF**

The company uses Net Asset Value (NAV) to fair value investments in AIF.

## 2.6. Property, plant and equipment

### A. Recognition and measurement

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

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

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

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

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

### B. Subsequent expenditure

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

### C. Derecognition

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

### D. Depreciation

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

The useful life as per Schedule II are as follows:

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

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

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

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

## 2.7. Intangible assets

### A. Recognition and measurement

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

#### **B. Subsequent expenditure**

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

#### **C. Amortization**

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

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

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

#### **2.8. Income tax**

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

#### **A. Current tax**

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

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

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

#### **B. Deferred tax**

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

Deferred tax is not recognised for:

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

#### **2.9. Borrowing costs**

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

#### **2.10. Share capital**

##### **Ordinary shares**

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

##### **2.11. Leases [Refer Note No. 37]**

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.



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

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

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

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

#### **2.12. Revenue from operations**

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

The Company recognised revenue primarily from various activities as follows:

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

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

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

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

#### **2.13. Earning per share**

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

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

#### **2.14. Provisions, contingent liabilities and contingent assets**

##### **A. Provisions**

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

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

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

##### **B. Onerous contracts**

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

##### **C. Contingent liabilities**

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

##### **D. Contingent assets**

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

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

#### 2.15. Foreign currencies

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

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

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

#### 2.16. Segment reporting

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

#### 2.17. Events after the reporting period

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

##### A. Adjusting events

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

##### B. Non-adjusting events

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

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

#### 2.18. Related party disclosure

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

The Company has disclosed names of related parties with relationship and transaction between Company and its related parties in the Notes to standalone financial statements [Refer Note No. 42].

#### 2.19. Employee benefits [Refer Note No. 34]

##### A. Short-term employee benefits

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

##### B. Compensated absences

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

##### C. Post-employment benefits

###### Defined contribution plans

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

###### Defined benefit plans - Gratuity

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

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

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

#### 2.20 Statement of Cash flows

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

#### 2.21 Exceptional items

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

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 3 : Cash and cash equivalents**

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks (of the nature of cash and cash equivalent)	759.31	3,983.80
<b>Total</b>	<b>759.31</b>	<b>3,983.80</b>

**Note 4 : Derivative financial instruments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(A) Derivative financial assets</b>		
<b>Nifty Linked Derivatives</b>		
Options (Notional amount : INR. 4,802.00 lakhs , PY : NIL)	811.31	-
<b>Total</b>	<b>811.31</b>	<b>-</b>
<b>(B) Derivative financial liabilities</b>		
Embedded Derivative on Market Linked Debentures (Notional amount : INR. 8,770 lakhs , PY : NIL)	5,191.38	-
<b>Total</b>	<b>5,191.38</b>	<b>-</b>

**Note 5 : Trade receivables**

Particulars	As at 31st March 2023	As at 31st March 2022
Secured, considered good	-	-
Unsecured, considered good	1,362.95	1,430.05
	<b>1,362.95</b>	<b>1,430.05</b>
Less: Allowance for impairment loss	(6.91)	(3.63)
<b>Total</b>	<b>1,356.04</b>	<b>1,426.42</b>

**As at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	
i) Undisputed Trade Receivables - Consider good	1,362.95	-	-	-	-	1,362.95
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - Considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,362.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,362.95</b>

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**As at 31st March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	
i) Undisputed Trade Receivables - Consider good	1,421.97	-	-	-	-	1,421.97
ii) Undisputed Trade Receivables - which have significant increase in credit risk*	-	8.08	-	-	-	8.08
iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - Considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,421.97</b>	<b>8.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,430.05</b>

\* Includes Unbilled Revenue of INR. 1.00 lakh

**Note 6 : Loans**

Particulars	As at	As at
	31st March 2023	31st March 2022
	Amortised cost	Amortised cost
<b>(A) At amortised cost</b>		
(i) Term loans	-	606.12
(ii) Term loans to related party	-	26,394.30
<b>Total - Gross</b>	-	<b>27,000.42</b>
Less: Impairment loss allowance	-	(182.55)
<b>Total - Net of impairment loss allowance (A)</b>	-	<b>26,817.87</b>
<b>(B) Details of security</b>		
(i) Secured by tangible assets	-	25,467.36
(ii) Secured by intangible assets	-	-
(iii) Covered by bank/Govt Guarantee	-	-
(iv) Unsecured	-	1,533.06
<b>Total - Gross</b>	-	<b>27,000.42</b>
Less: Impairment loss allowance	-	(182.55)
<b>Total - Net of impairment loss allowance (B)</b>	-	<b>26,817.87</b>
<b>(C) (I) Loans in India</b>		
(i) Public Sector	-	-
(ii) Others	-	27,000.42
<b>Total loans in India</b>	-	<b>27,000.42</b>
<b>(C) (II) Loans outside India</b>		
(i) Public Sector	-	-
(ii) Others	-	-
<b>Total loans outside India</b>	-	-
<b>Total - Gross</b>	-	<b>27,000.42</b>
Less: Impairment loss allowance	-	(182.55)
<b>Total - Net of impairment loss</b>	-	<b>26,817.87</b>

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

The Company during the previous year had sanctioned a loan of INR 34,500 lakhs [outstanding balance of INR 24,861.24 lakhs including interest accrued as at 31st March 2022 ] to InCred Wealth Private Limited ("borrower company"), a Company promoted by the promoter of the Company. The loan had been provided for the purpose of business expansion of the borrower company. Such loan was secured through the pledge of shares held by the promoter in the borrower company. Such loan was duly approved by the Board of Directors in the meeting held on 09th November 2019 and gradually, for increased requirements of the borrower company further enhancements were approved in subsequent meetings during the previous year.

The Company has received entire loan balances from the borrower company in the current year.

**Note 7 : Investments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(A) Investments carried at fair value through profit or loss</b>		
In Alternate Investment Fund	4,695.25	576.66
In Equity Shares	1,539.11	2,250.26
In Portfolio Management Services	402.27	-
In Non Convertible Debentures & Market Linked Debentures	2,967.86	-
	<b>9,604.49</b>	<b>2,826.92</b>
<b>(B) Investments carried at cost</b>		
<b>In Subsidiaries (unquoted)</b>		
InCred Asset Management Private Limited (31st March 2023 : 3,30,00,000 shared of INR.10 each ) (31st March 2022 : 2,90,00,000 shares of INR. 10 each)	4,900.00	2,900.00
InCred Wealth and Investment Services Private Limited (31st March 2023 : 81,75,761 shares of INR. 10 each) (31st March 2022 : 7,10,000 shares of INR. 10 each)	42,300.85	71.00
InCred Alternative Investments Private Limited (31st March 2023 : 30,30,000 shared of INR. 10 each) (31st March 2022 : 10,000 shares of INR. 10 each)	1,511.00	1.00
<b>In Associates (unquoted)</b>		
Alpha Fintech Private Limited	1,220.16	-
	<b>49,932.01</b>	<b>2,972.00</b>
<b>Total - Gross (A + B )</b>	<b>59,536.50</b>	<b>5,798.92</b>
Less: Impairment loss allowance	-	-
<b>Total - Net of impairment loss allowance</b>	<b>59,536.50</b>	<b>5,798.92</b>
(A) Investments in India	59,536.50	5,798.92
(B) Investments outside India	-	-
<b>Total - Gross (A + B)</b>	<b>59,536.50</b>	<b>5,798.92</b>
Less: Impairment loss allowance	-	-
<b>Total - Net of impairment loss allowance</b>	<b>59,536.50</b>	<b>5,798.92</b>

**Note 8 : Other financial assets**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Carried at amortised cost</b>		
Deposits	85.39	59.74
Others	1,118.31	1.64
<b>Total - Gross</b>	<b>1,203.70</b>	<b>61.38</b>
Less: Impairment loss allowance	-	-
<b>Total - Net of impairment loss allowance</b>	<b>1,203.70</b>	<b>61.38</b>

**Note 9 : Current tax assets (Net)**

Particulars	As at 31st March 2023	As at 31st March 2022
Income tax refundable (net of provision for income tax)	892.03	388.50
<b>Total</b>	<b>892.03</b>	<b>388.50</b>

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**Note 10 : Property, plant and equipment**

Particulars	ROU Assets	Furniture and fixtures	Leasehold Improvements	Office equipment	Vehicle	Computer & Printer	Total
<b>Gross carrying amount:</b>							
As at 31st March 2021	419.61	25.49	91.31	30.93	12.21	14.74	594.29
Additions during the year	36.64	0.42	5.52	3.99	65.00	13.28	124.85
Disposals during the year	-	-	-	0.60	-	-	0.60
As at 31st March 2022	<b>456.25</b>	<b>25.91</b>	<b>96.83</b>	<b>34.32</b>	<b>77.21</b>	<b>28.02</b>	<b>718.54</b>
Additions during the year	30.59	-	-	0.17	-	18.18	48.94
Acquired via Merger	-	20.55	68.39	46.53	-	23.29	158.76
Disposals during the year	-	-	-	-	12.21	0.55	12.76
As at 31st March 2023	<b>486.84</b>	<b>46.46</b>	<b>165.22</b>	<b>81.02</b>	<b>65.00</b>	<b>68.94</b>	<b>913.48</b>
<b>Accumulated depreciation:</b>							
As at 31st March 2021	108.63	2.21	14.12	5.01	0.41	7.26	137.64
Depreciation charge during the year	100.64	2.60	22.05	7.47	6.09	7.46	146.31
Accumulated depreciation on disposals	-	-	-	0.12	-	-	0.12
As at 31st March 2022	<b>209.27</b>	<b>4.81</b>	<b>36.17</b>	<b>12.36</b>	<b>6.50</b>	<b>14.72</b>	<b>283.83</b>
Depreciation charge during the year	100.13	2.80	22.36	8.70	8.79	13.09	155.87
Acquired via Merger	-	17.93	68.39	37.23	-	22.99	146.54
Accumulated depreciation on disposals	-	-	-	-	2.61	0.15	2.76
As at 31st March 2023	<b>309.40</b>	<b>25.54</b>	<b>126.92</b>	<b>58.29</b>	<b>12.68</b>	<b>50.65</b>	<b>583.48</b>

**Net carrying amount:**

As at 31st March 2023	177.44	20.92	38.30	22.73	52.32	18.29	330.00
As at 31st March 2022	246.98	21.10	60.66	21.96	70.71	13.30	434.71

**Note 11 : Capital work in Progress**

Particulars	Total
As at 31st March 2021	5.36
Additions during the period	0.00
Capitalized during the period	4.28
As at 31st March 2022	<b>1.08</b>
Additions during the period	9.70
Capitalized during the period	-
As at 31st March 2023	<b>10.78</b>

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**Notes to the standalone financial statements for the year ended 31st March 2023**  
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<b>Aging for CWIP :</b>				
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 -3 years</b>	<b>More than 3 years Total</b>
Projects in progress	9.70	1.08	-	10.78
<b>As at 31st March 2023</b>	<b>9.70</b>	<b>1.08</b>	-	<b>10.78</b>

<b>Aging for CWIP :</b>				
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 -3 years</b>	<b>More than 3 years Total</b>
Projects in progress	-	1.08	-	1.08
<b>As at 31st March 2022</b>	<b>-</b>	<b>1.08</b>	-	<b>1.08</b>

**Note 12 : Other intangible assets**

<b>Particulars</b>	<b>Software</b>	<b>Technology Development</b>	<b>Brand</b>	<b>Customer Relationships</b>	<b>Total</b>
<b>Gross carrying amount:</b>					
As at 31st March 2021	5.43	-	-	-	5.43
Additions during the year	-	-	-	-	-
Disposals during the year	-	-	-	-	-
<b>As at 31st March 2022</b>	<b>5.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.43</b>
Additions during the year	-	2,411.50	575.00	2,789.50	5,776.00
Disposals during the year	-	-	-	-	-
<b>As at 31st March 2023</b>	<b>5.43</b>	<b>2,411.50</b>	<b>575.00</b>	<b>2,789.50</b>	<b>5,781.43</b>
<b>Accumulated amortisation and impairment:</b>					
As at 31st March 2021	3.33	-	-	-	3.33
Amortisation charge during the year	1.68	-	-	-	1.68
Disposals	-	-	-	-	-
<b>As at 31st March 2022</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.00</b>
Amortisation charge during the year	0.43	241.15	57.50	278.95	578.03
Disposals	-	-	-	-	-
<b>As at 31st March 2023</b>	<b>5.43</b>	<b>241.15</b>	<b>57.50</b>	<b>278.95</b>	<b>583.03</b>
<b>Net carrying amount as at 31st March 2023</b>	<b>-</b>	<b>2,170.35</b>	<b>517.50</b>	<b>2,510.55</b>	<b>5,198.40</b>
<b>Net carrying amount as at 31st March 2022</b>	<b>0.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.43</b>

Technology Development is acquired through Business Combination with Clamant Tech Services Private Limited  
Brand Name and Customer Acquisition are the intangibles acquired through Business Combination with MAPE Advisory Group Private Limited

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 13 : Other non-financial assets**

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	32.87	34.16
Balances with government authorities	25.96	249.78
Deferred rent expense	11.43	16.50
Others	11.28	3,299.35
<b>Total</b>	<b>81.54</b>	<b>3,599.79</b>

**Note 14 : Trade payables**

Particulars	As at 31st March 2023	As at 31st March 2022
Total outstanding dues of micro enterprises and small enterprises		
- Principal amount due	-	-
- Interest amount due	-	-
Total outstanding dues other than micro enterprises and small enterprises		
- Principal amount due*	406.32	2,294.06
- Interest amount due	-	-
<b>Total</b>	<b>406.32</b>	<b>2,294.06</b>

**As at 31st March 23**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	406.32	-	-	-	406.32
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>406.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406.32</b>

**\*Unbilled dues of Rs. 365.08 lakhs****As at 31st March 22**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	2,294.06	-	-	-	2,294.06
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,294.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,294.06</b>

**\*Unbilled dues of Rs. 2294.06 lakhs****Note 15 : Debt Securities**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>At amortised cost</b>		
Debentures	3,908.31	-
<b>Total</b>	<b>3,908.31</b>	<b>-</b>



**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Terms of Debentures**

Particulars	Nature of Security	Terms of Repayment	Maturity date	Issue value as at 31st March 2023
277, Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1151 days from the date of allotment. Coupon is equal to 130% times the NIFTY Performance where Nifty Performance is computed as per the Initial and Final Nifty Levels given that Final Level is greater than Initial Level else Coupon is Zero.	07-07-2025	2,770.00
190 Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1185 days from the date of allotment. Coupon is equal to 425% times the NIFTY Performance capped at 42.5%(max coupon) where Nifty Performance is computed as per the Initial and Final Nifty Levels given that Final Level is greater than Initial Level else Coupon is Zero.	11-09-2025	1,900.00
230 Secured Unlisted Redeemable Principal Not Protected - Market Linked Non -Convertible Debenture Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1280 days from the date of allotment. If Final Nifty closes at higher than 30% of Initial Nifty, a coupon is paid at 60% of the Initial Nifty. If Final Nifty closes between 15% and 30% higher than Initial Nifty, the coupon is determined at 18.75% plus 275% of Return of the Nifty over 15%. If Final Nifty closes between 0% and 15%of Initial Nifty, the coupon is determined at 125% of the Return of the Nifty. If Final Nifty closes between minus 25% and 0% of Initial Nifty, the coupon is determined at 0%. If Final Nifty closes below minus 25% of the Initial Nifty, the redemption amount is Initial Nifty multiplied by the Nifty return.	02-03-2026	2,300.00
93 Secured Unlisted Redeemable Principal Not Protected - Market Linked Non -Convertible Debenture Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1200 days from the date of allotment. If Final Nifty closes higher than Initial Nifty, a coupon is paid at 125% of the Nifty return. If Final Nifty closes between minus 25% and 0% of the Initial Nifty, the coupon is zero percent. If Final Nifty closes below minus 25%, the redemption amount is Initial Nifty multiplied by the Nifty return.	09-01-2026	930.00
87, Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR 10,00,000	Non- Convertible Debentures issued by the company are secured by way of a first Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1280 days from the date of allotment. If Final Nifty closes at higher than 30% of Initial Nifty, a coupon is paid at 58% of the Initial Nifty. If Final Nifty closes between 20% and 30% higher than Initial Nifty, the coupon is determined at 23% plus 350% of Return of the Nifty over 20%. If Final Nifty closes between 0% and 20%of Initial Nifty, the coupon is determined at 115% of the Return of the Nifty. If Final Nifty closes between minus 25% and 0% of Initial Nifty, the coupon is determined at 0%. If Final Nifty closes below minus 25% of the Initial Nifty, the redemption amount is Initial Nifty multiplied by the Nifty return.	07-05-2026	870.00

**Total****8,770.00**

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

Liability portion of debentures on initial recognition	3,656.52
Add: Interest accrued on debentures till 31st March 2023	251.78
<b>Total liability closing balance as on 31st March 2023</b>	<b>3,908.31</b>
Derivative component of debentures on initial recognition	5,113.48
Add/Less: Fair value changes as on 31st March 2023	77.90
<b>Closing balance of derivative component as on 31st March 2023</b>	<b>5,191.38</b>

**Note 16 : Deposits**

Particulars	As at 31st March 2023	As at 31st March 2022
At amortised cost - from others	13.00	15.44
<b>Total</b>	<b>13.00</b>	<b>15.44</b>

**Note 17 : Other financial liabilities**

Particulars	As at 31st March 2023	As at 31st March 2022
Employee expenses payable	301.51	416.54
Lease liability [Refer Note No. 37]	291.54	389.65
Financial Liability on Guarantee	25.96	-
Others	13.82	111.51
<b>Total</b>	<b>632.83</b>	<b>917.70</b>

**Note 18 : Provisions**

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits Provision for gratuity	61.56	13.27
<b>Total</b>	<b>61.56</b>	<b>13.27</b>

**Note 19 : Other non-financial liabilities**

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	112.84	320.99
<b>Total</b>	<b>112.84</b>	<b>320.99</b>

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**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 21 : Other equity**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Securities premium</b>		
Balance as at the beginning of the year	36,364.36	30,409.71
Add: Additions during the year:		
- Premium on conversion of CCPS and OCRPS to equity shares during the year	(2.94)	-
- Premium on private placement	20,885.01	5,961.66
Less: Utilized during the year:		
- Amounts utilized towards share issue	-	-
- Amounts utilized towards share issue expenses	531.65	6.99
<b>Balance as at the end of the year</b>	<b>56,714.79</b>	<b>36,364.36</b>
<b>Contingency reserve fund</b>		
Balance as at the beginning of the year	0.54	0.54
Add: Addition during the year:		
- Transfer from surplus / (deficit) in statement of profit and loss	-	-
Less: Utilized during the year	-	-
<b>Balance as at the end of the year</b>	<b>0.54</b>	<b>0.54</b>
<b>Share based payment reserve</b>		
Balance as at the beginning of the year	291.72	-
Add: Addition during the year:	2,777.34	291.72
Less: Utilized during the year	51.50	-
<b>Balance as at the end of the year</b>	<b>3,017.56</b>	<b>291.72</b>
<b>Statutory reserve fund pursuant to Section 45-IC of the RBI Act, 1934</b>		
Balance as at the beginning of the year	719.06	95.05
Add: Addition during the year:		
- Transfer from surplus in statement of profit and loss	196.75	624.01
Less: Utilized during the year	-	-
<b>Balance as at the end of the year</b>	<b>915.81</b>	<b>719.06</b>
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	696.57	(1,808.07)
Add: Reserves on Merger	(1,772.12)	-
Add: Profit / (loss) after tax for the year	983.76	3,120.06
Add: Utilisation on CCPS & OCPS Conversion	-	-
Add: Other comprehensive income for the year, net of income tax	(5.77)	8.59
<b>Amount available for appropriations</b>	<b>(97.56)</b>	<b>1,320.58</b>
Less: Appropriations		
- Transfer to Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	(196.75)	(624.01)
<b>Balance as at the end of the year</b>	<b>(294.31)</b>	<b>696.57</b>
<b>Total</b>	<b>60,354.39</b>	<b>38,072.25</b>

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**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 20 : Equity share capital**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
<b>Authorised share capital [Refer note 'd' below]</b>				
Equity shares of INR. 10/- each	3,41,94,000	3,419.40	3,44,00,000	3,440.00
Compulsorily convertible preference shares of INR 10/- each	7,16,000	71.60	-	-
Optionally convertible redeemable preference shares of INR 10/- each	6,00,000	60.00	6,00,000	60.00
	<b>3,55,10,000</b>	<b>3,551.00</b>	<b>3,50,00,000</b>	<b>3,500.00</b>
<b>Issued, subscribed and paid up capital</b>				
Equity Shares of INR. 10/- each fully paid up	1,27,57,390	1,275.74	98,99,804	989.98
Optionally convertible redeemable preference shares of INR 10/- each fully paid-up	4,53,962	45.40	-	-
<b>Total issued, subscribed and paid-up share capital</b>	<b>1,38,14,882</b>	<b>1,321.14</b>	<b>98,99,804</b>	<b>989.98</b>

**a. Terms and rights attached to Equity shares**

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

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

**B. Terms and rights attached to Optionally convertible redeemable preference shares**

Pursuant to Composite Scheme of Arrangement between Clamant Tech Services Private Limited (Transferor Company), InCred Wealth Private Limited ('Demerged Company 1'), MAPE Advisory Group Private Limited ('Demerged Company 2'), InCred Wealth and Investment Services Private Limited ('Resulting Company 1') and InCred Capital Financial Services Private Limited ('Company' or 'Transferee Company' or 'Resulting Company 2') and the Order dated April 26, 2022 passed by the NCLT Mumbai sanctioning the Composite Scheme the Company had allotted 4,53,962 Class A Optionally convertible redeemable preference shares ("OCRPS). Based on the valuation report of registered valuer the value of liability portion arising out of redemption option is immaterial and therefore not accounted for.

Therefore entire OCRPS has been considered as equity in nature. The conversion right is to be exercised by the holders of OCRPS after 90 days from the end of 3 (three) years from the Appointed Date. OCRPS shall be redeemed at the option of the Company after the end of 3 (three) Years from the Appointed Date.

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
<b>At the beginning of the year</b>	<b>98,99,804</b>	<b>989.98</b>	<b>92,08,557</b>	<b>920.86</b>
Add: Shares issued on conversion of CCPS and OCRPS during the year	6,32,894	63.29	-	-
Add: Shares issued during the year	22,24,692	222.47	6,91,247	69.12
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,27,57,390</b>	<b>1,275.74</b>	<b>98,99,804</b>	<b>990</b>
<b>Instruments entirely equity in nature</b>				
<b>Compulsorily convertible preference shares</b>				
<b>At the beginning of the year</b>	-	-	-	-
Add: Shares issued during the year	6,03,530	60.35	-	-
Less: Converted to Equity shares during the year	6,03,530	60.35	-	-
<b>Outstanding at the end of the year</b>	-	-	-	-
<b>Optionally convertible redeemable preference shares</b>				
<b>At the beginning of the year</b>	-	-	-	-
Add: Shares issued during the year	4,53,962	45.40	-	-
Less: Converted to Equity shares during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>4,53,962</b>	<b>45.40</b>	-	-
<b>Total instruments entirely equity in nature</b>	<b>4,53,962</b>	<b>45.40</b>	-	-



**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 22 : Interest income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>On financial assets measured at amortised cost:</b>		
- Interest on loans	1,410.92	2,169.50
- Interest on deposits with banks	9.34	21.83
- Interest on PTC	-	130.36
<b>Total</b>	<b>1,420.26</b>	<b>2,321.69</b>

Note - Revenue from the following customers accounts for their corresponding revenue percentage of the Company's total revenue for the year ended 31 March 2023 and 31 March 2022 respectively :

Particulars	Year ended 31st March 2023 (%)	Year ended 31st March 2022 (%)
Customer A	54%	90%
Customer B	23%	-
Customer C	15%	-

**Note 23 : Fees and commission income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Fees and charges	6,816.93	1,912.79
<b>Total</b>	<b>6,816.93</b>	<b>1,912.79</b>
<b>Geographical Markets</b>		
Within India	6,812.82	-
Outside India	4.11	-
<b>Total</b>	<b>6,816.93</b>	<b>1,912.79</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	6,816.93	1,912.79
Services transferred over time	-	-
<b>Total</b>	<b>6,816.93</b>	<b>1,912.79</b>

Note - Revenue from the following customers accounts for their corresponding revenue percentage of the Company's total revenue for the year ended 31 March 2023 and 31 March 2022 respectively :

Particulars	Year ended 31st March 2023 (%)	Year ended 31st March 2022 (%)
Customer A	31%	-
Customer B	24%	-
Customer C	11%	-
Customer D	-	35%
Customer E	-	17%
Customer F	-	13%

**Note 24 : Net gain on fair value changes**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Net gain on financial instruments at fair value through profit or loss</b>		
- Investments in Mutual Funds	59.00	72.68
- Investments in AIF	353.85	65.88
- Investments in Equity Shares	666.31	6,945.41
- Investments in non-convertible debentures	484.00	150.00
- Investments in CCPS	131.15	-
- Investments in Futures and Options	(169.56)	-
- Investments in PMS	2.27	-
<b>Total</b>	<b>1,527.02</b>	<b>7,233.97</b>
<b>Fair value changes:</b>		
- Realised	1,398.98	7,395.64
- Unrealised	128.04	(161.67)
<b>Total</b>	<b>1,527.02</b>	<b>7,233.97</b>

**Note 25 : Other income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Unwinding of discount on security deposit	6.23	5.29
Miscellaneous income	28.10	8.08
Reimbursement Income	103.57	260.92
Finance Income on Guarantee	75.00	-
<b>Total</b>	<b>212.90</b>	<b>274.29</b>

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 26 : Finance costs**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on lease liability [Refer Note No. 37]	35.54	49.54
Interest on Borrowings	299.76	179.71
Finance Expense on Guarantee	100.96	-
Others	0.30	-
<b>Total</b>	<b>436.56</b>	<b>229.25</b>

**Note 27 : Impairment on financial instruments**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>On financial instruments measured at amortised cost</b>		
- Loans (including amount written off, net of recovery)	(174.47)	61.68
- Trade receivables	3.28	3.61
- Other assets	68.51	-
<b>Total</b>	<b>(102.68)</b>	<b>65.29</b>

**Note 28 : Employee benefits expenses**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages	2,026.14	2,166.29
Contribution to provident and other funds	20.30	13.52
Share Based Payments to employees	2,777.34	291.72
Gratuity [Refer Note No. 34]	15.83	8.34
Staff welfare expenses	19.23	9.68
<b>Total</b>	<b>4,858.84</b>	<b>2,489.55</b>

**Note 29 : Others expenses**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Advertisement, publicity and sales promotion expenses	45.01	5.57
Communication cost	6.20	6.96
Corporate Social Responsibility Expense	19.82	-
Foreign exchange loss	26.86	53.77
Interest on statutory dues	1.53	3.60
IT expenses	65.10	28.87
Legal, professional and consultancy charges	1,456.47	1,158.49
Loss on sale of fixed assets	0.86	0.28
Manpower support services	19.59	13.12
Membership and subscription	20.86	22.71
Miscellaneous expenses	3.97	11.44
Office expenses	59.42	23.07
Payment to auditors	15.30	22.39
Printing and stationary	4.83	3.10
Rates and taxes	22.45	16.64
Recruitment fees	101.33	108.14
Referral Fees	1,200.76	3,080.70
Rent [Refer Note No. 37]	30.45	5.52
Assets Written off	-	-
Travelling and conveyance	224.57	75.84
<b>Total</b>	<b>3,325.38</b>	<b>4,640.21</b>

**\* Payment to the auditors:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Auditor's remuneration		
- Audit fees	12.95	14.11
In other capacity		
- Certification services	0.71	3.69
- Taxation	1.64	4.59
<b>Total</b>	<b>15.30</b>	<b>22.39</b>

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 30 : Current tax****30.1 Amounts recognised in profit and loss**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Current tax expense</b>		
In respect of current period	-	323.36
Earlier years	39.79	-
	<b>39.79</b>	<b>323.36</b>
<b>Deferred tax expense / (income)</b>	<b>(298.45)</b>	<b>727.04</b>
<b>Tax expense for the year</b>	<b>(258.67)</b>	<b>1,050.40</b>

**30.2 Amounts recognised in other comprehensive income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Income tax related to items recognised in Other Comprehensive Income during the year</b>		
Remeasurements of defined benefit plans	4.45	1.12
Net Gain/ (Loss) on instruments through other comprehensive income	-	-
<b>Total Income tax recognised in Other Comprehensive Income</b>	<b>4.45</b>	<b>1.12</b>

**30.3 Reconciliation of effective tax rate**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Profit before tax as per Statement of profit and loss (A)</b>	<b>725.10</b>	<b>4,170.46</b>
<b>Statutory tax rate (B)</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Tax using the Company's domestic tax rate (C = A * B)</b>	<b>182.49</b>	<b>1,049.62</b>
<b>Tax effect of:</b>		
Tax effect of amounts which are not deductible in calculating taxable income	(6.53)	0.91
Loss of Mape on which deferred tax was not created in earlier years	(446.01)	-
Bonus of Mape and Clamant disallowed in computation of last year, claimed allowance in ICFSP	(27.27)	-
Change of rate on the deferred tax created by Mape in earlier years	(0.71)	-
Others	(0.43)	(0.13)
<b>Effective tax expense</b>	<b>(298.46)</b>	<b>1,050.40</b>

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**30.4 Deferred tax**

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2023 are as follows:

Particulars	As at 31st March 2022	Acquired via Merger	Recognised in profit or loss	Recognised in OCI	As at 31st March 2022
<b>Deferred tax assets:</b>					
Brought forward losses	(0.00)	17.90	529.22	-	547.12
Retirement benefit plans	3.33	9.77	0.50	4.45	18.05
Provision for Expenses	-	-	25.92	-	25.92
Impairment loss on Loans	10.03	-	8.96	-	18.99
Restructuring related expenses	13.03	-	4.51	-	17.54
Leases	35.91	-	(7.19)	-	28.72
Difference between written down value of fixed assets as per the books of accounts and income tax	13.64	16.96	-	-	30.60
<b>Total Deferred tax assets (A)</b>	<b>75.94</b>	<b>44.63</b>	<b>561.92</b>	<b>4.45</b>	<b>686.95</b>
<b>Deferred tax liabilities:</b>					
Difference between written down value of fixed assets as per the books of accounts and income tax	-	-	211.64	-	211.64
Fair value of investments measured at FVTPL	(34.84)	-	51.83	-	16.99
EIR impact on financial instruments	0.00	-	-	-	0.00
<b>Total Deferred tax liabilities (B)</b>	<b>(34.84)</b>	<b>-</b>	<b>263.47</b>	<b>-</b>	<b>228.63</b>
<b>Net Deferred tax assets (A-B)</b>	<b>110.78</b>	<b>44.63</b>	<b>298.45</b>	<b>4.45</b>	<b>458.32</b>

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2022 are as follows:

Particulars	As at 31st March 2021	Acquired via Merger	Recognised in profit or loss	Recognised in OCI	As at 31st March 2022
<b>Deferred tax assets:</b>					
Brought forward losses	755.54	-	(755.54)	-	(0.00)
Retirement benefit plans	3.12	-	(0.91)	1.12	3.33
EIR impact on financial instruments	-	-	-	-	-
Impairment loss on Loans	30.93	-	(20.90)	-	10.03
Restructuring related expenses	6.88	-	6.15	-	13.03
Leases	35.74	-	0.17	-	35.91
Difference between written down value of fixed assets as per the books of accounts and income tax	11.96	-	1.68	-	13.64
<b>Total Deferred tax assets (A)</b>	<b>844.17</b>	<b>-</b>	<b>(769.35)</b>	<b>1.12</b>	<b>75.94</b>
<b>Deferred tax liabilities:</b>					
Difference between written down value of fixed assets as per the books of accounts and income tax	-	-	-	-	-
Fair value of investments measured at FVTPL	5.85	-	(40.69)	-	(34.84)
EIR impact on financial instruments	1.62	-	(1.62)	-	0.00
<b>Total Deferred tax liabilities (B)</b>	<b>7.47</b>	<b>-</b>	<b>(42.31)</b>	<b>-</b>	<b>(34.84)</b>
<b>Net Deferred tax assets (A-B)</b>	<b>836.70</b>	<b>-</b>	<b>(727.04)</b>	<b>1.12</b>	<b>110.78</b>

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**Notes to the standalone financial statements for the year ended 31st March 2023**

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**Note 31 : Earning per share (EPS)**

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

**i. Profit attributable to ordinary shareholders:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit attributable to equity holders of the Company used in calculating basic & dilutive earnings per share	983.76	3,120.06

**ii. Weighted average number of ordinary shares**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,13,57,512	98,63,821
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	1,20,89,694	98,63,821
<b>Basic earnings per share</b>	<b>8.66</b>	<b>31.63</b>
<b>Diluted earnings per share</b>	<b>8.14</b>	<b>31.63</b>

**Note 32 : Contingent liabilities and commitments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Investment commitments	2,000.00	-
- Loan commitments	-	9,509.82
<b>Contingent liabilities</b>		
- Corporate Guarantee for Group Company*	10,000.00	-

\* Guarantee of 100% of the Working Capital/Intra Day Overdraft /Bank Guarantee of the Group Company to a maximum amount of INR 10,000 lakhs (31st March 2022: INR NIL) (carrying amounts of the related financial guarantee contracts were INR 25.96 lakhs and INR NIL at 31 March 2023 and 31 March 2022, respectively) (Also Refer Note 17).

**Note 33 : Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, as at March 31, 2023, no dues were outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act till March 31, 2023.

**Note 34 : Employee benefits****34.1 Defined contribution plan**

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

Particulars	As at 31st March 2023	As at 31st March 2022
Provident fund	20.30	13.52

**34.2 Defined benefit Plan - Gratuity**

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

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

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Change in benefit obligations</b>		
Present value of benefit obligation at the beginning of the year	13.27	12.40
Interest cost	2.74	0.75
Current service cost	13.09	7.59
Liability Transferred In/ Acquisitions	35.13	-
Benefit paid directly by the employer	(12.89)	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	(3.27)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(3.44)	1.95
Actuarial (Gains) / Losses on Obligations - Due to Experience	13.65	(6.15)
<b>Liability at the end of the year</b>	<b>61.56</b>	<b>13.27</b>

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**Table Showing change in the fair value of plan assets:**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
(Benefit paid from the fund)	-	-
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

**Amount recognized in the Standalone balance sheet:**

Particulars	As at 31st March 2023	As at 31st March 2022
Present value of benefit obligation	(61.56)	(13.27)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	(61.56)	(13.27)
<b>Net (Liability) Recognized in the Balance Sheet</b>	<b>(61.56)</b>	<b>(13.27)</b>

**Expenses recognized in the Standalone statement of profit and loss**

Particulars	As at 31st March 2023	As at 31st March 2022
Current service cost	13.09	7.59
Net Interest cost	2.74	0.75
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expenses recognised</b>	<b>15.83</b>	<b>8.34</b>

**Expenses recognized in the Other comprehensive income (OCI)**

Particulars	As at 31st March 2023	As at 31st March 2022
Actuarial (Gains) on obligation for the year	10.22	(7.47)
Return on Plan Assets, Excluding Interest Income	-	-
<b>Net (Income) for the year recognized in OCI</b>	<b>10.22</b>	<b>(7.47)</b>

**The actuarial assumptions used to determine benefit obligations as at 31st March 2023 and 31st March 2022 are as follows:**

Particulars	As at 31st March 2023	As at 31st March 2022
Discount Rate	7.29%	5.66%
Salary escalation rate	8.00%	8.00%
Expected Rate of return on Plan Assets	NA	NA
Rate of Employee Turnover	25%	25%
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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

**Standalone balance sheet reconciliation:**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Opening net liability</b>	<b>13.27</b>	<b>12.40</b>
Expenses recognized in Statement of Profit and Loss	15.83	8.34
Expenses recognized in OCI	10.22	(7.47)
Net (Asset) Transfer In	35.13	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(12.89)	-
(Employer's Contribution)	-	-
<b>Net liability recognized in the Standalone balance sheet</b>	<b>61.56</b>	<b>13.27</b>

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**Category of assets:**

Particulars	As at 31st March 2023	As at 31st March 2022
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	-	-

**Other details:**

Particulars	As at 31st March 2023	As at 31st March 2022
Active Members (Absolute number)	37.00	26.00
Per Month Salary For Active Members	49.67	34.19
Weighted Average Duration of the Projected Benefit Obligation	5.00	6.00
Average Expected Future Service	3.00	3.00
Projected Benefit Obligation (PBO)	61.56	13.27
Non Vested Employees	36.68	-
Vested Employees	24.88	-
Prescribed Contribution For Next Year (12 Months)	-	-

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

Particulars	As at 31st March 2023	As at 31st March 2022
Projected benefits payable in future years from the date of reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

**Maturity analysis of the benefit payments: From the employer**

Particulars	As at 31st March 2023	As at 31st March 2022
Projected benefits payable in future years from the date of reporting		
1st following year	10.45	0.09
2nd following year	10.11	1.36
3rd following year	10.37	1.98
4th following year	10.74	2.07
5th following year	8.20	2.48
Sum of years 6 To 10	22.40	6.81
Sum of years 11 and above	8.60	3.20

**Sensitivity analysis:**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Projected benefit obligation on current assumptions</b>	61.56	13.27
Delta effect of +1% change in rate of discounting	(1.92)	(0.62)
Delta effect of -1% change in rate of discounting	2.06	0.68
Delta effect of +1% change in rate of salary increase	2.18	0.66
Delta effect of -1% change in rate of salary increase	(2.12)	(0.62)
Delta effect of +1% change in rate of employee turnover	(0.54)	(0.41)
Delta effect of -1% change in rate of employee turnover	0.55	0.43

**Risk analysis:**

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

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

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

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

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

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**Note 35 : Security issue expenses**

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Legal and professional fees	531.65	3.88
Stamp duty	-	3.11
<b>Total</b>	<b>531.65</b>	<b>6.99</b>

**Note 36 : Business Combination****a. Business Combinations**

The Board of Directors of the Company at their meeting held on 27th September, 2021, had approved the Composite Scheme of Arrangement (the 'Scheme') with Clamant Tech Services Private Limited, MAPE Advisory Group Private Limited, InCred Wealth Private Limited and InCred Wealth & Investment Services Private Limited and the same was filed with various regulatory authorities and National Company Law Tribunal (NCLT).

The NCLT passed the final order dated 26th April, 2022. The Scheme was made effective by of the Company, Clamant Tech Services Private Limited, MAPE Advisory Group Private Limited, InCred Wealth Private Limited and InCred Wealth & Investment Services Private Limited on 30th June 2022 and the relevant filing were done with the Registrar of Companies, Mumbai on 30th June 2022.

The Appointed date of the Scheme is 1st April, 2022, and accordingly the books of account and financial statements effecting the Scheme have been prepared with effect from 1st April, 2022.

Under the Scheme, the identified advisory business of MAPE Advisory Group Private Limited shall be demerged with InCred Capital Financial Services Private Limited and Clamant Tech Services Private Limited shall be amalgamated with InCred Capital Financial Services Private Limited. Further, the Wealth (Distribution of third party products) business of InCred Wealth Private Limited shall be demerged with InCred Wealth & Investment Services Private Limited, for which the company shall issue shares to the shareholders of InCred Wealth Private Limited as Purchase Consideration. Further, with the discharge of purchase consideration for demergers and amalgamation, shareholders of the company will hold majority shareholding of the company.

Accordingly, the business combination has been treated as per Ind AS 103 and the company has been identified as the accounting acquirer and Clamant Tech Services Private Limited & MAPE Advisory Group Private Limited ("acquiree") being the accounting acquiree.

As per Ind AS 103, these standalone financial statements issued under the name of the company represent the continuation of the financial positions of acquiree except for share capital which is currently presented as per legal share capital of the company. Accordingly the assets, liabilities and reserves of acquiree have been continued at their pre-business combination carrying values and measured the fair value of identified assets and liabilities as per requirements of Ind AS 103. The earnings per share figures presented in respect of comparative periods are those of the company and are accordingly not comparable with the current period figures.

The accounting impact of the aforesaid Scheme in the books of the company has been summarily presented as follows:

**(i). Goodwill/bargain purchase on business combinations (Clamant Tech Services Private Limited)**

Particulars	Amount
(A) Net Assets and liabilities (Net Assets including Identifiable Intangible Assets) recorded at fair value pursuant to amalgamation	2,389.80
(B) Purchase consideration (Fair value of shares)	3,207.91
<b>Goodwill (A-B)</b>	<b>818.10</b>

**(ii). Goodwill/bargain purchase on business combinations (MAPE Advisory Group Private Limited)**

Particulars	Amount
(A) Net Assets and liabilities (Net Assets including Identifiable Intangible Assets) recorded at fair value pursuant to demerger	2,998.03
(B) Purchase consideration (Fair value of shares)	3,543.76
<b>Goodwill (A-B)</b>	<b>545.73</b>

As per the terms of the Scheme, the shareholders of Clamant Tech Services Private Limited shall receive equity shares as a consideration for amalgamation. Further, shareholders of MAPE Advisory Group Private Limited shall receive either equity shares or Class B Optionally Convertible Redeemable Preference Shares and Class A Optionally Convertible Redeemable Preference Shares, and shareholders of InCred Wealth Private Limited shall receive equity shares of InCred Capital Financial Services Private Limited, as a consideration for demerger of identified advisory and wealth business respectively, whose equity conversion terms would determine the purchase consideration described above.

b. As per the scheme of merger loan taken from the Company by InCred Wealth Private Limited (subsequently transferred to InCred Wealth & Investment Services Private Limited vide sheme of merger) had been converted into equity for an aggregate amount of Rs. 20,011.24 lakhs. Pursuant to the approval, the Company was allotted 36,90,477 equity shares of the InCred Wealth & Investment Services Private Limited.

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**Note 37 : Leases****Accounting policy: The Company as a Lessee**

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

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

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

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

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

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

**ROU Assets**

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

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

The changes in the carrying value of the ROU asset are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	246.98	310.98
Addition during the year	30.59	36.64
Deletion during the period	-	-
Depreciation for the year	(100.13)	(100.64)
<b>Balance as at the end of the year</b>	<b>177.44</b>	<b>246.98</b>

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

**Lease liability**

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

The changes in the carrying value of the lease liability are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning of the year	389.65	452.98
Addition during the year	30.59	38.00
Finance cost accrued during the year	35.54	49.54
Prior period Adjustments	-	(6.47)
Deletions	-	-
Payment of lease liabilities made during the year	(164.23)	(144.40)
<b>Balance as at the end of the year</b>	<b>291.55</b>	<b>389.65</b>

The break-up of current and non-current lease liabilities as at 31st March 2023 is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Current lease liabilities	162.09	120.88
Non-current lease liabilities	129.45	268.77
<b>Total</b>	<b>291.54</b>	<b>389.65</b>

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The table below provides details regarding the contractual maturities of lease liabilities as of 31st March 2023 on an undiscounted basis:

Particulars	As at	As at
	31st March 2023	31st March 2022
Less than one year	183.08	154.04
Between one and five years	133.89	291.69
More than five years	-	-
<b>Total</b>	<b>316.97</b>	<b>445.73</b>

**Expenses recognized in the Standalone statement of profit & loss:**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Depreciation expense on RoU Asset [Refer Note No. 10]	100.13	100.64
Interest expense on lease liability [Refer Note No. 26]	35.54	49.54
Expense relating to short-term leases and low value leases [Refer Note No. 29]	17.92	5.57
<b>Total</b>	<b>153.59</b>	<b>155.75</b>

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

**Short-term leases**

Rental expenses recorded for short-term leases and low value leases was INR. 17.92 lakhs for the year ended 31st March 2023 and INR. 5.52 lakhs for the year ended 31st March 2022.

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**Note 38 : Employee Stock Option Plan****Description of share-based payment arrangements****Share option plans (equity-settled)**

The Company has Employee Incentive Plan under which options have been granted to eligible employees to be vested from time to time. The Company has established share option plans that entitle the employees of the Company to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options. The key terms and conditions related to the vesting of grants under these plans are continued employment with the company from the date of grant of option till the date of vesting; all options are to be settled by the delivery of shares.

**A. Measurement of fair values****Equity-settled share-based payment arrangements**

The fair value of the employee share options has been measured using Black-Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

**The model inputs for options granted during**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Grant date	1st April 2022 1st July 2022 1st October 2022 1st January 2023	1st October 2021
Option Price Model	Black Scholes Model	Black Scholes Model
Fair value of ESOP on Grant date	INR 522.04 - INR 1298.43	INR 443.06 - INR 609.03
Share price as on grant date	INR. 1525.75	INR. 872.45
Exercise price	INR. 367.30 and INR.1 568	INR. 367.30 and INR.551.02
Expected volatility (weighted average volatility)	40%	40%
Expected time to exercise shares	2 years from vesting	2 years from vesting
Risk- free interest rate (based on government bonds)	5.71% to 7.59%	5.01% to 6.31%
Dividend yield	0.00%	0.00%
Weighted Average Fair Value of ESOP on Grant date	INR 1126.02	INR 487.72
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same industry.	The expected volatility is based on price volatility of listed companies in same industry.

**B. Reconciliation of outstanding share options**

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

Particulars	Weighted Average exercise price per option	Number of options	
		As at March 31, 2023	As at March 31, 2022
Opening balance	INR 533.53	2,41,697	-
Add: Options granted during the year	INR 563.97	3,79,166	2,41,697
Less: Options forfeited during the year	INR 367.30	(1,089)	-
Less: Options exercised during the year	N.A.	(9,076)	-
Less: Options lapsed during the year	-	-	-
<b>Options outstanding as at the year end</b>	<b>INR 555.20</b>	<b>6,10,698</b>	<b>2,41,697</b>
Option exercisable of the above	INR 543.46	91,564	-
Weighted average remaining contractual life of options outstanding at end of the year	-	8.98	9.51

**C. Expenses arising from share-based payment transactions**

Refer Note 28 on employee benefit expense, for share based payment expense charged to Statement of Profit and Loss.



**Note 39 : Financial instruments**

**39.1 Financial instruments by category**

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

As at 31st March 2023	Carrying Amount					Level of Fair value measurement			Total
	Amortised cost	At fair value through P&L	Total	Level 1 - Quoted price in active markets	Level 2- Significant Observable inputs	Level 3 - Significant Unobservable inputs	Unobservable inputs	Total	
<b>Financial assets</b>									
Cash and cash equivalents	759.31	-	759.31	759.31	-	-	-	759.31	
Derivative financial instruments	-	811.31	811.31	811.31	-	-	-	811.31	
Trade receivables	1,356.04	-	1,356.04	-	-	-	1,356.04	1,356.04	
Loans	-	-	-	-	-	-	-	-	
Investments	-	9,604.49	9,604.49	5,182.66	4,411.83	10.00	-	9,604.49	
Investments in subsidiaries and associates	49,932.01	-	49,932.01	-	-	-	49,932.01	49,932.01	
Other financial assets	1,203.70	-	1,203.70	-	-	-	1,203.70	1,203.70	
<b>Total Financial assets</b>	<b>53,251.06</b>	<b>10,415.80</b>	<b>63,666.86</b>	<b>6,753.28</b>	<b>4,411.83</b>	<b>52,501.75</b>	<b>63,666.86</b>	<b>63,666.86</b>	
<b>Financial liabilities</b>									
Derivative financial instruments	-	5,191.38	5,191.38	-	-	-	5,191.38	5,191.38	
Debt Securities	3,908.31	-	3,908.31	-	-	-	3,908.31	3,908.31	
Trade payables	406.32	-	406.32	-	-	-	406.32	406.32	
Deposits	13.00	-	13.00	-	-	-	13.00	13.00	
Other financial liabilities	632.83	-	632.83	-	-	-	632.83	632.83	
<b>Total Financial liabilities</b>	<b>4,960.46</b>	<b>5,191.38</b>	<b>10,151.84</b>	<b>-</b>	<b>-</b>	<b>10,151.84</b>	<b>10,151.84</b>	<b>10,151.84</b>	
<b>As at 31st March 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	3,983.80	-	3,983.80	3,983.80	-	-	-	3,983.80	
Trade receivables	1,426.42	-	1,426.42	-	-	-	1,426.42	1,426.42	
Loans	26,817.87	-	26,817.87	-	-	-	26,817.87	26,817.87	
Investments	-	2,826.92	2,826.92	2,826.92	-	-	-	2,826.92	
Investments in subsidiaries	2,972.00	-	2,972.00	-	-	-	2,972.00	2,972.00	
Other financial assets	61.38	-	61.38	-	-	-	61.38	61.38	
<b>Total Financial assets</b>	<b>35,261.47</b>	<b>2,826.92</b>	<b>38,088.39</b>	<b>6,810.72</b>	<b>-</b>	<b>31,277.67</b>	<b>38,088.39</b>	<b>38,088.39</b>	
<b>Financial liabilities</b>									
Trade payables	2,294.06	-	2,294.06	-	-	-	2,294.06	2,294.06	
Deposits	15.44	-	15.44	-	-	-	15.44	15.44	
Other financial liabilities	917.70	-	917.70	-	-	-	917.70	917.70	
<b>Total Financial liabilities</b>	<b>3,227.20</b>	<b>-</b>	<b>3,227.20</b>	<b>-</b>	<b>-</b>	<b>3,227.20</b>	<b>3,227.20</b>	<b>3,227.20</b>	

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

**39.2 Fair value hierarchy**

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

- (i) Level 1 :- Category includes valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.
- (ii) Level 2:- Valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- (iii) Level 3:- Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

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

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

There have been no transfers between Level 1 , Level 2 and Level 3 for the year ended 31 st March 2023 & 31 st March 2022.

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**Note 40 : Capital management**

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

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

Refer Note No. 44b for further details.

**Note 41 : Financial risk management objectives and policies**

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

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

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

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

**(a) Market risk:**

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

**Interest rate risk**

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

**Exposure to interest rate risk**

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

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Loans</b>		
Fixed rate loans	-	26,817.87
Bank Balance other than cash & cash equivalents	-	-
Fixed rate investments in PTCs	-	-
<b>Borrowings</b>		
Fixed rate borrowings	-	-
<b>Net exposure</b>	<b>-</b>	<b>26,817.87</b>

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Other price risk**

The Company is exposed to price risk arising from investment in AIF / mutual funds and classified in the standalone balance sheet at fair value through profit & loss. If the NAV of the AIF / mutual fund had been higher / lower by 1% from market price existing as at 31st March 2023, profit or loss (pre-tax) for the year ended 31st March 2023 would increase / decrease by INR. 16.88 Lakhs (For the year ended 31st March 2022: INR 5.77 Lakhs) with a corresponding increase / decrease in the total equity of the Company.

The Company is currently is not exposed to any equity price risk arising from equity investments classified in the standalone balance sheet at fair value through other comprehensive income since the amount outstanding as at 31st March 2023 is Nil (For the year ended 31st March 2022: Nil).

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**(b) Credit risk:**

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

**Credit risk management**

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

The key factors considered include:

**Borrower Analysis**

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

**Industry Analysis**

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

**Character and quality of management and / or equity sponsors**

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

**Measurement of Expected Credit Losses ('ECL')**

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

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

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

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

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

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

**Write-offs**

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

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

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**As at 31st March 2023**

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (St	Loans	-	-	-
Loss allowance measured at 12 month expected credit losses (St	Loan	-	-	-
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Commitments	-	-	-
Loss allowance measured at 12 month ECL - Trade receivable	Loans	-	-	-
	Trade Receivable	1,362.95	(6.91)	1,356.04
<b>Total</b>		<b>1,362.95</b>	<b>(6.91)</b>	<b>1,356.04</b>

**As at 31st March 2022**

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (St	Loans	27,000.42	(135.00)	26,865.42
Loss allowance measured at 12 month expected credit losses (St	Loan	9,509.82	(47.55)	9,462.27
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Commitments	-	-	-
Loss allowance measured at 12 month ECL - Trade receivable	Loans	-	-	-
	Trade Receivable	1,430.05	(3.63)	1,426.43
<b>Total</b>		<b>37,940.29</b>	<b>(186.18)</b>	<b>37,754.11</b>

**Maximum exposure to credit risk**

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

Particulars	Gross Exposure	
	31st March 2023	31st March 2022
Cash and cash equivalents	759.31	3,983.80
Trade receivables	1,362.95	1,426.42
Loans and advances to customers	-	27,000.42
Investments in PTCs, AIF, & Equity	9,604.49	2,826.92
Investments in subsidiaries and associates	49,932.01	2,972.00
Derivative assets	811.31	-
Other financial assets	1,203.70	61.38
<b>Total credit risk exposure</b>	<b>63,673.77</b>	<b>38,270.94</b>

**Value of security of credit impaired assets**

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

Particulars	As at 31st March 2023	As at 31st March 2022
Value of security	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**Reconciliation of ECL balance**

<b>(a) Loans</b>			
<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
<b>ECL allowance as on 31st March 2021</b>	<b>105.37</b>	-	-
New Assets Originated or Purchased	53.65	-	-
Changes in loss allowances due to Assets used or released	(24.48)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2022</b>	<b>134.54</b>	-	-
New Assets Originated or Purchased	-	-	-
Changes in loss allowances due to Assets used or released	(134.54)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>(b) Loan commitments</b>			
<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
<b>ECL allowance as on 31st March 2021</b>	<b>17.50</b>	-	-
New Assets Originated or Purchased	47.55	-	-
Changes in loss allowances due to Assets used or released	(17.50)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2022</b>	<b>47.55</b>	-	-
New Assets Originated or Purchased	-	-	-
Changes in loss allowances due to Assets used or released	(47.55)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>(c) Trade Receivable</b>	
<b>Particulars</b>	<b>As at 31st March 2023</b>
<b>ECL allowance as on 31st March 2021</b>	<b>0.01</b>
New Assets Originated or Purchased	(3.61)
<b>ECL allowance as on 31st March 2022</b>	<b>(3.63)</b>
New Assets Originated or Purchased	(3.28)
<b>ECL allowance as on 31st March 2023</b>	<b>(6.91)</b>

**Concentration of Risk**

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

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**(c) Liquidity Risk**

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

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

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

**As at 31st March 2023:-**

Particulars	Note No.	Carrying amount	Gross nominal inflow/(outflow)	Contractual cash flows				
				Less than 1 year	1-3 years	3-5 years	After 5 years	
<b>Maturities of financial liabilities:</b>								
Derivative financial instruments	4	5,191.38	(5,191.38)	-	-	5,191.38	-	-
Debt securities	15	3,908.31	(3,908.31)	-	-	3,908.31	-	-
Trade payables	14	406.32	(406.32)	406.32	-	-	-	-
Deposits	16	13.00	(13.00)	-	13.00	-	-	-
Other financial liabilities	17	632.83	(632.30)	498.41	133.89	-	-	-
Capital Commitments	30	(2,000.00)	(2,000.00)	2,000.00	-	-	-	-
<b>Total</b>		<b>8,151.84</b>	<b>(12,151.31)</b>	<b>2,904.73</b>	<b>146.89</b>	<b>9,099.69</b>	<b>-</b>	<b>-</b>

**As at 31st March 2022:-**

Particulars	Note No.	Carrying amount	Gross nominal inflow/(outflow)	Contractual cash flows				
				Less than 1 year	1-3 years	3-5 years	After 5 years	
<b>Maturities of financial liabilities:</b>								
Trade payables	14	2,294.06	(2,294.06)	2,294.06	-	-	-	-
Deposits	16	15.44	(15.44)	-	15.44	-	-	-
Other financial liabilities	17	917.70	(973.79)	682.10	291.69	-	-	-
Loan commitments	30	9,509.82	(9,509.82)	9,509.82	-	-	-	-
<b>Total</b>		<b>12,737.02</b>	<b>(12,793.11)</b>	<b>12,485.98</b>	<b>307.13</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**As at 31st March 2023:-**

Particulars	Note No.	Carrying amount	Gross nominal inflow/(outflow)	Contractual cash flows				
				Less than 1 year	1-3 years	3-5 years	After 5 years	
<b>Maturities of financial assets:</b>								
Cash and cash equivalents	3	759.31	759.31	759.31	-	-	-	-
Derivative financial instrument	4	811.31	811.31	-	-	811.31	-	-
Trade receivables	5	1,356.04	1,356.04	1,356.04	-	-	-	-
Loans	6	-	-	-	-	-	-	-
Investments	7	59,536.50	59,536.51	3,286.82	1,220.16	5,097.52	49,932.01	-
Other financial assets	8	1,203.70	1,203.70	1,118.31	85.39	-	-	-
<b>Total</b>		<b>63,666.86</b>	<b>63,666.86</b>	<b>6,520.48</b>	<b>1,305.55</b>	<b>5,908.83</b>	<b>49,932.01</b>	

**As at 31st March 2022:-**

Particulars	Note No.	Carrying amount	Gross nominal inflow/(outflow)	Contractual cash flows				
				Less than 1 year	1-3 years	3-5 years	After 5 years	
<b>Maturities of financial assets:</b>								
Cash and cash equivalents	3	3,983.80	3,983.80	3,983.80	-	-	-	-
Trade receivables	5	1,426.42	1,426.42	1,426.42	-	-	-	-
Loans	6	26,817.87	29,621.94	17,184.92	12,437.02	-	-	-
Investments	7	5,798.92	5,798.92	2,250.26	-	576.66	2,972.00	-
Other financial assets	8	61.38	61.38	1.64	59.74	-	-	-
<b>Total</b>		<b>38,088.39</b>	<b>40,892.46</b>	<b>24,847.04</b>	<b>12,496.76</b>	<b>576.66</b>	<b>2,972.00</b>	



**Note 42 : Related party disclosures**

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

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

Nature of Relationship	Name of the party
Key managerial personnel ("KMP") and Relatives	<ul style="list-style-type: none"> <li>a. Bhupinder Singh, Director</li> <li>b. Venkatesh Vishwanathan, Director</li> <li>c. Saurabh Jhalaria , Director</li> <li>d. Vivek Bansal, Director</li> <li>e. Siddharth Parekh, Director</li> <li>f. Deepak Dhingra, CFO (upto 7th September 2022)</li> <li>g. Varun Shah, Company Secretary (upto 24th April 2023)</li> <li>h. Mitesh Kamariya, Company Secretary (w.e.f 25th April 2023)</li> <li>i. Nisha Singh, Relative of Director</li> <li>j. Manisha Bansal, Relative of Director</li> <li>k. Godhuli Vishwanathan, Relative of Director</li> </ul>
Enterprise over which KMP is able to exercise significant influence	<ul style="list-style-type: none"> <li>a. InCred Prime Finance Limited (formerly known as InCred Financial Services Limited )</li> <li>b. InCred Housing Finance Private Limited</li> <li>c. InCred Management and Technology Private Limited</li> <li>d. InCred Wealth Private Limited</li> <li>e. Booth Fintech Private Limited</li> <li>f. mValu Technology Services Private Limited</li> <li>g. Incred Research Services Private Limited</li> <li>h. InCred Capital Wealth Portfolio Managers Private Limited</li> <li>i. Incred Global Wealth Limited</li> <li>j. Incred Global Wealth Pte. Ltd.</li> <li>k. Mountain Trail Foods Private Limited</li> <li>l. MV Capital Partners</li> <li>m. InCred Employee Welfare Trust</li> <li>n. Clamant Tech Services Private Limited ( upto 31st March 2022)</li> <li>n. InCred Holding Limited</li> </ul>
Subsidiaries	<ul style="list-style-type: none"> <li>a. InCred Asset Management Private Limited</li> <li>b. InCred Wealth and Investment Services Private Limited</li> <li>c. Incred Alternative Investments Private Limited (w.e.f 28th March 2022)</li> </ul>
Associate	Alpha Fintech Private Limited



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Transactions	KMP		Enterprises over which KMP are able to exercise significant influence				Subsidiaries and Associates		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	
<b>Purchase of Investments:</b>										
InCred Wealth Private Limited	-	-	-	5,276.72	-	-	-	-	5,276.72	
InCred Wealth and Investment Services Private Limited	-	-	-	-	5,816.38	-	-	-	5,816.38	
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited)	-	-	-	-	-	-	-	-	-	
Mountain Trail Foods Private Limited	-	-	-	3,000.04	-	-	-	-	3,000.04	
	-	-	-	<b>8,276.76</b>	<b>5,816.38</b>	-	-	-	<b>8,276.76</b>	
<b>Sale of Investments:</b>										
Varun Shah	-	2.64	-	-	-	-	-	-	2.64	
Bhupinder Singh	-	200.22	-	-	-	-	-	-	200.22	
Saurabh Jhalaria	75.19	-	-	-	-	-	-	-	75.19	
Manisha Bansal	-	-	325.06	-	-	-	-	-	325.06	
InCred Wealth and Investment Services Private Limited	-	-	-	-	1,339.75	-	-	-	1,339.75	
InCred Wealth Private Limited	-	-	-	-	-	8,884.15	-	-	8,884.15	
	<b>75.19</b>	<b>202.86</b>	<b>325.06</b>	-	<b>1,339.75</b>	<b>8,884.15</b>	-	-	<b>9,087.01</b>	
<b>Remuneration paid to KMPs</b>	<b>711.89</b>	<b>531.98</b>	-	-	-	-	-	-	<b>711.89</b>	
	<b>711.89</b>	<b>531.98</b>	-	-	-	-	-	-	<b>711.89</b>	
<b>Interest on Loan and Advances:</b>										
InCred Wealth Private Limited	-	-	-	756.24	-	1,951.95	-	-	1,951.95	
InCred Asset Management Private Limited	-	-	-	-	71.43	-	37.59	-	37.59	
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited)	-	-	-	3.72	-	100.89	-	-	100.89	
Clamant Tech Services Private Limited	-	-	-	-	-	0.52	-	-	0.52	
InCred Research Services Private Limited	-	-	-	-	-	11.45	-	-	11.45	
Booth Fintech Private Limited	-	-	-	-	-	3.66	-	-	3.66	
InCred Management and Technology Private Limited	-	-	-	-	-	14.65	-	-	14.65	
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	207.05	-	21.69	-	-	207.05	
InCred Alternative Investment Private Limited	-	-	-	-	-	-	28.07	-	28.07	
InCred Wealth and Investment Private Limited	-	-	-	-	-	-	322.13	-	322.13	
	-	-	-	<b>967.01</b>	<b>2,104.81</b>	<b>2,142.40</b>	<b>37.59</b>	<b>1,388.64</b>	<b>2,142.40</b>	
<b>Branding Expenses</b>										
InCred Management and Technology Private Limited	-	-	-	2.18	-	-	-	-	2.18	
	-	-	-	<b>2.18</b>	-	-	-	-	<b>2.18</b>	
<b>Revenue from Operations</b>										
mValu Technology Services Private Limited	-	-	-	-	-	250.00	-	-	250.00	
	-	-	-	-	-	<b>250.00</b>	-	-	<b>250.00</b>	
<b>Referral Expenses</b>										
InCred Wealth Private Limited	-	-	-	369.42	-	2,223.87	-	-	369.42	
InCred Global Wealth Limited	-	-	-	95.17	-	633.44	-	-	95.17	
InCred Global Wealth Pre- Ltd.	-	-	-	162.23	-	288.58	-	-	162.23	
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	66.21	-	-	-	-	66.21	
	-	-	-	<b>693.03</b>	-	<b>3,145.89</b>	-	-	<b>693.03</b>	
	-	-	-	-	-	-	-	-	<b>3,145.89</b>	

**InCred Capital Financial Services Private Limited**  
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**Notes to the standalone financial statements for the year ended 31st March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

	KMP		Relatives of KMP		Enterprise over which KMP are able to exercise significant influence				Subsidiaries and Associates		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Transactions</b>												
<b>Depository Charges</b>												
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	-	1.23	1.95	1.23	1.95	-	-	1.23	1.95
	-	-	-	-	1.23	1.95	1.23	1.95	-	-	1.23	1.95
<b>Legal and Professional Expenses</b>												
Manisha Bansal	-	-	49.05	-	-	-	-	-	-	-	49.05	-
	-	-	49.05	-	-	-	-	-	-	-	49.05	-
<b>Sale of Fixed Asset</b>												
InCred Holdings Limited	-	-	-	-	0.50	-	-	-	-	-	0.50	-
	-	-	-	-	0.50	-	-	-	-	-	0.50	-
<b>Profit on sale Fixed Asset</b>												
InCred Holdings Limited	-	-	-	-	0.09	-	-	-	-	-	0.09	-
	-	-	-	-	0.09	-	-	-	-	-	0.09	-
<b>Expenses Reimbursement :</b>												
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited )	-	-	-	-	9.64	436.90	-	-	-	-	9.64	436.90
InCred Research Services Private Limited	-	-	-	-	-	0.07	-	-	-	-	-	0.07
InCred Wealth Private Limited	-	-	-	-	-	3.73	-	-	-	-	-	3.73
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	-	0.69	2.40	-	-	-	-	0.69	2.40
InCred Wealth and Investment Services Private Limited	-	-	-	-	-	-	0.75	-	-	-	-	0.75
	-	-	-	-	10.33	443.10	0.75	-	-	-	11.08	443.10
<b>Business Support Services</b>												
InCred Asset Management Private Limited	-	-	-	-	-	-	6.52	52.57	-	-	6.52	52.57
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited )	-	-	-	-	-	69.03	-	-	-	-	-	69.03
InCred Wealth Private Limited	-	-	-	-	-	74.73	-	-	-	-	-	74.73
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	-	5.01	39.28	-	-	-	-	5.01	39.28
InCred Research Services Private Limited	-	-	-	-	6.38	24.48	-	-	-	-	6.38	24.48
InCred Wealth and Investment Services Private Limited	-	-	-	-	-	-	12.89	-	-	-	12.89	-
InCred Alternative Investments Private Limited	-	-	-	-	11.39	207.52	82.76	52.57	-	-	94.15	260.09
	-	-	-	-	1.12	4.19	-	-	-	-	1.12	4.19
<b>Stamp duty on Sale of shares</b>												
InCred Capital Wealth Portfolio Managers Private Limited	-	-	-	-	1.12	4.19	-	-	-	-	1.12	4.19
	-	-	-	-	1.12	4.19	-	-	-	-	1.12	4.19
<b>Issue of equity shares upon scheme of Merger:</b>												
Bhupinder Singh	8.52	-	-	-	-	-	-	-	-	-	8.52	-
Saurabh Jhalaria	19.05	-	-	-	-	-	-	-	-	-	19.05	-
Nisha Singh	-	-	0.00	-	-	-	-	-	-	-	0.00	-
Godhuli Vishwanathan	-	-	32.65	-	-	-	-	-	-	-	32.65	-
MV Capital Partners (Through its partners Mr. Vivek Bansal and Manisha Bansal)	-	-	-	-	10.89	-	-	-	-	-	10.89	-
	27.57	-	32.65	-	10.89	-	-	-	-	-	71.11	-



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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

	KMP		Enterprise over which KMP are able to exercise significant influence				Subsidiaries and Associates		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	
<b>Closing balance</b>										
<b>Loans</b>										
InCred Wealth Private Limited	-	-	-	-	-	24,998.18	-	-	24,998.18	
InCred Asset Management Private Limited	-	-	-	-	-	-	1,496.00	-	1,496.00	
Clamant Tech Services Private Limited	-	-	-	-	-	31.60	-	-	31.60	
InCred Alternative Investment Private Limited	-	-	-	-	-	-	1.00	-	1.00	
	-	-	-	-	-	<b>25,029.78</b>	<b>1,497.00</b>	-	<b>26,526.78</b>	
<b>Interest receivable/payable on Loan and Advances</b>										
InCred Wealth Private Limited	-	-	-	-	-	-136.94	-	-	(136.94)	
InCred Asset Management Private Limited	-	-	-	-	-	-	4.27	-	4.27	
Clamant Tech Services Private Limited	-	-	-	-	-	0.18	-	-	0.18	
InCred Alternative Investment Private Limited	-	-	-	-	-	-	0.00	-	0.00	
	-	-	-	-	-	<b>-136.76</b>	<b>4.27</b>	-	<b>-132.49</b>	
<b>Investment in Subsidiary and Associates:</b>										
InCred Asset Management Private Limited	-	-	-	-	-	-	4,900.00	2,900.00	4,900.00	
InCred Wealth and Investment Services Pvt Ltd	-	-	-	-	-	-	42,300.85	71.00	42,300.85	
InCred Alternative Investment Private Limited	-	-	-	-	-	-	1,511.00	1.00	1,511.00	
Alpha Fintech Private Limited	-	-	-	-	-	-	1,220.16	-	1,220.16	
	-	-	-	-	-	-	<b>49,932.02</b>	<b>2,972.00</b>	<b>49,932.02</b>	
<b>Investment in Market Linked Debentures of Subsidiary:</b>										
InCred Wealth and Investment Services Pvt Ltd	-	-	-	-	-	-	10.00	-	10.00	
	-	-	-	-	-	-	<b>10.00</b>	-	<b>10.00</b>	

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**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 44 : RBI Disclosures****a. Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934**

In terms of Section 45-IC of the RBI Act, NBFCs are required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year. For the year ended 31st March 2023, the company has transferred to Statutory Reserve fund INR. 204.58 lakhs (31st March 2022: INR. 624.00).

**a. Capital to Risk weighted asset ratio ('CRAR')**

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

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

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

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

'Tier - II capital' includes the following:

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

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

**Calculation of Capital to Risk weighted asset ratio:**

Particulars	As at 31st March 2023	As at 31st March 2022
CRAR (%) [Total capital/Risk weighted assets]	42.44%	203.99%
CRAR - Tier - I Capital (%) [Tier - I Capital/Risk Weighted assets]	34.65%	200.76%
CRAR - Tier - II Capital (%) [Tier - II Capital/Risk Weighted assets]	7.79%	3.23%
Amounts of subordinated debts raised as Tier - II Capital	-	-
Amounts raised by issue of Perpetual debt instruments	-	-

**Tier-I Capital:**

Particulars	As at 31st March 2023	As at 31st March 2022
Owned funds*	52,735.14	38,900.37
<u>Less:</u>		
Investments in shares of other NBFCs	-	-
Investments and Loans and Advances in subsidiaries and companies in the same group (to the extent in exceeds 10% of the owned funds)	44,668.50	27,312.85
<b>Tier - I Capital</b>	<b>8,066.64</b>	<b>11,587.52</b>

**\* Owned funds:-**

Particulars	As at 31st March 2023	As at 31st March 2022
Paid-up equity share capital	1,275.74	989.98
Compulsorily convertible preference shares	-	-
Free reserves	2,723.79	988.83
Balance in Securities premium account	54,952.19	36,364.36
Special reserves (under Section 45-IC of the RBI Act, 1934)	915.81	719.06
<u>Less:</u>		
Accumulated loss balance	-	-
Book value of intangible assets	6,562.24	0.43
Deferred revenue expenditure	44.30	50.66
Deferred tax assets	458.32	110.78
<u>Less:</u>		
Unrealized gains on fair valuation of investments	67.53	-
<b>Owned funds</b>	<b>52,735.14</b>	<b>38,900.37</b>



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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Tier-II Capital:**

Particulars	As at 31st March 2023	As at 31st March 2022
Preference shares other than those which are compulsorily convertible (including securities premium)	1,807.99	-
Revaluation reserve at discounted rate of 50%	-	-
General provisions (including that for Standard assets)	6.91	186.18
Less: Lifetime ECL Provision	-	-
<b>Tier-II Capital</b>	<b>1,814.90</b>	<b>186.18</b>
<b>Total Capital (Tier - I + Tier - II Capital)</b>	<b>9,881.54</b>	<b>11,773.70</b>

**Risk Weighted Assets:**

Risk weighted assets has been calculated as the weighted aggregate of the items as specified under the "Master - Directions - Non Banking Financial Company - Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016":

Assets	Risk weights	Balance outstanding 31st March 2023	Risk weighted assets 31st March 2023	Balance outstanding 31st March 2022	Risk weighted assets 31st March 22
Cash and bank balance (including fixed deposits and certificate of deposits with banks)	0%	759.31	-	3,983.80	-
<b>Investments:</b>					
- Units of all mutual funds	100%	-	-	-	-
Less: Unreal. FV Gains	100%	-	-	-	-
- Units of all AIF & PMS	100%	5,097.52	5,097.52	576.66	576.66
Less: Unreal. FV Gains	100%	(182.49)	(182.49)	161.67	161.67
- Units of all PTCs	100%	-	-	-	-
- Subsidiaries	0%	49,932.01	-	2,972.00	-
- Units of all Equity shares	100%	1,539.11	1,539.11	2,250.26	2,250.26
Less: Unreal. FV Gains	100%	(58.21)	(58.21)	-	-
- Units of all CCPS	100%	-	-	-	-
Less: Unreal. FV Gains	100%	-	-	-	-
- Units of all MLD/NCDS	100%	2,967.86	2,967.86	-	-
Intercompany Investments	100%	(10.00)	(10.00)	-	-
Less: Unreal. FV Gains	100%	77.10	77.10	-	-
- Units of all Options	100%	811.31	811.31	-	-
Less: Unreal. FV Gains	100%	96.07	96.07	-	-
Loans & advances	0%	-	-	27,000.42	606.12
Less: Lifetime ECL	100%	-	-	-	-
Other Financial Assets	100%	2,566.64	2,566.64	1,491.43	1,491.43
Fixed assets (excluding intangibles)	100%	340.78	340.78	435.80	435.80
Intangible assets	0%	6,562.24	-	0.43	-
Current tax assets (net)	0%	892.03	-	388.50	-
MAT Credit	100%	-	-	-	-
Other Non Financial Assets (excluding prepaid expenses, income tax receivable, interest accrued on fixed deposits and MAT credit)	100%	37.24	37.24	249.78	249.78
Prepaid expenditure	0%	44.30	-	50.66	-
Advance for expenses	0%	-	-	3,299.35	-
Deferred tax assets	0%	458.32	-	110.78	-
Corporate Guarantee	100%	10,000.00	10,000.00	-	-
<b>Risk weighted assets</b>		<b>81,931.16</b>	<b>23,282.94</b>	<b>42,971.54</b>	<b>5,771.71</b>

**c. Frauds reported during the year**

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

**d. Investments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(1) Value of investments</b>		
(i) Gross value of investments		
(a) In India	59,536.50	5,798.92
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	59,536.50	5,798.92
(b) Outside India	-	-
<b>(2) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/(write-back )of excess provisions during the year	-	-
(iv) Closing balance	-	-

**e. Derivatives**

Particulars	As at 31st March 2023	As at 31st March 2022
Transactions/exposure in derivative during the year	811.31	Nil
Unhedged foreign currency exposure as at the year end	Nil	Nil

**f. Disclosures relating to securitization**

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

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

The Company has not purchased/sold non-performing assets during the year ended 31st March 2023 and 31st March 2022.

**Details of Assignment transactions undertaken by NBFCs :-**

Particulars	As at 31st March 2023	As at 31st March 2022
- No. of accounts	-	-
- Aggregate value (net of provisions) of the accounts sold	-	-
- Aggregate consideration	-	-
- Additional consideration realised in respect of accounts transferred in earlier years	-	-
- Aggregate gain/loss over net book value	-	-

**h. Exposure to real estate**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Direct Exposure</b>		
<b>Residential Mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
<b>Commercial Real Estate</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>Indirect Exposure</b>		
Fund based and non based exposures on National housing Bank and Housing Finance Companies	-	-

**i. Exposure to capital markets**

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	51,471.12	5,222.26
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	25,467.36
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	10,000.00	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading;	-	-
(x) All exposures to Alternative Investment Funds;:		
(i) Category I	222.52	116.86
(ii) Category II	3,036.71	-
(iii) Category III	1,436.02	459.80
<b>Total exposure to Capital markets</b>	<b>66,166.37</b>	<b>31,266.28</b>

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**j. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**

There is no loan given by the Company to any non related parties.

**k. Unsecured advances**

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

**l. Registration obtained from other financial sector regulators:**

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

**m. Disclosure of Penalties imposed by RBI and other regulators**

No penalty has been imposed on the Company during the year by RBI or other regulators ( 31st March 2022 : Rs. NIL)

**n. Related party transactions**Refer **Note No. 42** to the standalone financial statements for the transactions with the Related parties.**o. Credit rating**

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

**p. Provisions and contingencies**

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	As at 31st March 2023	As at 31st March 2022
Provisions for depreciation on investment	-	-
Provision towards NPA/ Write off	-	-
Provision made towards income tax	-	323.36
Provision for Standard Assets/ (Reversal of Provision)	(174.47)	59.68

**q. Draw-down from reserves**

During the year, the Company has not drawn down any amount from Reserves.

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

Particulars	As at 31st March 2023	As at 31st March 2022
Total advances to twenty largest borrowers	-	27,000.42
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.00%	100.00%

**Concentration of exposures**

Particulars	As at 31st March 2023	As at 31st March 2022
Total exposure to twenty largest borrowers/customers	-	27,000.42
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	100.00%	100.00%

**Concentration of NPAs**

Particulars	As at 31st March 2023	As at 31st March 2022
Total exposure to top four NPA accounts	-	-

**Sector-wise NPAs**

Sector	Percentage of NPAs to Total Advances in that sector	
	As at 31st March 2023	As at 31st March 2022
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

**InCred Capital Financial Services Private Limited**

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**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Movement of NPAs**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Net NPAs to net advances (%)</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Movement of NPAs (Gross)</b>		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
<b>Movement of Net NPAs</b>		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
<b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	-	-
(b) Provisions made during the year	-	-
(c) Write-off of excess provisions	-	-
(d) Closing balance	-	-

**s. Disclosure of complaints**

**Customer complaints**

Particulars	As at 31st March 2023	As at 31st March 2022
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

**t. Disclosure of gold loan portfolio**

The Company has not lent any loans against gold jewellery during the year ended 31st March 2023 and 31st March 2022.

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

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

Particulars	As at 31st March 2023	As at 31st March 2022
Number of significant counter parties	7	-
Amount (INR. In Lakhs)	2,100.00	-
Percentage of funding concentration to total deposits	0.00%	0.00%
Percentage of funding concentration to total liabilities	20.34%	0.00%

**Top 20 large deposits**

Particulars	As at 31st March 2023	As at 31st March 2022
Total amount of top 20 deposits	-	-
Percentage of amount of top 20 deposits to total deposits	0.00%	0.00%

**Top 10 borrowings**

Particulars	As at 31st March 2023	As at 31st March 2022
Total amount of top 10 borrowings	2,400.00	-
Percentage of amount of top 10 borrowings to total borrowings	27.37%	0.00%

**Funding Concentration based on significant instrument/product**

Particulars	As at 31st March 2023	% of total liabilities
Non-convertible debentures	-	0.00%
Market Linked Debentures	8,770.00	84.93%
Loans from bank	-	0.00%
Deposits	-	0.00%
External commercial borrowings	-	0.00%
Sub-ordinated debts	-	0.00%
Commercial paper	-	0.00%

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

<b>Stock ratio</b>		
<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Commercial papers as a % of total public funds, total liabilities and total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	0.00%	0.00%
Other short-term liabilities, if any as a % of		
- total public funds	0.00%	0.00%
- total assets	1.43%	7.66%
- total liabilities	10.00%	91.65%

**Institutional set-up for liquidity risk Management**Refer **Note No. 41** of standalone financials statements.**v. Intra Group Exposures**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Total Amount of intra - group exposure	-	26,394.30
Total amount of top 20 intra group exposure	-	26,394.30
Percentage of intra group exposures to total exposure of the NBFC on borrowers/customers	0.00%	97.76%

**w. Sectoral exposure**

<b>Sectors</b>	<b>As at 31st March 2023</b>			<b>As at 31st March 2022</b>		
	<b>Total Exposure</b>	<b>Gross NPAs</b>	<b>% of Gross NPAs to total exposure in that sector</b>	<b>Total Exposure</b>	<b>Gross NPAs</b>	<b>% of Gross NPAs to total exposure in that sector</b>

The Company only has intra group exposure which are disclosed in point v above. Hence, sectoral exposure is not applicable

**x. Additional information as per guidelines issued by the Reserve Bank of India in respect of Non-Banking Financial (Non-deposit accepting or holding) Systemically Important (NBFC-ND-SI) is given in Annexure 1.***(This space has been intentionally left blank)*

**g. Asset liability management maturity pattern of certain items of assets and liabilities as at 31st March 2023**

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	-	318.95	2,967.86	-	2,000.00	1,220.16	5,097.52	49,932.01	61,536.51
Investments*	-	-	-	-	-	-	-	-	-

\* Includes Sponsor commitment of INR. 2000 Lakhs which is to be invested in coming period.

**Asset liability management maturity pattern of certain items of assets and liabilities as at 31st March 2022**

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	1,403.18	-	3,393.04	3,393.04	7,017.60	21,120.81	-	-	36,327.68
Investments	2,250.26	-	-	-	-	576.66	-	2,972.00	5,798.92

\* Includes maturity of undisbursed loan of INR. 9509.82 Lakhs as per repayment schedule.

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**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 45 : Disclosure pursuant to RBI Notification 'RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20' dated 13th March 2020 - Implementation of Indian Accounting Standards (For the year ended 31st March 2023)**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E) = (C) - (D)	(F)	(G) = (D) - (F)
<b>Performing assets</b>						
Standard	Stage 1	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		-	-	-	-	-
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	- -  -	- -  -	- -  -	- -  -	- -  -
<b>Subtotal</b>		-	-	-	-	-
	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-
<b>Total</b>						

*(This space has been intentionally left blank)*

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Disclosure pursuant to RBI Notification 'RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20' dated 13th March 2020 - Implementation of Indian Accounting Standards (For the year ended 31st March 2022)**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E) = (C) - (D)	(F)	(G) = (D) - (F)
<b>Performing assets</b>						
Standard	Stage 1	27,000.41	135.00	26,865.41	108.00	27.00
<b>Subtotal</b>		<b>27,000.41</b>	<b>135.00</b>	<b>26,865.41</b>	<b>108.00</b>	<b>27.00</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3					
Doubtful Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	9,509.82 - -	47.55 - -	9,462.27 - -	- - -	47.55 - -
<b>Subtotal</b>		<b>9,509.82</b>	<b>47.55</b>	<b>9,462.27</b>	<b>-</b>	<b>47.55</b>
<b>Total</b>	<b>Stage 1</b>	<b>36,510.24</b>	<b>182.55</b>	<b>36,327.69</b>	<b>108.00</b>	<b>74.55</b>
	<b>Stage 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>36,510.24</b>	<b>182.55</b>	<b>36,327.69</b>	<b>108.00</b>	<b>74.55</b>

**Note 46 : Disclosure as required in Paragraph 10 of 'RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20' dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning**

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	-	-
(ii) Respective amount where asset classification benefits is extended.	-	-
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	NA*	NA*
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	NA	NA

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



**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 47 : Disclosure relating to earnings and expenditure in foreign currency**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>A. Expenditure in foreign currency</b>		
Referrel fees	1,228.49	789.39
Legal, professional and consultancy charges	119.82	177.81
Recruitment Charges	17.96	-
IT Expenses	7.65	-
Hotel Expenses	5.10	-
Membership and subscription	5.02	2.65
Conference and Seminar Charges	1.30	-
	<b>1,385.35</b>	<b>969.85</b>
<b>B. Earnings in foreign currency</b>		
Success Fees	-	714.22
Consultancy Fees	4.11	-
	<b>4.11</b>	<b>714.22</b>

**Note 48 : Interest in other entities****Subsidiary**

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

Name of the Company	Principal business activities	Country of Incorporation	% of ownership interest 31st March 2023
InCred Asset Management Private Limited (formerly known as InCred Capital Investment Advisors and Managers Private Limited)	Financial services, Investment manager for Category - II AIF "InCred Impact Corporate Debt Fund" & Category - III AIF "India Value Growth Fund" & "Emerging Business Fund"	India	100.00%
InCred Wealth and Investment Services Private Limited	Financial and advisory services	India	100.00%
InCred Alternative Investments Private Limited	Financial services and anxillary services	India	100.00%

**Associates**

The Company has the following associates which operate and is incorporated in India. Following are the details of the shareholding in the associate:

Name of the Company	Principal business activities	Country of Incorporation	% of ownership interest 31st March 2023
Alpha Fintech Private Limited	Wealth management solutions/products and tools to various customers allowing such customers to build portfolios and take informed financial decisions;	India	25.54%

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 53 : Corporate Social Responsibility**

The gross amount required to be spent by the Company during the year ended 31 March 2023 is INR 19.82 lakhs (31st March 2022: INR NIL).

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Amount required to be spent as per section 135 of the Companies Act, 2013:	19.82	-
Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
In cash	-	-
Deposited in specified fund*	19.82	-

\* The company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 on 10th May 2023 in compliance with second proviso to sub-section (5) of section 135 of the said Act.

**Note 54 : Other notes to accounts****a. Segment reporting**

The Company is principally engaged in the financial services space, offering financial services such as Lending services and Investment Banking Services.

For the financial year ended 31st March 2023, the Company has two operating segments:- **Lending Activities** and **Investment Banking** as per Ind As - 108 Operating Segments.

The Company has decided not to present segment reporting disclosures in the standalone financial statements by applying the exemption available to the Company as per Ind AS 108 Operating Segments.

**b. Previous year figures**

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

**For P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 001092N/N500395

**Parv  
Bansal**

Digitally signed by  
Parv Bansal  
Date: 2023.06.17  
22:33:13 +05'30'

**Parv Bansal  
Partner**

Membership No.: 515167

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

(Formerly Known As Proud Securities And Credits Private Limited)

Digitally signed by  
BHUPINDER  
SINGH  
ER SINGH  
Date: 2023.06.17  
19:41:36 +05'30'

**Bhupinder Singh**  
Director  
DIN - 07342318

Digitally signed by  
MITESH K  
KAMARIYA  
Date: 2023.06.17  
19:42:39 +05'30'

**Mitesh Kamariya**  
Company Secretary  
Membership No.: A52519**Place : Mumbai**  
**Date : 17th June 2023**

Digitally signed by  
VENKATESH  
VISHWANATHAN  
AN  
Date: 2023.06.17  
19:41:55 +05'30'

**Venkatesh Vishwanathan**  
Director  
DIN - 08032824**Place : Mumbai**  
**Date : 17th June 2023**

**Note 49 : Ratio Analysis and its elements**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	% change during the year
CRAR (%) [Total capital/Risk weighted assets]	42.44%	203.99%	-79.19%
CRAR - Tier - I Capital (%) [Tier - I Capital/Risk Weighted assets]	34.65%	200.76%	-82.74%
CRAR - Tier - II Capital (%) [Tier - II Capital/Risk Weighted assets]	7.79%	3.23%	141.65%
Liquidity coverage ratio	Not Applicable	Not Applicable	Not Applicable

**Note 50 : Other Statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transaction with struck off company.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) (a)  
A. On 16th March 2023, the Company had Invested in InCred Wealth & Investment Services Pvt Ltd ("IWISPL") ( a wholly owned subsidiary ) of Rs. 3,000 lakhs and the amount was used to further advance ICD loan of Rs. 3,615 lakhs to InCred Employee Welfare Trust.
- B. On 16th March 2023, the Company had Invested in InCred Wealth & investment Services Pvt Ltd ("IWISPL") ( a wholly owned subsidiary ) of Rs. 3,600 lakhs and the amount was used to further advance ICD loan of Rs. 1100 lakhs to InCred Asset Management Pvt Ltd ( a wholly owned subsidiary ) and Rs. 900 lakhs to InCred Alternative Investments Pvt Ltd ( a wholly owned subsidiary ) .
- The transactions are in compliance with the relevant provisions of the Companies Act, 2013 and are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003). Further the provisions of Foreign Exchange Management Act, 1999 (42 of 1999) are not applicable to the transactions.
- (b) Except as disclosed above, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall :
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) There is a composite scheme of arrangement ("Scheme") which have been filed by the Company under the Act with the National Company Law Tribunal on 8th October 2021. The same has been approval by the competent authority u/s 232 to 237 of the Act as on 26th April 2022. The appointed date under the scheme is 01st April 2022.
- (ix) The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India as a non systematically important NBFC, the provisions of sec 2(87) read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.
- (x) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (xi) The Company has not revalued any property plant and equipment and intangible assets.

Note 51 : Disclosures related to Section II of Scale Based Regulations

a) (i) Composition of Board

Sr. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ship	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Bhupinder Singh	12-07-2018	Director	7342318	15	15	10	-	-	-	42,36,578.00
2	Mr. Saurabh Jhalaria	12-07-2018	Director	7908327	15	15	2	423.99	-	-	1,90,512.00
3	Mr. Vivek Bansal	26-03-2019	Director	7835456	15	15	4	-	-	-	1,08,860*
4	Mr. Siddharth Parekh	22-11-2018	Director	6945508	15	2	9	-	-	-	-
5	Mr. Venkatesh Vishwanathan	12-07-2018	Director	8032824	15	3	4	260.46	-	-	-

\*Holding equity shares through a partnership firm

(ii) Details of changes in composition of the Board during the current and previous financial year.

Sr. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
		No Change		

(iii) Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.

- Not Applicable

b) Committees of the Board and their composition

(i) Nomination Remuneration Committee

Terms of Reference: The Nomination Remuneration Committee has been formulated for the implementation, administration and superintendence of the Employee Stock Option Schemes ("Scheme") issued by the Company and for formulation of the detailed terms and conditions of the Scheme.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Bhupinder Singh	08-09-2021	Non-Executive Director	4	4	42,36,578
2	Mr. Saurabh Jhalaria	08-09-2021	Non-Executive Director	4	4	1,90,522
3	Mr. Vivek Bansal	08-09-2021	Non-Executive Director	4	4	1,08,860*
4	Mr. Venkatesh Vishwanathan	08-09-2021	Non-Executive Director	4	1	-

\*Holding equity shares through partnership firm MV Capital Partners

**(ii) Finance Committee**

Terms of Reference: The Finance Committee has been formulated to carry out day to day operational activities such as approve matters related to borrowing of monies, investment of surplus of funds of the Company, to avail various banking related services and to provide authority for issuance or allotment of NCD's etc

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Bhupinder Singh	21-04-2022	Non-Executive Director	6	6	42,36,578
2	Mr. Saurabh Jhalaria	23-08-2018	Non-Executive Director	6	6	1,90,522
3	Mr. Vivek Bansal	21-04-2022	Non-Executive Director	6	6	1,08,860*
4	Mr. Venkatesh Vishwanathan	23-08-2018	Non-Executive Director	6	6	-

\*Holding equity shares through partnership firm

**c) General Body Meetings**

Give details of the date, place and special resolutions passed at the General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1	Extra Ordinary Meeting	May 4,2022 at the Registered Office of the Company	1. Approval for the issue and offer of series B Compulsorily Convertible Preference Shares ("Series B CCPS") on a private placement / preferential basis 2. Approval for issue and offer of secured non-convertible debentures ("NCD") on a private placement / preferential basis 3. Approval for the amendment in the InCred Capital Financial Services Private Limited employees stock option scheme.
2	Annual General Meeting	September 30, 2022, at the registered Office of the Company	Approval for changes in the object clause of the memorandum of association of the company

**d) Details of non-compliance with requirements of Companies Act, 2013**

- Not applicable

**e) Details of penalties and strictures**

- Not applicable

**Note 52 : Loans to Directors, Senior Officers and relatives of Directors**

Particulars	Year ended	
	31st March 2023	31st March 2022
Clamant Tech Services Private Limited	-	100.00
Incred Wealth Private Limited	-	15,000.00
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited)	-	10,500.00

As on 31st March 2023, Loans and Advances outstanding as INR. NIL

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Annexure - 1**

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>LIABILITIES SIDE :</b>				
<b>(1) Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:</b>				
<b>(a) Debentures : (other than falling within the meaning of public deposits*)</b>				
-Secured	3,908.31	-	-	-
-Unsecured	-	-	-	-
<b>(b) Deferred Credits</b>	-	-	-	-
<b>(c) Term Loans</b>	-	-	-	-
<b>(d) Inter-corporate loans and borrowing</b>	-	-	-	-
<b>(e) Commercial Paper</b>	-	-	-	-
<b>(f) Other Loans (specify nature)</b>	-	-	-	-
<b>ASSET SIDE:</b>				
<b>(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>				
<b>(a) Secured</b>		-		25,292.51
<b>(b) Unsecured</b>		-		1,525.36
<b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
<b>(i) Lease assets including lease rentals under sundry debtors :</b>				
<b>(a) Financial lease</b>		-		-
<b>(b) Operating lease</b>		-		-
<b>(ii) Stock on hire including hire charges under sundry debtors:</b>				
<b>(a) Assets on hire</b>		-		-
<b>(b) Repossessed Assets</b>		-		-
<b>(iii) Other loans counting towards AFC activities</b>				
<b>(a) Loans where assets have been repossessed</b>		-		-
<b>(b) Loans other than (a) above</b>		-		-
<b>(4) Break-up of Investments :</b>				
<b>Current Investments :</b>				
<b>1. Quoted:</b>				
<b>(i) Shares :</b>				
<b>(a) Equity</b>		-		-
<b>(b) Preference</b>		-		-
<b>(ii) Debentures and Bonds</b>		-		-
<b>(iii) Units of mutual funds</b>		-		-
<b>(iv) Government Securities</b>		-		-
<b>(v) Others (please specify)</b>		-		-
<b>2. Unquoted:</b>				
<b>(i) Shares :</b>				
<b>(a) Equity</b>		1,539.11		2,250.26
<b>(b) Preference</b>		-		-
<b>(ii) Debentures and Bonds</b>		2,967.86		-
<b>(iii) Units of mutual funds</b>		-		-
<b>(iv) Government Securities</b>		-		-
<b>(v) Others - Pass Through Certificates</b>		-		-

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

	As at 31st March 2023 Amount outstanding	As at 31st March 2022 Amount outstanding
<b>Non-Current investments :</b>		
<b>1. Quoted:</b>		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
<b>2. Unquoted:</b>		
(i) Shares :		
(a) Equity	49,932.01	2,972.00
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others - AIF & PMS	5,097.52	576.66

Category	As at 31st March 2023		As at 31st March 2022	
	Amount net of provisions		Amount net of provisions	
	Secured	Unsecured	Secured	Unsecured
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above :</b>				
1. Related Parties				
(a) Subsidiaries	-	-	-	1,493.73
(b) Companies in the same group	-	-	24,689.43	31.62
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	603.08	-
<b>Total</b>	-	-	<b>25,292.51</b>	<b>1,525.35</b>

Category	As at 31st March 2023		As at 31st March 2022	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>				
1. Related Parties				
(a) Subsidiaries	48,711.85	48,711.85	2,972.00	2,972.00
(b) Companies in the same group	25.30	25.30	1,836.59	1,836.59
(c) Other related parties	1,220.16	1,220.16	-	-
2. Other than related parties	9,579.20	9,579.20	990.33	990.33
<b>Total</b>	<b>59,536.51</b>	<b>59,536.51</b>	<b>5,798.92</b>	<b>5,798.92</b>

(7) Other information	Amount as at 31st March 2023	Amount as at 31st March
	(i) Gross Non-Performing Assets	-
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets	-	-
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

## Independent Auditor's Report

To The Members of InCred Capital Financial Services Private Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **InCred Capital Financial Services Private Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associates which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financials statements of associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, and their consolidated losses, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Other matter

The standalone financial Statements of the subsidiary Companies InCred Wealth & Investment Services Private Limited, InCred Asset Management Private Limited and InCred Alternative Investments Private Limited for the year ended 31st March 2023 were audited by other Chartered Accountants who had expressed an unmodified opinion on those standalone financial statements.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibilities for the Consolidated 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 and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associate are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and its associate are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 and its subsidiary companies which are companies incorporated in India, have 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2023, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group and its associate companies incorporated in India is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies.
  - g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023.

- 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 group and its associate do not have any pending litigations which may impact its financial position of the Group.
  - (ii)** The Group and its associate do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii)** There is no amount that is required to be transferred, to the Investor Education and Protection Fund by the Group as on the close of year.
  - (iv)**
    - (a)** The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b)** The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c)** Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary, nothing has come to our notice that has caused us to believe that therepresentations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - (v)** No dividend has been declared or paid during the year by the Holding Company or any of the subsidiary companies included in the group.
  - (vi)** Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

# P N A M & CO. LLP

Chartered Accountants

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other Chartered Accountants for its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there is no such Clauses in which adverse remarks in the CARO report have been given

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No.: 001092N/N500395

**Parv**  
**Bansal**

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by Parv Bansal  
Date: 2023.09.06  
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**Parv Bansal**

Partner

Membership No.: 515167

UDIN: 23515167BGUYNA4401

Date: 06<sup>th</sup> September 2023

Place: Mumbai

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements section of our report to the Members of InCred Capital Financial Services Private Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **InCred Capital Financial Services Private Limited** (hereinafter referred to as the “Holding Company”), its subsidiaries and its associate which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No.: 001092N/N500395

**Parv**  
**Bansal**

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**Parv Bansal**

Partner

Membership No.: 515167

UDIN : 23515167BGUYNA4401

Date : 06<sup>th</sup> September 2023

Place : Mumbai

**InCred Capital Financial Services Private Limited**  
CIN: U67120MH1996PTC355036  
**Consolidated Balance Sheet as at 31st March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>A. ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	3	1,862.22	4,067.09
(b) Bank balance other than cash and cash equivalents	4	-	-
(c) Derivative financial instruments	4	986.98	-
(d) Trade receivables	5	2,780.49	1,425.22
(e) Loans	6	12,665.29	27,924.90
(f) Investments	7	25,002.77	2,826.93
(g) Other financial assets	8	6,515.12	102.40
<b>Total financial assets</b>		<b>49,812.87</b>	<b>36,346.54</b>
<b>2. Non-financial assets</b>			
(a) Current tax assets (Net)	9	1,153.67	439.70
(b) Deferred tax assets (Net)	29	4,909.20	607.68
(c) Property, plant and equipment	10	1,292.61	450.11
(d) Capital work in Progress	10A	28.11	1.09
(e) Intangible assets under development	11A	11.34	-
(f) Goodwill		1,363.84	-
(g) Other intangible assets	11	5,203.70	0.78
(h) Other non-financial assets	12	432.62	3,720.90
<b>Total non-financial assets</b>		<b>14,395.09</b>	<b>5,220.26</b>
<b>Total Assets</b>		<b>64,207.96</b>	<b>41,566.80</b>
<b>B. LIABILITIES AND EQUITY</b>			
<b>1. Liabilities</b>			
<b>1.1 Financial liabilities</b>			
(a) Derivative financial instruments	4	7,861.47	-
(b) Trade payables	13	-	-
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		902.50	2,559.50
(c) Debt Securities	14	5,249.25	-
(d) Deposits	15	47.19	15.44
(e) Other financial liabilities	16	3,213.36	1,050.22
<b>Total financial liabilities</b>		<b>17,273.77</b>	<b>3,625.16</b>
<b>1.2 Non-financial liabilities</b>			
(a) Provisions	17	218.68	17.86
(b) Other non-financial liabilities	18	262.36	365.45
<b>Total non-financial liabilities</b>		<b>481.04</b>	<b>383.31</b>
<b>Total Liabilities</b>		<b>17,754.81</b>	<b>4,008.47</b>
<b>2. Equity</b>			
(a) Equity share capital	19	1,321.14	989.98
(b) Other equity	20	45,132.01	36,568.35
<b>Total Equity</b>		<b>46,453.15</b>	<b>37,558.33</b>
<b>Total Liabilities and Equity</b>		<b>64,207.96</b>	<b>41,566.80</b>

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

As per our report of even date.

For **P N A M & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**  
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Parv Bansal  
Date: 2023.09.06  
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**Parv Bansal**  
Partner  
Membership No.: 515167

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

**BHUPINDER SINGH**  
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Date: 2023.09.06  
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**Bhupinder Singh**  
Director  
DIN - 07342318  
Place : Mumbai  
Date : 06th September 2023

**MITESH K KAMARIYA**  
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MITESH K KAMARIYA  
Date: 2023.09.06  
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**Mitesh Kamariya**  
Company Secretary  
Membership No.: A52519  
Place : Mumbai  
Date : 06th September 2023

**VENKATESH VISHWANATHAN**  
Digitally signed by  
VENKATESH  
VISHWANATHAN  
Date: 2023.09.06  
21:21:49 +05'30'

**Venkatesh Vishwanathan**  
Director  
DIN - 08032824  
Place : Mumbai  
Date : 06th September 2023

Place : Mumbai  
Date : 06th September 2023



**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Consolidated Statement of Profit & Loss for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
<b>(I) Revenue From operations</b>			
(i) Interest income	21	1,030.66	2,313.57
(ii) Fees and commission income	22	9,944.17	2,005.28
(iii) Net gain on fair value changes	23	5,173.69	7,240.43
<b>Total revenue from operations (I = i + ii + iii)</b>		<b>16,148.52</b>	<b>11,559.28</b>
(II) Other income	24	223.10	286.76
<b>(III) Total income (III = I + II)</b>		<b>16,371.62</b>	<b>11,846.04</b>
<b>(IV) Expenses</b>			
(i) Finance costs	25	654.94	229.25
(ii) Impairment on financial instruments	26	(67.22)	75.71
(iii) Employee benefits expenses	27	15,038.00	3,397.65
(iv) Depreciation, amortization and impairment	10 & 11	1,008.15	152.60
(v) Others expenses	28	6,511.91	5,158.09
<b>Total expenses (IV = i + ii + iii + iv + v)</b>		<b>23,145.78</b>	<b>9,013.30</b>
<b>(V) Profit/ (Loss) before share of loss of associates (V = III - IV)</b>		<b>(6,774.16)</b>	<b>2,832.74</b>
<b>(VI) Share of Loss of Associate</b>		(70.45)	-
<b>(VII) Profit/ (Loss) before exceptional items and tax (VII = V - VI)</b>		<b>(6,844.61)</b>	<b>2,832.74</b>
<b>(VIII) Exceptional items</b>		2,603.00	-
<b>(IX) Profit/ (Loss) before tax (IX = VII - VIII)</b>		<b>(9,447.61)</b>	<b>2,832.74</b>
<b>(X) Tax Expense:</b>	29		
(i) Current tax		-	323.36
(ii) MAT credit written off			-
(iii) Deferred tax		(2,235.04)	396.21
(iv) Pertaining to earlier years		39.79	-
<b>Total tax expense (X = i + ii)</b>		<b>(2,195.25)</b>	<b>719.57</b>
<b>(XI) Profit/ (Loss) for the year (XI = IX - X)</b>		<b>(7,252.36)</b>	<b>2,113.17</b>
<b>(XII) Other comprehensive income</b>			
<b>(A) Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of the defined benefit plans		(29.82)	8.26
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.59	0.93
(iii) Share of Loss of Associate		(4.22)	-
<b>Subtotal (A = i + ii)</b>		<b>(24.45)</b>	<b>9.19</b>
<b>(B) Items that will be reclassified to profit or loss</b>			
(i) Net Gain/ (Loss) on instruments through other comprehensive income		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B = i + ii)</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income (XII = A + B)</b>		<b>(24.45)</b>	<b>9.19</b>
<b>(XIII) Total comprehensive income for the period (XIII = XI + XII)</b>		<b>(7,276.81)</b>	<b>2,122.36</b>
<b>(XIV) Earnings per share (EPS)</b> <b>(Face value of INR. 10 each)</b>			
Basic (INR.)	30	(63.86)	21.42
Diluted (INR.)		(59.99)	21.42

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

As per our report of even date.

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**

Digitally signed by Parv  
Bansal  
Date: 2023.09.06 22:09:02  
+05'30'

**Parv Bansal**

Partner

Membership No.: 515167

Place : Mumbai

Date : 06th September 2023

For and on behalf of the Board of Directors of

**InCred Capital Financial Services Private Limited**

**BHUPINDER SINGH**

Digitally signed by  
BHUPINDER SINGH  
Date: 2023.09.06  
21:31:33 +05'30'

**Bhupinder Singh**

Director

DIN - 07342318

Place : Mumbai

Date : 06th September 2023

**MITESH K KAMARIYA**

Digitally signed by  
MITESH K KAMARIYA  
Date: 2023.09.06  
21:23:31 +05'30'

**Mitesh Kamariya**

Company Secretary

Membership No.: A52519

Place : Mumbai

Date : 06th September 2023

**VENKATESH VISHWANATHAN**

Digitally signed by  
VENKATESH  
VISHWANATHAN  
Date: 2023.09.06  
21:23:08 +05'30'

**Venkatesh Vishwanathan**

Director

DIN - 08032824

Place : Mumbai

Date : 06th September 2023

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Consolidated Cash flow statement for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(6,844.61)</b>	<b>2,832.74</b>
Adjustments to reconcile profit before tax to net cash flows from operating activities		
- Depreciation and amortisation	1,008.15	152.60
- Profit on sale of investments	(4,692.13)	(7,402.09)
- Interest Income on Loans	(1,021.32)	(2,161.38)
- Interest Income on Investments	-	(130.36)
- Fair value gain on financial instruments at fair value through P&L	(481.58)	161.66
- Share based payment to employees	3,612.76	
- Rent expense on deferred lease rentals	6.50	6.08
- Allowance for credit loss	(67.22)	75.71
- Loss on sale of fixed assets	2.24	0.28
- Interest on unwinding of financial liabilities	93.61	49.54
- Interest on unwinding of financial assets	(11.75)	(5.29)
<b>Operating profit/loss before working capital changes</b>	<b>(8,395.35)</b>	<b>(6,420.51)</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
- Trade receivables	2,229.66	(1,401.37)
- Other financial assets	(6,330.46)	(2.04)
- Other non-financial assets	1,473.21	(1,480.97)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
- Trade payables	(1,906.74)	2,381.49
- Deposits	31.75	13.00
- Other financial liabilities	(530.87)	537.12
- Other non-financial liabilities	(383.43)	122.44
- Provisions	134.31	12.77
<b>Cash generated from / (used in) operations</b>	<b>(13,677.92)</b>	<b>(6,238.07)</b>
Direct taxes (paid) net of refunds	(662.11)	(6.18)
<b>Net cash flow from (used in) operating activities</b>	<b>(A) (14,340.03)</b>	<b>(6,244.25)</b>
<b>B. Cash flows from investing activities</b>		
- Purchase of Property, Plant and Equipment	(533.68)	(93.86)
- Impact of Right of Use Asset	(61.12)	(36.64)
- Purchase of Intangible assets (including under development)	(10.34)	-
- Capital work in progress	(6.34)	6.69
- Proceeds from sale of fixed assets	26.28	0.20
- Purchase of Associate	(1,149.72)	-
- Purchase of investments	(9,38,213.90)	(2,78,653.56)
- Proceeds from sale of investments	9,23,679.75	2,86,426.65
- Net Proceeds from Loans	20,286.45	(7,049.31)
- Interest Income on Loans	1,021.32	2,161.38
- Investment in fixed deposits with maturity of more than 3 months and other bank balances	-	-
<b>Net cash flow from / (used in) investing activities</b>	<b>(B) 5,038.70</b>	<b>2,761.55</b>
<b>C. Cash flows from financing activities</b>		
- Borrowings	(6,932.52)	(52.00)
- Share Capital	161.63	69.12
- Securities premium (Net of Share issue expenses)	13,704.65	3,242.92
- Payment of lease liabilities	(331.63)	(144.40)
<b>Net cash flow from / (used in) in financing activities</b>	<b>(C) 6,602.13</b>	<b>3,115.64</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A + B + C) (2,699.20)</b>	<b>(367.06)</b>
Cash and cash equivalents at the beginning of the year	4,561.42	4,434.15
Cash and cash equivalents at the end of the year [Refer Note 1 below]	1,862.22	4,067.09
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>(2,699.20)</b>	<b>(367.06)</b>

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Consolidated Cash flow statement for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Notes to Consolidated cash flow statement**

**1. Components of cash and cash equivalents**

Cash on hand [Refer Note No. 3]

With banks - on current account & fixed deposits [Refer Note No. 3]

	1,862.22	-
	<u>1,862.22</u>	<u>4,067.09</u>

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

As per our report of even date

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 001092N/N500395

**Parv  
Bansal**

Digitally signed  
by Parv Bansal  
Date: 2023.09.06  
22:10:53 +05'30'

**Parv Bansal**

Partner

Membership No.: 515167

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

**BHUPINDER SINGH**  
Digitally signed by  
BHUPINDER SINGH  
Date: 2023.09.06  
21:30:42 +05'30'

**Bhupinder Singh**

Director

DIN - 07342318

Place : Mumbai

Date : 06th September 2023

**MITESH K KAMARIYA**  
Digitally signed by  
MITESH K KAMARIYA  
Date: 2023.09.06  
21:24:38 +05'30'

**Mitesh Kamariya**

Company Secretary

Membership No.: A52519

**VENKATESH VISHWANATHAN**  
Digitally signed by  
VENKATESH  
VISHWANATHAN  
Date: 2023.09.06  
21:24:04 +05'30'

**Venkatesh Vishwanathan**

Director

DIN - 08032824

Place : Mumbai

Date : 06th September 2023

Place : Mumbai

Date : 06th September 2023

Place : Mumbai

Date : 06th September 2023

InCred Capital Financial Services Private Limited  
 CIN: U67120MH1996PTC355036  
**Consolidated Statement of Changes in Equity for the year ended 31st March 2023**  
 (All amounts in INR Lakhs, unless otherwise stated)

<b>A. Equity share capital</b>	As at 31st March 2023	As at 31st March 2022
<b>Particulars</b>		
<b>Issued, subscribed and fully paid-up</b>		
<b>Equity share capital of INR 10 each issued</b>		
Balance as at the beginning of the year	989.98	920.86
Changes in equity share capital during the year	285.76	69.12
<b>Balance as at the end of the year</b>	<b>1,275.74</b>	<b>989.98</b>
<b>B. Preference share capital</b>		
<b>Particulars</b>	As at 31st March 2023	As at 31st March 2022
<b>Issued, subscribed and fully paid-up</b>		
<b>Compulsorily convertible preference shares of INR 10 each</b>		
Balance as at the beginning of the year	-	-
Changes during the year	-	-
Balance as at the end of the year	-	-
<b>Optionally convertible preference shares of INR 10 each</b>		
Balance as at the beginning of the year	-	-
Changes during the year	45.40	-
Balance as at the end of the year	<b>45.40</b>	-
<b>Total</b>	<b>45.40</b>	-

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**InCred Capital Financial Services Private Limited**  
 CIN: U67120MH1996PTC355036  
**Consolidated Statement of Changes in Equity for the year ended 31st March 2023**  
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Share application					Reserves and Surplus			Total Other Equity
	money pending allotment	Contingency reserve	Statutory reserve	Share based payment reserve	Securities premium	Capital Reserve	Retained earnings		
<b>Balance as at 31st March 2021</b>	2,711.75	0.54	74.51	-	30,409.71	-	(2,292.99)	30,903.52	
Profit / (loss) for the year	-	-	-	-	-	-	2,113.17	2,113.17	
Other comprehensive income for the year	-	-	-	-	-	-	9.19	9.19	
<b>Total comprehensive income for the year (net of tax)</b>	-	-	-	-	-	-	<b>2,122.36</b>	<b>2,122.36</b>	
Employee stock option expense	-	-	-	291.72	-	-	-	291.72	
Allotment of Share Application Money	(2,711.75)	-	-	-	-	-	-	(2,711.75)	
Premium on private placement of equity shares	-	-	-	-	5,961.66	-	-	5,961.66	
Amounts utilised towards share issue expenses	-	-	-	-	(6.99)	-	-	(6.99)	
Previous year profit/loss adjustments	-	-	-	-	-	-	7.83	7.83	
Transferred to statutory reserve from retained earnings	-	-	422.63	-	-	-	(422.63)	-	
<b>Balance as at 31st March 2022</b>	-	<b>0.54</b>	<b>497.14</b>	<b>291.72</b>	<b>36,364.38</b>	-	<b>(585.43)</b>	<b>36,568.35</b>	
Profit / (loss) for the year	-	-	-	-	-	-	(7,252.36)	(7,252.36)	
Other comprehensive income for the year	-	-	-	-	-	-	(24.45)	(24.45)	
<b>Total comprehensive income for the year (net of tax)</b>	-	-	-	-	-	-	<b>(7,276.81)</b>	<b>(7,276.81)</b>	
Capital Reversal on Merger	-	-	-	-	-	80.39	-	80.39	
Employee stock option expense	-	-	-	3,612.76	-	-	-	3,612.76	
Utilisation on conversion of Share capital	-	-	-	(51.50)	(2.94)	-	-	(54.44)	
Premium on private placement of equity shares	-	-	-	-	20,885.01	-	-	20,885.01	
Amounts utilised towards share issue expenses	-	-	-	-	(543.78)	-	-	(543.78)	
Loss Reversal on Wind up of Subsidiary	-	-	-	-	-	-	(19.72)	(19.72)	
Intercompany Profits	-	-	-	-	-	-	48.27	48.27	
Reserves acquired on amalgamation/merger	-	-	-	-	-	-	(8,168.02)	(8,168.02)	
<b>Balance as at 31st March 2023</b>	-	<b>0.54</b>	<b>497.14</b>	<b>3,852.98</b>	<b>56,702.67</b>	-	<b>(16,001.71)</b>	<b>45,132.01</b>	

The accompanying notes are an integral part of the consolidated financial statements  
 As per our report of even date

For **P N A M & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Registration No. 001092N/N500395

**Parv Bansal**  
 Digitally signed by Parv Bansal  
 Date: 2023.09.06 22:12:26 +05'30'

**Parv Bansal**  
 Partner  
 Membership No.: 515167  
 Place : Mumbai  
 Date : 06th September 2023

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

**BHUPINDER SINGH ER SINGH**  
 Digitally signed by BHUPINDER SINGH ER SINGH  
 Date: 2023.09.06 21:42:14 +05'30'

**Bhupinder Singh**  
 Director  
 DIN - 07342318  
 Place : Mumbai  
 Date : 06th September 2023

**VENKATESH VISHWANATHAN**  
 Digitally signed by VENKATESH VISHWANATHAN  
 Date: 2023.09.06 21:25:48 +05'30'

**Venkatesh Vishwanathan**  
 Director  
 DIN - 08032824  
 Place : Mumbai  
 Date : 06th September 2023

**MITESH KAMARIYA**  
 Digitally signed by MITESH KAMARIYA  
 Date: 2023.09.06 21:25:14 +05'30'

**Mitesh Kamariya**  
 Company Secretary  
 Membership No.: A52519  
 Place : Mumbai  
 Date : 06th September 2023

## Note 1 : General information

### 1.1. Corporate information

InCred Capital Financial Services Private Limited ('the Parent') was incorporated in India on 27th March 1996 under the provision of Companies Act, 1956. The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI'), on September 7, 2000 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The parent qualified to be a NBFC - Non - Systematically Important as per "Master - Direction - Non-Banking Financial Company - Non - Systematically Important Non-Deposit taking Company (Reserve Bank) Directions 2016". The Parent together with its subsidiaries will be hereinafter collectively referred to as the 'Group'.

The Company has surrendered its NBFC License w.e.f 17th July 2023.

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

### 1.2. Basis of preparation

#### A. Compliance with Ind AS

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

These consolidated financial statements are approved for issue by the Board of Directors on 06th September 2023.

#### B. Functional and presentation currency

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

#### C. Basis of measurement

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

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

#### D. Use of estimates and judgements

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

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

### Significant judgements

#### Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

#### Recognition of deferred tax assets/liabilities

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forward and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forward and unused tax credits could be utilised.

#### Recognition and measurement of provisions and contingencies

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

#### Discounting of long-term financial assets/liabilities

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

#### **Impairment of financial assets**

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

#### **Leases**

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

#### **E. Presentation of consolidated financial statements**

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

#### **F. Current / Non-current classification of assets and liabilities**

All assets and liabilities are classified into current and non-current.

##### **Assets:**

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

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

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

##### **Liabilities:**

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

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

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

All other liabilities are classified as non-current.

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

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

#### **G. Basis of Consolidation**

##### **Subsidiaries**

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

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

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

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Significant accounting policies for the financial year ended 31st March 2023**

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

**Associates**

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

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

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

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

As on the date of the financial statements the following associate that has been considered in preparation of the consolidated financial statements:

Name of the Entity	Country of Incorporation	% Ownership	Consolidated as
Alpha Fintech Private Limited	India	31.21%	Associate

**Note 2 : Significant accounting policies****2.1. Measurement of fair values**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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



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

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

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

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

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

## **2.2. Financial instruments**

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

### **A. Recognition and initial measurement**

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

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

### **B. Classification of financial assets:**

#### **Financial assets:**

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

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

#### **Financial assets measured at amortised cost:**

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

- (i) the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) the Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

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

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (ii) the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

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

### **C. Subsequent recognition of financial assets:**

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

#### **Financial assets at amortised cost:**

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

#### **Financial assets at FVTPL:**

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

**Debt investments at FVOCI:**

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

**Equity investments designated at FVOCI:**

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

**D. Classification of financial liabilities:**

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

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

**E. Subsequent recognition of financial liabilities:**

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

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

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

**F. Derecognition of financial assets and financial liabilities**

**Financial assets:**

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

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

**Financial liabilities:**

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

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

**G. Offsetting of financial instruments**

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

**H. Reclassification of financial assets and financial liabilities**

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

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

Further reclassification is not allowed in following cases:

- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified,
- Reclassification of financial liabilities.

**I. Derivatives recorded at fair value through profit and loss**

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

- It is settled at a future date.

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

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

#### **J. Embedded Derivatives**

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

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

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

#### **2.3. Impairment**

##### **A. Impairment of financial assets**

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

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the group performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

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

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

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

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

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

##### **Key elements considered for ECL calculation are as under:**

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

**Exposure at Default:** The Exposure at Default is an estimate of the exposure at a future default date.

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

#### **B. Impairment of non-financial assets**

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

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

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

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

#### **2.4. Cash and cash equivalents**

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

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

#### **2.5. Investments**

##### **Investment in Mutual Fund**

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

##### **Investment in AIF**

The company uses Net Asset Value (NAV) to fair value investments in AIF.

##### **Investment in Equity Shares**

Traded Equity and Equity related Securities are valued at the last quoted closing price on the National Stock Exchange (NSE) or other Stock Exchange (SE) (in case where security is either not listed on NSE or not traded on NSE).

##### **Investment in Debentures and Bonds**

Debentures/Bonds and related Securities are valued at the last quoted closing price on the Bombay Stock Exchange (BSE) or other Stock Exchange (SE) (in case where security is either not listed on BSE or not traded on BSE).

#### **2.6. Property, plant and equipment**

##### **A. Recognition and measurement**

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

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

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

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

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

##### **B. Subsequent expenditure**

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

**C. Derecognition**

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

**D. Depreciation**

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

The useful life as per Schedule II are as follows:

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

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

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

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

**2.7. Intangible assets****A. Recognition and measurement**

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

**B. Subsequent expenditure**

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

**C. Amortization**

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

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

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

**2.8. Income tax**

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

**A. Current tax**

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

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

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

**B. Deferred tax**

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

Deferred tax is not recognised for:

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

## **2.9. Borrowing costs**

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

## **2.10. Share capital**

### **Ordinary shares**

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

## **2.11. Leases**

The group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the group's incremental borrowing rate at the date of initial application.

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

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

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

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

## **2.12. Revenue from operations**

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

The group recognised revenue primarily from various activities as follows:

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

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

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

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

### **2.13. Earning per share**

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

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

### **2.14. Provisions, contingent liabilities and contingent assets**

#### **A. Provisions**

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

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

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

#### **B. Onerous contracts**

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

#### **C. Contingent liabilities**

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

#### **D. Contingent assets**

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

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

### **2.15. Foreign currencies**

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

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

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

### **2.16. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs.

### 2.17. Events after the reporting period

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

#### A. Adjusting events

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

#### B. Non-adjusting events

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

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

### 2.18. Related party disclosure

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

The group has disclosed names of related parties with relationship and transaction between group and its related parties in the Notes to consolidated financial statements

### 2.19. Employee benefits

#### A. Short-term employee benefits

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

#### B. Compensated absences

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

#### C. Post-employment benefits

##### Defined contribution plans

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

##### Defined benefit plans - Gratuity

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

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

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

### 2.20. Share-based payment arrangements

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



## **2.21 Business Combinations**

Business Combinations (not involving entities under common control) are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is accumulated in equity as capital reserve. The cost of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

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

## **2.22 Statement of Cash flows**

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

## **2.23 Exceptional items**

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

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 3 : Cash and cash equivalents**

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks (of the nature of cash and cash equivalent)	1,862.22	4,067.09
Fixed deposit with bank (original maturity of less than 3 months)	-	-
<b>Total</b>	<b>1,862.22</b>	<b>4,067.09</b>

**Note 4 : Derivative financial instruments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(A) Derivative financial assets</b>		
<b>Nifty Linked Derivatives</b>		
Options (Notional amount : INR. 5,928.50 lakhs , PY : NIL)	986.98	-
<b>Total</b>	<b>986.98</b>	<b>-</b>
<b>(B) Derivative financial liabilities</b>		
Embedded Derivative on Market Linked Debentures (Notional amount : INR. 12,710 lakhs , PY : NIL)	7,861.47	-
<b>Total</b>	<b>7,861.47</b>	<b>-</b>

**Note 5 : Trade receivables**

Particulars	As at 31st March 2023	As at 31st March 2022
Secured, considered good	-	-
Unsecured, considered good	2,850.98	1,428.88
Significant increase in credit risk	-	-
Credit impaired	-	-
	<b>2,850.98</b>	<b>1,428.88</b>
Less: Allowance for impairment loss	(70.49)	(3.66)
<b>Total</b>	<b>2,780.49</b>	<b>1,425.22</b>

**As at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	
i) Undisputed Trade Receivables - Consider good	1,618.81	1,133.66	60.20	37.73	0.59	2,850.98
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - Considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impair	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,133.66</b>	<b>60.20</b>	<b>37.73</b>	<b>0.59</b>	<b>2,850.98</b>

**As at 31st March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	
i) Undisputed Trade Receivables - Consider good	1,428.88	-	-	-	-	1,428.88
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - Considered goods	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,428.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,428.88</b>

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 6 : Loans**

Particulars	As at	As at
	31st March 2023	31st March 2022
	Amortised cost	Amortised cost
<b>(A) At amortised cost</b>		
(i) Term loans	1,019.42	3,224.97
(ii) Term loans to related party <sup>1</sup>	11,697.24	24,893.02
<b>Total - Gross</b>	<b>12,716.66</b>	<b>28,117.99</b>
Less: Impairment loss allowance	(51.37)	(193.09)
<b>Total - Net of impairment loss allowance</b>	<b>12,665.29</b>	<b>27,924.90</b>
<b>(A)</b>		
<b>(B) Details of security</b>		
(i) Secured by tangible assets	513.87	25,467.36
(ii) Secured by intangible assets	-	-
(iii) Covered by bank/Govt Guarantee	-	-
(iv) Unsecured	12,202.79	2,650.63
<b>Total - Gross</b>	<b>12,716.66</b>	<b>28,117.99</b>
Less: Impairment loss allowance	(51.37)	(193.09)
<b>Total - Net of impairment loss allowance</b>	<b>12,665.29</b>	<b>27,924.90</b>
<b>(B)</b>		
<b>(C) (I) Loans in India</b>		
(i) Public Sector	-	-
(ii) Others	12,716.66	28,117.99
<b>Total loans in India</b>	<b>12,716.66</b>	<b>28,117.99</b>
<b>(C) (II) Loans outside India</b>		
(i) Public Sector	-	-
(ii) Others	-	-
<b>Total loans outside India</b>	<b>-</b>	<b>-</b>
<b>Total - Gross</b>	<b>12,716.66</b>	<b>28,117.99</b>
Less: Impairment loss allowance	(51.37)	(193.09)
<b>Total - Net of impairment loss allowance</b>	<b>12,665.29</b>	<b>27,924.90</b>
<b>(C)</b>		

The Company during the previous year had sanctioned a loan of INR 34,500 lakhs [outstanding balance of INR 24,861.24 lakhs including interest accrued as at 31st March 2022 ] to InCred Wealth Private Limited ("borrower company"), a Company promoted by the promoter of the Company. The loan had been provided for the purpose of business expansion of the borrower company. Such loan was secured through the pledge of shares held by the promoter in the borrower company. Such loan was duly approved by the Board of Directors in the meeting held on 09th November 2019 and gradually, for increased requirements of the borrower company further enhancements were approved in subsequent meetings during the previous year.

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 7 : Investments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(A) Investments carried at fair value through profit or loss</b>		
In Mutual Funds	1,081.47	-
In Alternate Investment Fund	4,695.25	576.66
In Equity Shares	6,513.27	2,250.27
In Portfolio Management Services	402.27	-
In Non Convertible Debentures & Market Linked Debentures	9,298.81	-
In Compulsorily Convertible Preference Shares	1,566.20	-
In Compulsorily Convertible Debentures	300.00	-
<b>(B) Investments carried at amortised cost</b>		
Alpha Fintech Private Limited	1,145.50	-
<b>Total - Gross (A + B)</b>	<b>25,002.77</b>	<b>2,826.93</b>
Less: Impairment loss allowance	-	-
<b>Total - Net of impairment loss allowance</b>	<b>25,002.77</b>	<b>2,826.93</b>
(A) Investments in India	25,002.77	2,826.93
(B) Investments outside India	-	-
<b>Total - Gross (A + B)</b>	<b>25,002.77</b>	<b>2,826.93</b>
Less: Impairment loss allowance	-	-
<b>Total - Net of impairment loss allowance</b>	<b>25,002.77</b>	<b>2,826.93</b>
<b>Note 8 : Other financial assets</b>		
Particulars	As at 31st March 2023	As at 31st March 2022
Receivable from partners	-	40.77
<b>Carried at amortised cost</b>		
Security Deposits	154.07	59.74
Other deposits	6.98	-
Advances to vendor	110.82	0.25
Receivables From Fund	16.36	-
Others	6,228.84	1.64
<b>Total - Gross</b>	<b>6,517.07</b>	<b>102.40</b>
Less: Impairment loss allowance	(1.95)	-
<b>Total - Net of impairment loss allowance</b>	<b>6,515.12</b>	<b>102.40</b>
<b>Note 9 : Current tax assets (Net)</b>		
Particulars	As at 31st March 2023	As at 31st March 2022
Income tax refundable (net of provision for income tax)	1,153.67	439.70
<b>Total</b>	<b>1,153.67</b>	<b>439.70</b>

**InCred Capital Financial Services Private Limited**  
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**Notes to the consolidated financial statements for the year ended 31st March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

**Note 10 : Property, plant and equipment**

Particulars	ROU Assets [Refer Note No. 35]	Furniture and fixtures	Leasehold Improvements	Office equipment	Vehicle	Computer & Printer	Total
<b>Gross carrying amount:</b>							
<b>As at 31st March 2021</b>	419.60	28.09	91.31	31.35	12.21	20.11	602.67
Additions during the year	36.64	0.42	8.36	5.25	65.00	21.51	137.18
Disposals during the year	-	-	-	0.60	-	-	0.60
<b>As at 31st March 2022</b>	<b>456.24</b>	<b>28.51</b>	<b>99.67</b>	<b>36.00</b>	<b>77.21</b>	<b>41.62</b>	<b>739.25</b>
Additions during the year	61.12	49.18	125.29	36.43	245.73	77.06	594.81
Acquired via Merger	615.62	46.80	197.56	73.09	62.66	150.59	1,146.32
Disposals during the year	-	2.19	-	0.42	31.51	2.82	36.94
<b>As at 31st March 2023</b>	<b>1,132.97</b>	<b>122.30</b>	<b>422.51</b>	<b>145.10</b>	<b>354.08</b>	<b>266.45</b>	<b>2,443.44</b>
<b>Accumulated depreciation:</b>							
<b>As at 31st March 2021</b>	108.63	2.29	14.12	5.06	0.41	8.08	138.59
Depreciation charge during the year	100.64	2.85	22.70	7.69	6.09	10.70	150.67
Accumulated depreciation on disposals	-	-	-	0.12	-	-	0.12
<b>As at 31st March 2022</b>	<b>209.27</b>	<b>5.14</b>	<b>36.82</b>	<b>12.63</b>	<b>6.50</b>	<b>18.78</b>	<b>289.14</b>
Depreciation charge during the year	221.14	8.66	71.36	18.71	32.14	72.01	424.02
Acquired via Merger	192.42	26.40	108.89	44.99	3.44	69.95	446.09
Accumulated depreciation on disposals	-	0.28	-	0.09	6.54	1.51	8.42
<b>As at 31st March 2023</b>	<b>622.82</b>	<b>39.92</b>	<b>217.07</b>	<b>76.23</b>	<b>35.53</b>	<b>159.23</b>	<b>1,150.83</b>
<b>Net carrying amount:</b>							
<b>As at 31st March 2023</b>	<b>510.15</b>	<b>82.38</b>	<b>205.44</b>	<b>68.87</b>	<b>318.55</b>	<b>107.22</b>	<b>1,292.61</b>
<b>As at 31st March 2022</b>	<b>246.97</b>	<b>23.37</b>	<b>62.85</b>	<b>23.37</b>	<b>70.71</b>	<b>22.84</b>	<b>450.11</b>

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Particulars	Total
<b>Note 10A : Capital work in Progress</b>	
As at 31st March 2021	7.78
Additions during the period	0.00
Capitalized during the period	6.69
<b>As at 31st March 2022</b>	<b>1.09</b>
Additions during the period	155.69
Acquired via merger	20.68
Capitalized during the period	(149.35)
<b>As at 31st March 2023</b>	<b>28.11</b>

**Ageing for CWIP :**

Particulars	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
Projects in progress	27.02	1.08	-	-	28.10
<b>As at 31st March 2023</b>	<b>27.02</b>	<b>1.08</b>	<b>-</b>	<b>-</b>	<b>28.10</b>
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 -3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	-	1.09	-	-	1.09
<b>As at 31st March 2022</b>	<b>-</b>	<b>1.09</b>	<b>-</b>	<b>-</b>	<b>1.09</b>

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**Note 11 : Other intangible assets**

Particulars	Software	Technology Development	Brand	Customer Relationships	Website	Total
<b>Gross carrying amount:</b>						
As at 31st March 2021	6.18	-	-	-	-	6.18
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
As at 31st March 2022	6.18	-	-	-	-	6.18
Additions during the year	-	2,411.50	575.00	5,392.50	-	8,379.00
Acquired via merger	15.25	-	-	-	2.00	17.25
Write off	-	-	-	2,603.00	-	2,603.00
Disposals during the year	-	-	-	-	-	-
As at 31st March 2023	21.43	2,411.50	575.00	2,789.50	2.00	5,799.43
<b>Accumulated amortisation and impairment:</b>						
As at 31st March 2021	3.47	-	-	-	-	3.47
Amortisation charge during the year	1.93	-	-	-	-	1.93
Disposals	-	-	-	-	-	-
As at 31st March 2022	5.40	-	-	-	-	5.40
Amortisation charge during the year	5.87	241.15	57.50	278.95	0.67	584.13
Acquired via merger	5.01	-	-	-	1.19	6.20
Disposals during the year	-	-	-	-	-	-
As at 31st March 2023	16.28	241.15	57.50	278.95	1.86	595.73
Net carrying amount as at 31st March 2023	5.15	2,170.35	517.50	2,510.55	0.14	5,203.70
Net carrying amount as at 31st March 2022	0.78	-	-	-	-	0.78

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**Note 11A : Intangible assets under development**

Particulars	Total
<b>Gross carrying amount:</b>	
As at 31 March 2021	-
Additions during the year	-
Capitalised during the year	-
<b>As at 31 March 2022</b>	<b>10.34</b>
Additions during the year	1.00
Acquired via merger	1.00
Capitalised during the year	-
<b>As at 31 March 2023</b>	<b>11.34</b>

**Ageing :**

Particulars	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
Projects in progress	10.34	1.00	-	-	11.34
<b>As at 31st March 2023</b>	<b>10.34</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>11.34</b>
<b>Particulars</b>	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 -3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	-	-	-	-	-
<b>As at 31st March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**InCred Capital Financial Services Private Limited**

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**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 12 : Other non-financial assets**

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	71.13	37.51
Balances with government authorities	337.06	366.85
Deferred rent expense	11.43	16.50
Others	13.00	3,300.04
<b>Total</b>	<b>432.62</b>	<b>3,720.90</b>

**Note 13 : Trade payables**

Particulars	As at 31st March 2023	As at 31st March 2022
Total outstanding dues of micro enterprises and small enterprises		
- Principal amount due	-	-
- Interest amount due	-	-
Total outstanding dues other than micro enterprises and small enterprises		
- Principal amount due	902.50	2,559.50
- Interest amount due	-	-
<b>Total</b>	<b>902.50</b>	<b>2,559.50</b>

**As at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	902.50	-	-	-	902.50
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>902.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>902.50</b>

\*Unbilled dues of Rs. 835.58 lakhs

**As at 31st March 2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	2,559.50	-	-	-	2,559.50
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,559.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,559.50</b>

\*Unbilled dues of Rs. 2503.34 lakhs

**Note 14 : Debt Securities**

Particulars	As at 31st March 2023	As at 31st March 2022
At amortised cost		
Debentures	5,249.25	-
<b>Total</b>	<b>5,249.25</b>	<b>-</b>

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**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Terms of Debentures**

Particulars	Nature of Security	Terms of Repayment	Maturity date	Issue value as at 31st March 2023
277, Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1151 days from the date of allotment. Coupon is equal to 130% times the NIFTY Performance where Nifty Performance is computed as per the Initial and Final Nifty Levels given that Final Level is greater than Initial Level else Coupon is Zero.	07-07-2025	2,770.00
190 Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1185 days from the date of allotment. Coupon is equal to 42.5% times the NIFTY Performance capped at 42.5%(max coupon) where Nifty Performance is computed as per the Initial and Final Nifty Levels given that Final Level is greater than Initial Level else Coupon is Zero.	11-09-2025	1,900.00
230 Secured Unlisted Redeemable Principal Not Protected - Market Linked Non -Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1280 days from the date of allotment. If Final Nifty closes at higher than 30% of Initial Nifty, a coupon is paid at 60% of the Initial Nifty. If Final Nifty closes between 15% and 30% higher than Initial Nifty, the coupon is determined at 18.75% plus 275% of Return of the Nifty over 15%. If Final Nifty closes between 0% and 15% of Initial Nifty, the coupon is determined at 125% of the Return of the Nifty. If Final Nifty closes between minus 25% and 0% of Initial Nifty, the coupon is determined at 0%. If Final Nifty closes below minus 25% of the Initial Nifty, the redemption amount is Initial Nifty multiplied by the Nifty return.	02-03-2026	2,300.00
93 Secured Unlisted Redeemable Principal Not Protected - Market Linked Non -Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1200 days from the date of allotment. If Final Nifty closes higher than Initial Nifty, a coupon is paid at 125% of the Nifty return. If Final Nifty closes between minus 25% and 0% of the Initial Nifty, the coupon is zero percent. If Final Nifty closes below minus 25%, the redemption amount is Initial Nifty multiplied by the Nifty return.	09-01-2026	930.00

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Particulars	Nature of Security	Terms of Repayment	Maturity date	Issue value as at 31st March 2023
87, Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture of INR 10,00,000	Non- Convertible Debentures issued by the company are secured by way of a first Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the	Redeemable with market linked coupon at the end of 1280 days from the date of allotment. If Final Nifty closes at higher than 30% of Initial Nifty, a coupon is paid at 58% of the Initial Nifty. If Final Nifty closes between 20% and 30% higher than Initial Nifty, the coupon is determined at 23% plus 350% of Return of the Nifty over 20%. If Final Nifty closes between 0% and 20% of Initial Nifty, the coupon is determined at 115% of the Return of the Nifty. If Final Nifty closes between minus 25% and 0% of Initial Nifty, the coupon is determined at 0%. If Final Nifty closes below minus 25% of the Initial Nifty, the redemption amount is Initial Nifty multiplied by the Nifty return.	07-05-2026	870.00
225, Secured Unlisted Redeemable Principal Not Protected - Market Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1149 days from the date of allotment. Coupon is equal to the Return of the Reference Portfolio (50% Nifty 50 Index + 20% Kotak Emerging Equity Fund + 20% Mirae Asset Midcap Fund + 10% Canara Robeco Small Cap Fund)+12% where the the NIFTY and Fund Performance is computed as per the Initial and Final Levels given.	30-01-2026	2,250.00
169 Secured Unlisted Redeemable Principal Protected - Market Linked Non-Convertible Debenture Linked Non-Convertible Debenture of INR 10,00,000	First Pari Passu charge over bonds/investments held by the Company with minimum asset cover of 1.00 times. The Company shall have option to trade/sell with the bonds subject to maintaining minimum asset cover all time during the tenure of the Debentures.	Redeemable with market linked coupon at the end of 1280 days from the date of allotment. If Final Nifty closes at higher than 50% of Initial Nifty, a coupon is paid at 59% of the Initial Nifty. If Final Nifty closes between 20% and 50% higher than Initial Nifty, the coupon is determined at 20% plus 130% of Return of the Nifty over 20%. If Final Nifty closes between -20% and 20% of Initial Nifty, the coupon is paid at 20%. If Final Nifty closes below minus 20% of the Initial Nifty, coupon paid out is 0%.	24-06-2026	1,690.00
<b>Total</b>				<b>12,710.00</b>
Liability portion of debentures on initial recognition				4,971.66
Add: Interest accrued on debentures till 31st March 2023				277.59
<b>Total liability closing balance as on 31st March 2023</b>				<b>5,249.25</b>
Derivative component of debentures on initial recognition				7,738.34
Add/Less: Fair value changes as on 31st March 2023				123.13
<b>Closing balance of derivative component as on 31st March 2023</b>				<b>7,861.47</b>

**Note 15 : Deposits**

Particulars	As at 31st March 2023	As at 31st March 2022
At amortised cost		
- from others	47.19	15.44
<b>Total</b>	<b>47.19</b>	<b>15.44</b>

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**Note 16 : Other financial liabilities**

Particulars	As at	As at
	31st March 2023	31st March 2022
Employee expenses payable	2,125.89	554.64
Lease liability [Refer Note No. 35]	705.14	389.65
Financial Liability on Guarantee	25.96	-
Others	22.02	5.60
Payable to Fund	24.12	-
Advance received from customers	310.23	100.33
<b>Total</b>	<b>3,213.36</b>	<b>1,050.22</b>

**Note 17 : Provisions**

Particulars	As at	As at
	31st March 2023	31st March 2022
<b>Provision for employee benefits</b>		
Provision for gratuity	218.68	17.86
<b>Total</b>	<b>218.68</b>	<b>17.86</b>

**Note 18 : Other non-financial liabilities**

Particulars	As at	As at
	31st March 2023	31st March 2022
Statutory dues payable	262.36	365.45
<b>Total</b>	<b>262.36</b>	<b>365.45</b>

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**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 20 : Other equity**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Securities premium</b>		
Balance as at the beginning of the year	36,364.38	30,409.71
Add: Additions during the year:		
- Premium on conversion of CCPS and OCRPS to equity shares during the year	(2.94)	-
- Premium on private placement of equity shares	20,885.01	5,961.66
Less: Utilized during the year:		
- Amounts utilized towards share issue expenses	(543.78)	(6.99)
<b>Balance as at the end of the year</b>	<b>56,702.67</b>	<b>36,364.38</b>
<b>Contingency reserve fund</b>		
Balance as at the beginning of the year	0.54	0.54
Add: Addition during the year:		
- Transfer from surplus / (deficit) in statement of profit and loss	-	-
Less: Utilized during the year	-	-
<b>Balance as at the end of the year</b>	<b>0.54</b>	<b>0.54</b>
<b>Share based payment reserve</b>		
Balance as at the beginning of the year	291.72	-
Add: Addition during the year:	3,612.76	291.72
Less: Utilized during the year	51.50	-
<b>Balance as at the end of the year</b>	<b>3,852.98</b>	<b>291.72</b>
<b>Capital reserve on Merger</b>	80.39	-
<b>Deemed contribution from parent</b>	-	-
<b>Statutory reserve fund pursuant to Section 45-IC of the RBI Act, 1934</b>		
Balance as at the beginning of the year	497.14	74.51
Add: Addition during the year:		
- Transfer from surplus in statement of profit and loss	-	422.63
Less: Utilized during the year	-	-
<b>Balance as at the end of the year</b>	<b>497.14</b>	<b>497.14</b>
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	(585.43)	(2,292.99)
Add: Reserves on Merger	(8,168.02)	-
Add: Profit / (loss) after tax for the year	(7,252.36)	2,113.17
Add: Intercompany Profits	48.27	-
Add: Other comprehensive income for the year, net of income tax	(24.45)	9.19
Less: Loss Reversal on Wind up of Subsidiary	(19.72)	-
Add/Less: Previous year profit/loss adjustments	-	7.83
<b>Amount available for appropriations</b>	<b>(16,001.71)</b>	<b>(162.80)</b>
Less: Appropriations		
- Transfer to Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	-	-
Add: Transfer from capital reserve	-	(422.63)
<b>Balance as at the end of the year</b>	<b>(16,001.71)</b>	<b>(585.43)</b>
<b>Share application money pending allotment</b>	-	-
<b>Total</b>	<b>45,132.01</b>	<b>36,568.35</b>

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**Note 19 : Equity share capital**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
<b>Authorised share capital [Refer note 'e' below]</b>				
Equity shares of INR. 10/- each	3,41,94,000	3,419.40	3,44,00,000	3,440.00
Compulsorily convertible preference shares of INR 10/- each	7,16,000	71.60	-	-
Optionally convertible redeemable preference shares of INR 10/- each	6,00,000	60.00	6,00,000	60.00
	<b>3,55,10,000</b>	<b>3,551.00</b>	<b>3,50,00,000</b>	<b>3,500.00</b>
<b>Issued, subscribed and paid up capital</b>				
Equity Shares of INR. 10/- each fully paid up	1,27,57,390	1,275.74	98,99,804	989.98
Optionally convertible redeemable preference shares of INR 10/- each fully paid-up	4,53,962	45.40	-	-
<b>Total issued, subscribed and paid-up share capital</b>	<b>1,32,11,352</b>	<b>1,321.14</b>	<b>98,99,804</b>	<b>989.98</b>

**a. Terms and rights attached to Equity shares**

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

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

**b. Terms and rights attached to Optionally convertible redeemable preference shares**

Pursuant to Composite Scheme of Arrangement between Clamant Tech Services Private Limited ('Transferor Company'), InCred Wealth Private Limited ('Demerged Company 1'), MAPE Advisory Group Private Limited ('Demerged Company 2'), InCred Wealth and Investment Services Private Limited ('Resulting Company 1') and InCred Capital Financial Services Private Limited ('Company' or 'Transferee Company' or 'Resulting Company 2') and the Order dated April 26, 2022 passed by the NCLT Mumbai sanctioning the Composite Scheme the Company had allotted 4,53,962 Class A Optionally convertible redeemable preference shares ('OCRPS'). Based on the valuation report of registered valuer the value of liability portion arising out of redemption option is immaterial and therefore not accounted for.

Therefore entire OCRPS has been considered as equity in nature. The conversion right is to be exercised by the holders of OCRPS after 90 days from the end of 3 (three) years from the Appointed Date. OCRPS shall be redeemed at the option of the Company after the end of 3 (three) Years from the Appointed Date.

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
<b>At the beginning of the year</b>	98,99,804	989.99	92,08,557	920.86
Add: Shares issued on conversion of CCPS and OCRPS during the year	6,32,894	63.29	-	-
Add: Shares issued during the year	22,24,692	222.47	6,91,247	69.12
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,27,57,390</b>	<b>1,275.74</b>	<b>98,99,804</b>	<b>989.99</b>
<b>Instruments entirely equity in nature</b>				
<b>Compulsorily convertible preference shares</b>				
<b>At the beginning of the year</b>	-	-	-	-
Add: Shares issued during the year	6,03,530	60.35	-	-
Less: Converted to Equity shares during the year	6,03,530	60.35	-	-
<b>Outstanding at the end of the year</b>	-	-	-	-
<b>Optionally convertible redeemable preference shares</b>				
<b>At the beginning of the year</b>	-	-	-	-
Add: Shares issued during the year	4,53,962	45.40	-	-
Less: Converted to Equity shares during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>4,53,962</b>	<b>45.40</b>	-	-
<b>Total instruments entirely equity in nature</b>	<b>4,53,962</b>	<b>45.40</b>	-	-

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

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of shares held	% Holding	No. of shares held	% Holding
<b>Equity shares</b>				
Bhupinder Singh <sup>1</sup>	42,36,578	33.21%	41,61,092	42.03%
MEMG Family office LLP	9,43,704	7.40%	9,43,704	9.53%
Paragon Partners Growth Fund-I	9,07,408	7.11%	9,07,408	9.17%
Ravi Pillai	7,78,842	6.11%	7,78,842	7.87%
<b>Optionally convertible redeemable preference shares</b>				
Ramprasad M	1,95,955	43.17%	-	-
Jacob Mathew	1,03,201	22.73%	-	-
Anu Jacob	92,753	20.43%	-	-

1. 19331 equity shares are being held by Credentia Trusteeship Services Private Limited on behalf of Mr. Bhupinder Singh as agreed under Escrow agreement dated 15th December 2020.

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

**d. Equity shares held by promoters of the company**

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

Name of the shareholder	As at 31st March 2023			As at 31st March 2022		
	No. of shares held	% of shares held	% Change during the year	No. of shares held	% of shares held	% Change during the year
Bhupinder Singh	42,36,578	33.21%	1.81%	41,61,092	42.03%	-0.23%

**e. Changes in authorized share capital of the Company**

i) The Company has reclassified its Authorized share capital from INR 350,000,000 (Indian Rupees Thirty-Five Crores) divided into: (a) 3,44,00,000 (Three Crores Forty Four Lakh) equity shares having the face value of INR 10/- (Indian Rupees Ten) each;(b) 6,00,000 (Six Lakh) optionally convertible redeemable preference shares having the face value of INR 10/- (Indian Rupees Ten) each, to (a) 3,36,84,000 (Three Crores Thirty-Six Lakh Eighty-Four Thousand) equity shares having the face value of INR 10/- (Indian Rupees Ten) each; (b) 6,00,000 (Six Lakh) optionally convertible redeemable preference shares having the face value of INR 10/- (Indian Rupees Ten) each;(c) 7,16,000 (Seven Lakh Sixteen Thousand) compulsorily convertible preference shares having the face value of INR 10/- (Indian Rupees Ten) each. vide shareholders' approval at the Extraordinary General Meeting (EGM) held on 4th May 2022.

ii) Pursuant to Composite Scheme of Arrangement between Clamant Tech Services Private Limited ('Transferor Company'), InCred Wealth Private Limited ('Demerged Company 1'), MAPE Advisory Group Private Limited ('Demerged Company 2'), InCred Wealth and Investment Services Private Limited ('Resulting Company 1') and InCred Capital Financial Services Private Limited ('Company' or 'Transferee Company' or 'Resulting Company 2') and the Order dated April 26, 2022 passed by the NCLT Mumbai sanctioning the Composite Scheme the Authorised share capital i.e. Rs.51,00,000 of the Transferor Company has been

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**Note 21 : Interest income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>On financial assets measured at amortised cost:</b>		
- Interest on loans	1,021.32	2,161.38
- Interest on deposits with banks	9.34	21.83
- Interest on PTC	-	130.36
<b>On financial assets measured at fair value through OCI:</b>		
- Interest on non-convertible debentures	-	-
<b>Total</b>	<b>1,030.66</b>	<b>2,313.57</b>

*Note - Revenue from the following customers accounts for their corresponding revenue percentage of the Company's total revenue for the year ended 31 March 2023 and 31 March 2022 respectively :*

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Customer A	46%	90%
Customer B	28%	-

**Note 22 : Fees and commission income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Advisory Income	1.20	25.78
Management Fees from AIF	604.99	66.71
Distribution fees, commission and related income	2,521.05	-
Other fees and charges	6,816.93	1,912.79
<b>Total</b>	<b>9,944.17</b>	<b>2,005.28</b>

*Note - Revenue from the following customers accounts for their corresponding revenue percentage of the Company's total revenue for the year ended 31 March 2023 and 31 March 2022 respectively :*

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Customer A	-	35%
Customer B	-	17%
Customer C	-	13%
Customer D	21%	-
Customer E	23%	-

**Note 23 : Net gain on fair value changes**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Net gain on financial instruments at fair value through profit or loss</b>		
- Investments in Mutual Funds	98.09	79.14
- Investments in AIF	353.85	65.88
- Investments in Equity Shares	2,714.15	6,945.41
- Investments in non-convertible debentures	1,871.38	150.00
- Investments in CCPS	397.35	-
- Investments in Futures and Options	(263.40)	-
- Investments in PMS	2.27	-
<b>Total</b>	<b>5,173.69</b>	<b>7,240.43</b>
<b>Fair value changes:</b>		
- Realised	4,692.13	7,402.09
- Unrealised	481.58	(161.66)
<b>Total</b>	<b>5,173.71</b>	<b>7,240.43</b>

**Note 24 : Other income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Unwinding of discount on security deposit	11.75	5.29
Miscellaneous income	32.14	8.09
Reimbursement Income	23.34	208.34
Liabilities written back	69.12	65.04
Others	86.75	-
<b>Total</b>	<b>223.10</b>	<b>286.76</b>



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**Note 25 : Finance costs**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on lease liability [Refer Note No. 35]	93.61	49.54
Interest on Borrowings	460.07	179.71
Finance Expense on Guarantee	100.96	-
Others	0.30	-
<b>Total</b>	<b>654.94</b>	<b>229.25</b>

**Note 26 : Impairment on financial instruments**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>On financial instruments measured at amortised cost</b>		
- Loans (including amount written off, net of recovery)	(154.22)	72.15
- Trade receivables	16.54	3.56
- Other assets	70.46	-
<b>Total</b>	<b>(67.22)</b>	<b>75.71</b>

**Note 27 : Employee benefits expenses**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and wages	10,949.14	3,064.09
Contribution to provident and other funds	216.81	16.06
Share based payments to employees [Refer Note No. 40]	3,612.76	291.72
Gratuity [Refer Note No. 33]	193.13	12.77
Leave encashment	-	-
Staff welfare expenses	66.16	13.01
<b>Total</b>	<b>15,038.00</b>	<b>3,397.65</b>

**Note 28 : Others expenses**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Rent [Refer Note No. 35]	42.33	5.52
Communication cost	10.23	6.96
Commission, brokerage & referral fees	2,638.04	3,285.21
Travelling and conveyance	327.39	79.32
Legal, professional and consultancy charges	1,632.82	1,375.02
Membership and subscription	35.56	25.53
IT expenses	222.68	30.26
Manpower support services	132.92	13.12
Rates and taxes	51.65	39.34
Printing and stationary	20.05	4.54
Payment to auditors	27.51	34.13
Advertisement, publicity and sales promotion expenses	192.90	14.26
Office expenses	169.98	25.23
Interest on statutory dues	6.24	4.57
Recruitment fees	237.47	108.14
Foreign exchange loss	27.52	53.77
Stamp Duty & Filing fees	22.04	7.18
Loss on sale of fixed assets	2.24	0.28
GST Expense	651.74	-
Assets Written off	13.28	-
Loss on subsidiary	21.06	-
Fund Expenses	-	34.41
Corporate Social Responsibility Expense	19.82	-
Miscellaneous expenses	6.44	11.30
<b>Total</b>	<b>6,511.91</b>	<b>5,158.09</b>

**\* Payment to the auditors:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Auditor's remuneration		
- Audit fees	25.16	24.65
In other capacity		
- Certification services	0.71	3.74
- Taxation	1.64	5.74
<b>Total</b>	<b>27.51</b>	<b>34.13</b>

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**Note 29 : Current tax****29.1 Amounts recognised in profit and loss**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Current tax expense</b>		
In respect of current period	-	323.36
MAT credit written off	-	-
Earlier years	39.79	-
	<u>39.79</u>	<u>323.36</u>
<b>Deferred tax expense / (income)</b>	<u>(2,235.04)</u>	<u>396.21</u>
<b>Tax expense for the year</b>	<u>(2,195.25)</u>	<u>719.57</u>

**29.2 Amounts recognised in other comprehensive income**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Income tax related to items recognised in Other Comprehensive Income during the year</b>		
Remeasurements of defined benefit plans	9.59	0.93
Net Gain/ (Loss) on instruments through other comprehensive income	-	-
<b>Total Income tax recognised in Other Comprehensive Income</b>	<u>9.59</u>	<u>0.93</u>

**29.3 Reconciliation of effective tax rate**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Profit before tax as per Statement of profit and loss (A)</b>	<u>(9,447.61)</u>	<u>2,832.74</u>
<b>Statutory tax rate (B)</b>	<u>25.17%</u>	<u>25.17%</u>
<b>Tax using the Company's domestic tax rate (C = A * B)</b>	<u>(2,377.77)</u>	<u>712.94</u>
<b>Tax effect of:</b>		
Tax effect of amounts which are not deductible in calculating taxable income	582.78	6.63
Loss of Mape on which deferred tax was not created in earlier years	(446.01)	-
Bonus of Mape and Clamant disallowed in computation of last year, claimed allowance in ICFSPL	(27.27)	-
Change of rate on the deferred tax created by Mape in earlier years	(0.71)	-
Others	33.94	-
<b>Effective tax expense</b>	<u>(2,235.04)</u>	<u>719.57</u>

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**29.4 Deferred tax**

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2023 are as follows:

Particulars	As at 31st March 2022	Acquired via Merger	Recognised in profit or loss	Recognised in OCI	As at 31st March 2023
<b>Deferred tax assets:</b>					
Brought forward losses	480.26	1,627.64	2,820.21	-	4,928.11
Employee benefit expenses	4.49	25.18	15.69	9.59	54.95
EIR impact on financial instruments	-	-	1.75	-	1.75
Preliminary expenses	-	-	0.02	-	0.02
Impairment loss on Loans	25.78	-	(6.79)	-	18.99
Restructuring related expenses	13.03	0.08	4.70	-	17.81
Leases	35.91	18.53	(5.36)	-	49.08
Temporary disallowance	-	394.97	(326.81)	-	68.16
Difference between written down value of fixed assets as per the books of accounts and income tax	13.64	16.96	(0.00)	-	30.60
<b>Total Deferred tax assets (A)</b>	<b>573.11</b>	<b>2,083.36</b>	<b>2,503.41</b>	<b>9.59</b>	<b>5,169.47</b>
<b>Deferred tax liabilities:</b>					
Difference between written down value of fixed assets as per the books of accounts and income tax	0.27	(2.68)	204.50	-	202.09
Fair value of investments measured at FVTPL	(34.84)	46.99	73.71	-	85.86
EIR impact on financial instruments	-	(17.84)	(9.84)	-	(27.68)
<b>Total Deferred tax liabilities (B)</b>	<b>(34.57)</b>	<b>26.47</b>	<b>268.37</b>	<b>-</b>	<b>260.27</b>
<b>Net Deferred tax assets (A-B)</b>	<b>607.68</b>	<b>2,056.89</b>	<b>2,235.04</b>	<b>9.59</b>	<b>4,909.20</b>

The major components of deferred tax (liabilities) arising on account of timing differences as at 31st March 2022 are as follows:

Particulars	As at 31st March 2021	Acquired via Merger	Recognised in profit or loss	Recognised in OCI	As at 31st March 2022
<b>Deferred tax assets:</b>					
Brought forward losses	921.60	-	(441.34)	-	480.26
Employee benefit expenses	4.36	-	(0.80)	0.93	4.49
EIR impact on financial instruments	-	-	-	-	-
Impairment loss on Loans	30.95	-	(5.17)	-	25.78
Restructuring related expenses	6.88	-	6.15	-	13.03
Leases	35.74	-	0.17	-	35.91
Temporary disallowance	0.05	-	(0.05)	-	-
Difference between written down value of fixed assets as per the books of accounts and income tax	10.85	-	2.79	-	13.64
<b>Total Deferred tax assets (A)</b>	<b>1,010.43</b>	<b>-</b>	<b>(438.25)</b>	<b>0.93</b>	<b>573.11</b>
<b>Deferred tax liabilities:</b>					
Difference between written down value of fixed assets as per the books of accounts and income tax	-	-	0.27	-	0.27
Fair value of investments measured at FVTPL	5.85	-	(40.69)	-	(34.84)
EIR impact on financial instruments	1.62	-	(1.62)	-	-
<b>Total Deferred tax liabilities (B)</b>	<b>7.47</b>	<b>-</b>	<b>(42.04)</b>	<b>-</b>	<b>(34.57)</b>
<b>Net Deferred tax assets (A-B)</b>	<b>1,002.96</b>	<b>-</b>	<b>(396.21)</b>	<b>0.93</b>	<b>607.68</b>

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**Note 30 : Earning per share (EPS)**

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

**i. Profit attributable to ordinary shareholders:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit attributable to equity holders of the Company used in calculating basic & dilutive earnings per share	(7,252.36)	2,113.17

**ii. Weighted average number of ordinary shares**

Particulars	As at 31st March 2023	As at 31st March 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,13,57,512	98,63,821
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	1,20,89,694	98,63,821
<b>Basic earnings per share</b>	<b>(63.86)</b>	<b>21.42</b>
<b>Diluted earnings per share</b>	<b>(59.99)</b>	<b>21.42</b>

**Note 31 : Contingent liabilities and commitments**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Investment commitments	2,000.00	-
- Loan commitments	-	9,501.82
- Fixed asset commitment	0.50	-
<b>Contingent liabilities</b>		
- Corporate Guarantee for Group Company*	10,000.00	-

\* Guarantee of 100% of the Working Capital/Intra Day Overdraft /Bank Guarantee of the Group Company to a maximum amount of INR 10,000 lakhs (31st March 2022: INR NIL) (carrying amounts of the related financial guarantee contracts were INR 25.96 lakhs and INR NIL at 31 March 2023 and 31 March 2022, respectively) (Also Refer Note 17).

**Note 32 : Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, as at 31 March 2023, no dues were outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act till 31 March 2023.

**Note 33 : Employee benefits****33.1 Defined contribution plan**

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

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Provident fund	216.81	16.06

**33.2 Defined benefit Plan - Gratuity**

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

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

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Change in benefit obligations</b>		
Present value of benefit obligation at the beginning of the year	17.86	13.34
Interest cost	6.48	0.82
Current service cost	81.06	11.96
Liability Transferred In/ Acquisitions	96.33	-
Benefit paid directly by the employer	(12.89)	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	(5.24)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(4.31)	2.67
Actuarial (Gains) / Losses on Obligations - Due to Experience	34.13	(5.69)
<b>Liability at the end of the year</b>	<b>218.66</b>	<b>17.86</b>

**Amount recognized in the consolidated balance sheet:**

Particulars	As at 31st March 2023	As at 31st March 2022
Present value of benefit obligation	218.66	(17.86)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	218.66	(17.86)
<b>Net (Liability) Recognized in the Balance Sheet</b>	<b>218.66</b>	<b>(17.86)</b>

**Expenses recognized in the consolidated statement of profit and loss**

Particulars	As at 31st March 2023	As at 31st March 2022
Current service cost	81.06	11.96
Net Interest cost	6.48	0.81
<b>Expenses recognised</b>	<b>87.54</b>	<b>12.77</b>

**Expenses recognized in the Other comprehensive income (OCI)**

Particulars	As at 31st March 2023	As at 31st March 2022
Actuarial (Gains) on obligation for the year	29.82	(8.25)
Return on Plan Assets, Excluding Interest Income	-	-
<b>Net (Income) for the year recognized in OCI</b>	<b>29.82</b>	<b>(8.25)</b>

**The actuarial assumptions used to determine benefit obligations as at 31st March 2023 and 31st March 2022 are as follows:**

Particulars	As at 31st March 2023	As at 31st March 2022
Discount Rate	7.29% to 7.31%	5.66% to 6.09%
Salary escalation rate	8% to 12%	8%
Expected Rate of return on Plan Assets	NA	NA
Rate of Employee Turnover	20% to 25%	20% to 25%
Mortality Rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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

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**Consolidated balance sheet reconciliation:**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Opening net liability</b>	<b>17.86</b>	<b>13.34</b>
Expenses recognized in Statement of Profit and Loss	87.54	12.77
Expenses recognized in OCI	29.82	(8.25)
Net (Asset) Transfer In	96.33	-
Net (Liability)/Asset Transfer Out (Benefit Paid Directly by the Employer)	(12.89)	-
(Employer's Contribution)	-	-
<b>Net liability recognized in the consolidated balance sheet</b>	<b>218.67</b>	<b>17.86</b>

**Other details:**

Particulars	As at 31st March 2023	As at 31st March 2022
Active Members (Absolute number)	240.00	43.00
Per Month Salary For Active Members	302.84	53.24
Weighted Average Duration of the Projected Benefit Obligation	22.00	14.00
Average Expected Future Service	17.00	7.00
Projected Benefit Obligation (PBO)	218.68	17.86
Prescribed Contribution For Next Year (12 Months)	-	-

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

Particulars	As at 31st March 2023	As at 31st March 2022
Projected benefits payable in future years from the date of reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

**Maturity analysis of the benefit payments: From the employer**

Particulars	As at 31st March 2023	As at 31st March 2022
Projected benefits payable in future years from the date of reporting		
1st following year	12.06	0.11
2nd following year	11.56	1.38
3rd following year	43.25	2.00
4th following year	38.10	2.46
5th following year	37.58	3.49
Sum of years 6 To 10	119.58	10.12
Sum of years 11 and above	58.72	5.82

**Sensitivity analysis:**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Projected benefit obligation on current assumptions</b>	<b>218.67</b>	<b>17.86</b>
Delta effect of +1% change in rate of discounting	(9.70)	(0.93)
Delta effect of -1% change in rate of discounting	10.50	1.02
Delta effect of +1% change in rate of salary increase	9.62	0.99
Delta effect of -1% change in rate of salary increase	(9.27)	(0.93)
Delta effect of +1% change in rate of employee turnover	(6.17)	(0.63)
Delta effect of -1% change in rate of employee turnover	6.38	0.20

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**Risk analysis:**

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

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

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

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

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

**Note 34 : Security issue expenses**

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

Particulars	As at 31st March 2023	As at 31st March 2022
Legal and professional fees	531.65	3.88
Stamp duty	12.13	3.11
<b>Total</b>	<b>543.78</b>	<b>6.99</b>

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**Note 35 : Leases****Accounting policy: The Company as a Lessee**

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

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

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

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

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

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

**ROU Assets**

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

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

The changes in the carrying value of the ROU asset for the period ended 31st March 2023 are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	246.97	310.97
Addition during the year	61.12	36.64
Acquired via merger	423.20	-
Deletion during the period	-	-
Depreciation for the year	(221.14)	(100.64)
<b>Balance as at the end of the year</b>	<b>510.15</b>	<b>246.97</b>

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

**Lease liability**

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

The changes in the carrying value of the lease liability for the period ended 31st March 2023 are as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning of the year	389.65	452.97
Addition during the year on account of Merger	496.81	-
Addition during the year	56.70	38.01
Finance cost accrued during the year	93.61	49.54
Prior period Adjustments	-	(6.47)
Deletions	-	-
Payment of lease liabilities made during the year	(331.63)	(144.40)
<b>Balance as at the end of the year</b>	<b>705.14</b>	<b>389.65</b>



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The break-up of current and non-current lease liabilities as at 31st March 2023 is as follows:

Particulars	As at	As at
	31st March 2023	31st March 2022
Current lease liabilities	308.29	120.88
Non-current lease liabilities	396.85	268.77
<b>Total</b>	<b>705.14</b>	<b>389.65</b>

The table below provides details regarding the contractual maturities of lease liabilities as of 31st March 2023 on an undiscounted basis:

Particulars	As at	As at
	31st March 2023	31st March 2022
Less than one year	371.72	154.04
Between one and five years	406.61	291.69
More than five years	61.52	-
<b>Total</b>	<b>839.85</b>	<b>445.73</b>

**Expenses recognized in the Consolidated statement of profit & loss:**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Depreciation expense on RoU Asset [Refer Note No. 10]	221.14	100.64
Interest expense on lease liability [Refer Note No. 25]	93.61	49.54
Expense relating to short-term leases and low value leases [Refer Note No. 28]	29.79	5.52
<b>Total</b>	<b>344.54</b>	<b>155.70</b>

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

**Short-term leases**

Rental expenses recorded for short-term leases and low value leases was INR. 29.79 lakhs for the year ended 31st March 2023 INR. 5.52 lakhs and for the year ended 31st March 2022.

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

### **36.2 Fair value hierarchy**

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

- (i) Level 1 :- Category includes valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.
- (ii) Level 2:- Valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- (iii) Level 3:- Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31st March 2023 & 31st March 2022.

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**Note 37 : Capital management**

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

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

**Note 38 : Financial risk management objectives and policies**

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

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

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

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

**(a) Market risk:**

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

**Interest rate risk**

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

**Exposure to interest rate risk**

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

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Loans</b>		
Fixed rate loans	12,665.29	27,924.90
<b>Borrowings</b>		
Fixed rate borrowings	-	-
<b>Net exposure</b>	<b>12,665.29</b>	<b>27,924.90</b>

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Other price risk**

The Company is exposed to price risk arising from investment in AIF / mutual funds / bonds & debentures / equity and classified in the consolidated balance sheet at fair value through profit & loss. If the NAV of the AIF / mutual fund had been higher / lower by 1% from market price existing as at 31st March 2023, profit or loss (pre-tax) for the year ended 31st March 2023 would increase / decrease by INR. 138.35 Lakhs (For the year ended 31st March 2022: INR 5.77 Lakhs) with a corresponding increase / decrease in the total equity of the Company.

The Company is currently is not exposed to any equity price risk arising from equity investments classified in the consolidated balance sheet at fair value through other comprehensive income since the amount outstanding as at 31st March 2023 is Nil (For the year ended 31st March 2022: Nil).

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**(b) Credit risk:**

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

**Credit risk management**

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

The key factors considered include:

**Borrower Analysis**

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

**Industry Analysis**

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

**Character and quality of management and / or equity sponsors**

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

**Measurement of Expected Credit Losses ('ECL')**

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

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

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

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

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

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

**Write-offs**

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

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

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**As at 31st March 2023**

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loans	12,716.66	(51.37)	12,665.29
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loan Commitments	-	-	-
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Loans	-	-	-
Loss allowance measured at 12 month ECL - Trade receivable	Trade Receivable	2,850.98	(70.49)	2,780.49
<b>Total</b>		<b>15,567.64</b>	<b>(121.86)</b>	<b>15,445.78</b>

**As at 31st March 2022**

Particulars	Asset group	Gross carrying amount of financial assets	ECL	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loans	28,117.99	(145.58)	27,972.41
Loss allowance measured at 12 month expected credit losses (Stage 1)	Loan Commitments	9,501.82	(47.51)	9,454.31
Loss allowance measured at life-time expected credit losses, credit impaired (Stage 3)	Loans	-	-	-
Loss allowance measured at 12 month ECL - Trade receivable	Trade Receivable	1,428.88	(3.66)	1,425.22
<b>Total</b>		<b>39,048.69</b>	<b>(196.75)</b>	<b>38,851.94</b>

**Maximum exposure to credit risk**

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

Particulars	Gross Exposure	
	31st March 2023	31st March 2022
Cash and cash equivalents	1,862.22	4,067.09
Derivative financial instruments	986.98	-
Trade receivables	2,780.49	1,425.22
Loans and advances to customers	12,716.66	28,117.99
Investments in PTCs & AIF	25,002.77	2,826.93
Other financial assets	6,515.12	102.40
<b>Total credit risk exposure</b>	<b>49,864.24</b>	<b>36,539.63</b>

**Value of security of credit impaired assets**

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

Particulars	As at 31st March 2023	As at 31st March 2022
Value of security	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**Reconciliation of ECL balance****(a) Loans**

<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
<b>ECL allowance as on 31st March 2021</b>	<b>105.37</b>	-	-
New Assets Originated or Purchased	64.69	-	-
Changes in loss allowances due to Assets used or released	(24.48)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2022</b>	<b>145.58</b>	-	-
New Assets Originated or Purchased	51.37	-	-
Changes in loss allowances due to Assets used or released	(145.58)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2023</b>	<b>51.37</b>	-	-

**(b) Loan commitments**

<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
<b>ECL allowance as on 31st March 2021</b>	<b>17.50</b>	-	-
New Assets Originated or Purchased	47.51	-	-
Changes in loss allowances due to Assets used or released	(17.50)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2022</b>	<b>47.51</b>	-	-
New Assets Originated or Purchased	-	-	-
Changes in loss allowances due to Assets used or released	(47.51)	-	-
Write - offs	-	-	-
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired	-	-	-
<b>ECL allowance as on 31st March 2023</b>	<b>-</b>	-	-

**(c) Trade Receivable**

<b>Particulars</b>	<b>Amounts</b>
<b>ECL allowance as on 31st March 2021</b>	<b>0.10</b>
New Assets Originated or Purchased	3.56
<b>ECL allowance as on 31st March 2022</b>	<b>3.66</b>
New Assets Originated or Purchased	66.83
<b>ECL allowance as on 31st March 2023</b>	<b>70.49</b>

**Concentration of Risk**

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

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**(c) Liquidity Risk**

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

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

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

**As at 31st March 2023:-**

Particulars	Note No.	Carrying amount	Contractual cash flows				
			Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
<b>Maturities of financial liabilities:</b>							
Borrowings	13	-	-	-	-	-	-
Derivative financial instruments	4	7,861.47	(7,861.47)	6,701.70	1,159.77	-	-
Trade payables	13	902.50	(902.50)	902.50	-	-	-
Debt Securities	14	5,249.25	(5,249.25)	3,908.31	1,340.94	-	-
Deposits	15	47.19	(47.19)	-	47.19	-	-
Other financial liabilities	16	3,213.36	(3,348.08)	2,879.95	468.13	-	-
<b>Total</b>		<b>17,273.77</b>	<b>(17,408.49)</b>	<b>14,392.46</b>	<b>3,016.03</b>	<b>-</b>	<b>-</b>

**As at 31st March 2022:-**

Particulars	Note No.	Carrying amount	Contractual cash flows				
			Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years
<b>Maturities of financial liabilities:</b>							
Trade payables	13	2,559.50	(2,559.50)	2,559.50	-	-	-
Deposits	15	15.44	(15.44)	-	15.44	-	-
Other financial liabilities	16	1,050.22	(1,106.30)	814.61	291.69	-	-
Loan commitments		9,501.82	(9,501.82)	9,501.82	-	-	-
<b>Total</b>		<b>13,126.98</b>	<b>(13,183.06)</b>	<b>12,875.93</b>	<b>307.13</b>	<b>-</b>	<b>-</b>



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

**As at 31st March 2023:-**

Particulars	Note No.	Carrying amount	Contractual cash flows						
			Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years		
<b>Maturities of financial assets:</b>									
Cash and cash equivalents	3	1,862.22	1,862.22	1,862.22	-	-	-	-	
Derivative financial instruments	4	986.98	986.98	-	986.98	-	-	-	
Trade receivables	5	2,780.49	2,780.49	2,780.49	-	-	-	-	
Loans	6	12,665.29	12,842.97	8,620.62	454.92	3,767.43	-	-	
Investments	7	25,002.77	25,077.43	17,379.22	1,220.16	5,257.89	1,220.16	-	
Other financial assets	8	6,515.12	6,568.58	6,406.33	146.98	7.62	7.65	-	
<b>Total</b>		<b>49,812.87</b>	<b>50,118.67</b>	<b>37,048.88</b>	<b>2,809.04</b>	<b>9,032.94</b>	<b>1,227.81</b>	<b>1,227.81</b>	

**As at 31st March 2022:-**

Particulars	Note No.	Carrying amount	Contractual cash flows					
			Gross nominal inflow/(outflow)	Less than 1 year	1-3 years	3-5 years	After 5 years	
<b>Maturities of financial assets:</b>								
Cash and cash equivalents	3	4,067.09	4,067.09	4,067.09	-	-	-	-
Trade receivables	5	1,425.22	1,425.22	1,425.22	-	-	-	-
Loans	6	27,924.90	30,739.52	18,302.50	12,437.02	-	-	-
Investments	7	2,826.93	2,826.93	2,250.27	-	576.66	-	-
Other financial assets	8	102.40	102.15	42.41	59.74	-	-	-
<b>Total</b>		<b>36,346.54</b>	<b>39,160.91</b>	<b>26,087.49</b>	<b>12,496.76</b>	<b>576.66</b>	<b>-</b>	<b>-</b>

**Note 39 : Related party disclosures**

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

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

**Name of the party**

Key managerial personnel ("KMP")

Bhupinder Singh, Director  
Venkatesh Vishwanathan, Director  
Saurabh Jhalaria , Director  
Vivek Bansal, Director (w.e.f 26th March 2019)  
Siddharth Parekh, Director  
Rajiv Sukumar, CFO (from 3rd September 2020 to 31st March 2021)  
Deepak Dhingra, CFO (upto 7th September 2022)  
Varun Shah, Company Secretary (upto 24th April 2023)  
Mitesh Kamariya, Company Secretary (w.e.f 25th April 2023)  
Nisha Singh, Relative of Director  
Manisha Bansal, Relative of Director  
Godhuli Vishwanathan, Relative of Director

Enterprise over which KMP is able to exercise significant influence

InCred Prime Finance Limited (formerly known as InCred Financial Services Limited)  
InCred Housing Finance Private Limited  
InCred Management and Technology Private Limited  
InCred Wealth Private Limited  
Booth Fintech Private Limited  
mValu Technology Services Private Limited  
InCred Research Services Private Limited  
InCred Capital Wealth Portfolio Managers Private Limited  
InCred Global Wealth Limited  
InCred Global Wealth Pte. Ltd.  
InCred Holding Limited  
Mountain Trail Foods Private Limited  
MV Capital Partners  
InCred Employee Welfare Trust  
Clamant Tech Services Private Limited ( upto 31st March 2022)  
InCred Holding Limited

Associate

Alpha Fintech Private Limited

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**b. Transactions during the year with related parties**

Transactions	KMP and Relatives of KMP		Enterprise over which KMP are able to exercise significant influence				Associate Company		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2023	31st March 2022	
<b>Remuneration paid to KMPs*</b>	711.89	531.98	-	-	-	-	-	711.89	531.98	
	<b>711.89</b>	<b>531.98</b>	-	-	-	-	-	<b>711.89</b>	<b>531.98</b>	
<i>*As the liabilities for gratuity and share based payments are provided on actuarial basis for the Company as a whole and hence the amounts pertaining to the key management personnel are not included in the</i>										
<b>Loan &amp; advances given:</b>										
InCred Wealth Private Limited	-	-	31,436.95	41,450.00	-	-	-	31,436.95	41,450.00	
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited)	-	-	3,500.00	8,500.00	-	-	-	3,500.00	8,500.00	
Clamant Tech Services Private Limited	-	-	-	31.60	-	-	-	-	31.60	
InCred Research Services Private Limited	-	-	3,088.00	468.01	-	-	-	3,088.00	468.01	
Booth Fintech Private Limited	-	-	-	500.00	-	-	-	-	500.00	
InCred Management and Technology Private Limited	-	-	-	2,000.00	-	-	-	-	2,000.00	
InCred Employee Welfare Trust*	-	-	7,256.41	-	-	-	-	7,256.41	-	
Alpha Fintech Private Limited	-	-	-	-	375.00	-	-	375.00	-	
InCred Capital Wealth Portfolio Managers Private Limited	-	-	25,045.71	5,027.25	-	-	-	25,045.71	5,027.25	
	-	-	<b>70,327.07</b>	<b>57,976.86</b>	<b>375.00</b>	<b>-</b>	<b>-</b>	<b>70,702.07</b>	<b>57,976.86</b>	
<b>Loans &amp; advances repayment received:</b>										
InCred Wealth Private Limited	-	-	51,590.16	32,451.32	-	-	-	51,590.16	32,451.32	
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited)	-	-	3,500.00	13,000.00	-	-	-	3,500.00	13,000.00	
InCred Research Services Private Limited	-	-	3,063.00	468.01	-	-	-	3,063.00	468.01	
Booth Fintech Private Limited	-	-	-	500.00	-	-	-	-	500.00	
InCred Employee Welfare Trust	-	-	3,641.41	-	-	-	-	3,641.41	-	
InCred Management and Technology Private Limited	-	-	-	2,000.00	-	-	-	-	2,000.00	
InCred Capital Wealth Portfolio Managers Private Limited	-	-	25,555.39	5,027.25	-	-	-	25,555.39	5,027.25	
	-	-	<b>87,349.96</b>	<b>53,446.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,349.96</b>	<b>53,446.58</b>	
<b>Borrowings taken :</b>										
mValu Technology Services Private Limited	-	-	1,000.00	-	-	-	-	1,000.00	-	
InCred Wealth Private Limited	-	-	1,870.00	-	-	-	-	1,870.00	-	
	-	-	<b>2,870.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,870.00</b>	<b>-</b>	

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Transactions	KMP and Relatives of KMP		Enterprise over which KMP are able to exercise significant influence		Associate Company		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Borrowings repaid :</b>								
mValu Technology Services Private Limited	-	-	1,000.00	-	-	-	1,000.00	-
	-	-	1,000.00	-	-	-	1,000.00	-
<b>Investment in Associate:</b>								
Alpha Fintech Private Limited	-	-	-	1,220.16	-	-	1,220.16	-
	-	-	-	1,220.16	-	-	1,220.16	-
<b>Interest paid on Borrowings:</b>								
mValu Technology Services Private Limited	-	-	1.40	-	-	-	1.40	-
	-	-	1.40	-	-	-	1.40	-
<b>Purchase of Investments:</b>								
InCred Financial Services Limited	-	-	7,399.36	-	-	-	7,399.36	-
InCred Wealth Private Limited	-	-	-	5,276.72	-	-	-	5,276.72
	-	-	-	-	-	-	-	-
	-	-	-	3,000.04	-	-	-	3,000.04
Mountain Trail Foods Private Limited	-	-	7,399.36	8,276.76	-	-	7,399.36	8,276.76
<b>Sale of Investments:</b>								
InCred Wealth Private Limited	-	-	-	8,884.15	-	-	-	8,884.15
InCred Research Services Private Limited	-	-	8.65	-	-	-	8.65	-
Alpha Fintech Private Limited	75.19	-	-	-	298.60	-	298.60	-
Saurabh Jhalaria	325.06	-	-	-	-	-	-	75.19
Manisha Bansal	-	-	-	-	-	-	-	325.06
Varun Shah	-	2.64	-	-	-	-	-	2.64
Bhupinder Singh	-	200.22	-	-	-	-	-	200.22
	400.25	202.86	8.65	8,884.15	298.60	-	707.50	9,087.01
<b>Profit on Sale Investments:</b>								
InCred Wealth Private Limited	-	-	-	16.45	-	-	-	16.45
InCred Research Services Private Limited	-	-	6.40	-	-	-	6.40	-
Alpha Fintech Private Limited	-	-	-	-	0.50	-	0.50	-
InCred Capital Wealth Portfolio Managers Private Limited	-	-	4.98	-	-	-	-	-
Saurabh Jhalaria	0.14	-	-	-	-	-	-	0.08
Varun Shah	-	0.08	-	-	-	-	-	0.10
Bhupinder Singh	-	0.10	-	-	-	-	-	0.10
	0.14	0.18	11.38	16.45	0.50	-	6.90	16.63

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Transactions	KMP and Relatives of KMP		Enterprise over which KMP are able to exercise significant influence		Associate Company		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Interest on Loan and Advances:</b>								
InCred Wealth Private Limited	-	-	161.42	1,960.49	-	-	161.42	1,960.49
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited )	-	-	3.72	100.89	-	-	3.72	100.89
Clamant Tech Services Private Limited	-	-	-	0.52	-	-	-	0.52
InCred Research Services Private Limited	-	-	53.78	11.45	-	-	53.78	11.45
Booth Fintech Private Limited	-	-	-	3.66	-	-	-	3.66
InCred Management and Technology Private Limited	-	-	-	14.65	-	-	-	14.65
Alpha Fintech Private Limited	-	-	-	-	10.15	-	10.15	-
InCred Capital Wealth Portfolio Managers Private Limited	-	-	283.56	21.69	-	-	283.56	21.69
	-	-	<b>502.48</b>	<b>2,113.35</b>	<b>10.15</b>	-	<b>512.63</b>	<b>2,113.35</b>
<b>Branding Expenses</b>								
InCred Management and Technology Private Limited	-	-	2.18	-	-	-	2.18	-
	-	-	<b>2.18</b>	-	-	-	<b>2.18</b>	-
<b>Revenue from Operations</b>								
mValu Technology Services Private Limited	-	-	-	250.00	-	-	-	250.00
	-	-	-	<b>250.00</b>	-	-	-	<b>250.00</b>
<b>Referral Expenses</b>								
InCred Wealth Private Limited	-	-	369.42	2,223.87	-	-	369.42	2,223.87
InCred Global Wealth Limited	-	-	95.17	633.44	-	-	95.17	633.44
InCred Capital Wealth Portfolio Managers Private Limited	-	-	77.74	-	-	-	77.74	-
InCred Global Wealth Pte. Ltd.	-	-	162.23	288.58	-	-	162.23	288.58
	-	-	<b>704.56</b>	<b>3,145.89</b>	-	-	<b>704.56</b>	<b>3,145.89</b>
<b>Brokerage Expense:</b>								
InCred Capital Wealth Portfolio Managers Private Limited	-	-	10.43	-	-	-	10.43	-
	-	-	<b>10.43</b>	-	-	-	<b>10.43</b>	-
<b>Depository Charges</b>								
InCred Capital Wealth Portfolio Managers Private Limited	-	-	1.23	1.95	-	-	1.23	1.95
	-	-	<b>1.23</b>	<b>1.95</b>	-	-	<b>1.23</b>	<b>1.95</b>
<b>Expenses Reimbursement :</b>								
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited )	-	-	56.70	529.22	-	-	56.70	529.22
InCred Research Services Private Limited	-	-	-	0.10	-	-	-	0.10
InCred Wealth Private Limited	-	-	-	18.31	-	-	-	18.31
InCred Capital Wealth Portfolio Managers Private Limited	-	-	2.26	3.06	-	-	2.26	3.06
	-	-	<b>58.96</b>	<b>550.69</b>	-	-	<b>58.96</b>	<b>550.69</b>

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Transactions	KMP and Relatives of KMP		Enterprise over which KMP are able to exercise significant influence		Associate Company		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Legal and Professional Expenses</b>								
Manisha Bansal	49.05	-	-	-	-	-	49.05	-
	<b>49.05</b>	-	-	-	-	-	<b>49.05</b>	-
<b>Stamp duty on Sale of shares</b>								
InCred Capital Wealth Portfolio Managers Private Limited	-	-	1.12	4.19	-	-	1.12	4.19
	-	-	<b>1.12</b>	<b>4.19</b>	-	-	<b>1.12</b>	<b>4.19</b>
<b>Business Support Services</b>								
InCred Prime Finance Limited (formerly known as InCred Financial Services Limited )	-	-	-	69.03	-	-	-	69.03
InCred Wealth Private Limited	-	-	-	74.73	-	-	-	74.73
InCred Capital Wealth Portfolio Managers Private Limited	-	-	5.52	39.28	-	-	5.52	39.28
InCred Research Services Private Limited	-	-	6.90	24.48	-	-	6.90	24.48
	-	-	<b>12.42</b>	<b>207.52</b>	-	-	<b>12.42</b>	<b>207.52</b>
<b>Issue of equity shares upon scheme of Merger:</b>								
Bhupinder Singh	8.52	-	-	-	-	-	8.52	-
Saurabh Jhalaria	19.05	-	-	-	-	-	19.05	-
Nisha Singh	0.00	-	-	-	-	-	0.00	-
Godhuli Vishwanathan	32.65	-	-	-	-	-	32.65	-
MV Capital Partners (Through its partners Mr.Vivek Bansal and Manisha Bansal)	-	-	10.89	-	-	-	10.89	-
	<b>60.22</b>	-	<b>10.89</b>	-	-	-	<b>71.11</b>	-
<b>Securities premium on issue of Equity shares upon scheme of Merger:</b>								
Bhupinder Singh	330.62	-	-	-	-	-	330.62	-
Saurabh Jhalaria	739.70	-	-	-	-	-	739.70	-
Nisha Singh	0.03	-	-	-	-	-	0.03	-
Godhuli Vishwanathan	1,267.83	-	-	-	-	-	1,267.83	-
MV Capital Partners (Through its partners Mr.Vivek Bansal and Manisha Bansal)	-	-	422.67	-	-	-	422.67	-
	<b>2,338.18</b>	-	<b>422.67</b>	-	-	-	<b>2,760.85</b>	-
<b>Issue of equity shares upon :</b>								
InCred Employee Welfare trust	-	-	54.44	-	-	-	54.44	-
	-	-	<b>54.44</b>	-	-	-	<b>54.44</b>	-
<b>Securities premium on issue of Equity shares :</b>								
InCred Employee Welfare trust	-	-	2,950.86	-	-	-	2,950.86	-
	-	-	<b>2,950.86</b>	-	-	-	<b>2,950.86</b>	-



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**c. Closing balances with Related parties as at 31st March 2023 and 31st March 2022:**

Closing balance	KMP		Enterprise over which KMP are able to exercise				Associate Company		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Trade payables:</b>										
InCred Financial Services Limited	-	-	17.95	312.01	-	-	-	-	17.95	312.01
InCred Wealth Private Limited	-	-	-	1,719.40	-	-	-	-	-	1,719.40
InCred Capital Wealth Portfolio Managers Private Limited	-	-	77.74	1.08	-	-	-	-	77.74	1.08
InCred Management and Technology Private Limited	-	-	2.18	-	-	-	-	-	2.18	-
InCred Global Wealth Limited	-	-	35.00	132.63	-	-	-	-	35.00	132.63
	-	-	<b>132.87</b>	<b>2,165.12</b>	-	-	-	-	<b>132.87</b>	<b>2,165.12</b>
<b>Trade Receivable:</b>										
InCred Wealth Private Limited	-	-	-	16.22	-	-	-	-	-	16.22
InCred Holdings Limited	-	-	0.59	-	-	-	-	-	0.59	-
InCred Capital Wealth Portfolio Managers Private Limited	-	-	29.04	6.32	-	-	-	-	29.04	6.32
InCred Research Services Private Limited	-	-	-	9.95	-	-	-	-	-	9.95
	-	-	<b>29.63</b>	<b>32.49</b>	-	-	-	-	<b>29.63</b>	<b>32.49</b>
<b>Advance receivable from Broker:</b>										
InCred Capital Wealth Portfolio Managers Private Limited	-	-	14.09	-	-	-	-	-	14.09	-
	-	-	<b>14.09</b>	-	-	-	-	-	<b>14.09</b>	-
<b>Advance Given(Including Accrued Interest)</b>										
InCred Wealth Private Limited	-	-	4,872.16	24,861.24	-	-	-	-	4,872.16	24,861.24
InCred Research Services Private Limited	-	-	25.01	-	-	-	-	-	25.01	-
InCred Capital Wealth Portfolio Managers Private Limited	-	-	2,800.93	-	-	-	-	-	2,800.93	-
InCred Employee Welfare trust	-	-	3,615.00	-	-	-	-	-	3,615.00	-
Alpha Fintech Private Limited	-	-	-	-	384.14	-	-	-	384.14	-
Clamant Tech Services Private Limited	-	-	-	31.78	-	-	-	-	-	31.78
	-	-	<b>11,313.10</b>	<b>24,893.02</b>	<b>384.14</b>	-	-	-	<b>11,697.24</b>	<b>24,893.02</b>



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**Note 40 : Employee Stock Option Plan****Description of share-based payment arrangements****Share option plans (equity-settled)**

The Group has Employee Incentive Plan under which options have been granted to eligible employees to be vested from time to time. The group has established share option plans that entitle the employees of the group to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options. The key terms and conditions related to the vesting of grants under these plans are continued employment with the group from the date of grant of option till the date of vesting; all options are to be settled by the delivery of shares.

**A. Measurement of fair values****Equity-settled share-based payment arrangements**

The fair value of the employee share options has been measured using Black-Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

**The model inputs for options granted during**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	1st April 2022	
	1st July 2022	
	15th September 2022	
	1st October 2022	
Grant date	1st January 2023	1st October 2021
Option Price Model	Black Scholes Model	Black Scholes Model
Fair value of ESOP on Grant date	INR 69.30 - INR 1298.43	NR 443.06 - INR 609.03
Share price as on grant date	INR. 542.22 - INR. 1525.75	INR. 872.45
Exercise price	INR. 266.30 and INR.367.30	INR. 367.30 and INR.551.02
Expected volatility (weighted average volatility)	40%	40%
Expected time to exercise shares	2 years from vesting	2 years from vesting
Risk- free interest rate (based on government bonds)	5.71% to 7.59%	5.01% to 6.31%
Dividend yield	0.00%	0.00%
Weighted Average Fair Value of ESOP on Grant date	INR 322.08 - INR 1126.02	INR 487.72
Method used to determine expected volatility	The expected volatility is based on price volatility of listed companies in same industry.	The expected volatility is based on price volatility of listed companies in

**B. Reconciliation of outstanding share options**

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

Particulars	Average exercise price per option	Number of options	
		As at March 31, 2023	As at March 31, 2022
Opening balance	-	2,41,697	-
Add: Options granted during the year	INR 347.82- INR 563.97	10,71,768	2,41,697
Less: Options forfeited during the year	INR 266.30- INR 367.30	(6,723.00)	-
Less: Options exercised during the year	-	(9,076.00)	-
Less: Options lapsed during the year	-	-	-
<b>Options outstanding as at the year end</b>	<b>INR 348.50 - INR 543.46</b>	<b>12,97,666</b>	<b>2,41,697</b>
Option exercisable of the above	INR 543.46	91,564	
Weighted average remaining contractual life of options outstanding at end of the year		8.98 - 9.47	9.51

**C. Expenses arising from share-based payment transactions**

Refer Note 27 on employee benefit expense, for share based payment expense charged to Statement of Profit and Loss.

**InCred Capital Financial Services Private Limited**  
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**Notes to the consolidated financial statements for the year ended 31st March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

**Note 41 : Current and Non-current classification**

Particulars	Note No.	As at 31st March 2023			As at 31st March 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>							
<b>(A) Financial assets:</b>							
Cash and cash equivalents	3	1,862.22	-	1,862.22	4,067.09	-	4,067.09
Bank balance other than cash and cash equivalents	4	-	-	-	-	-	-
Derivative financial instruments	4	-	986.98	986.98	-	-	-
Trade receivables	5	2,780.49	-	2,780.49	1,425.22	-	1,425.22
Loans	6	8,620.62	4,044.67	12,665.29	16,317.44	11,607.46	27,924.90
Investments	7	17,379.22	7,623.54	25,002.76	2,250.27	576.66	2,826.93
Other financial assets	8	6,406.33	108.79	6,515.12	42.66	59.74	102.40
<b>Sub-total (A)</b>		<b>37,048.88</b>	<b>12,763.98</b>	<b>49,812.86</b>	<b>24,102.68</b>	<b>12,243.86</b>	<b>36,346.54</b>
<b>(B) Non-financial assets:</b>							
Current tax assets (Net)	9	1,153.67	-	1,153.67	439.70	-	439.70
Deferred tax assets (Net)	29	-	4,909.20	4,909.20	-	607.68	607.68
Property, plant and equipment	10	-	1,292.61	1,292.61	-	450.11	450.11
Capital work in Progress	10A	-	28.11	28.11	-	1.09	1.09
Intangible assets under development		-	11.34	11.34	-	-	-
Goodwill		-	1,363.84	1,363.84	-	-	-
Other intangible assets	11	-	5,203.70	5,203.70	-	0.78	0.78
Other non-financial assets	12	58.50	374.12	432.62	3,326.81	394.09	3,720.90
<b>Sub-total (B)</b>		<b>1,212.17</b>	<b>13,182.92</b>	<b>14,395.09</b>	<b>3,766.51</b>	<b>1,453.75</b>	<b>5,220.26</b>
<b>Total Assets (A + B)</b>		<b>38,261.05</b>	<b>25,946.90</b>	<b>64,207.95</b>	<b>27,869.19</b>	<b>13,697.61</b>	<b>41,566.80</b>
<b>LIABILITIES &amp; EQUITY</b>							
<b>(A) Financial liabilities:</b>							
Borrowings	13	-	-	-	-	-	-
Derivative financial instruments	4	6,701.70	1,159.77	7,861.47	-	-	-
Trade payable	13	-	-	-	-	-	-
(i) total outstanding dues of micro and small enterprises		-	-	-	-	-	-
(ii) total outstanding dues of creditors other than MSME		902.50	-	902.50	2,559.50	-	2,559.50
Debt Securities	14	3,908.31	1,340.94	5,249.25	-	-	-
Deposits	15	-	47.19	47.19	-	15.44	15.44
Other financial liabilities	16	2,816.52	396.85	3,213.37	781.45	268.77	1,050.22
<b>Sub-total (A)</b>		<b>14,329.03</b>	<b>2,944.75</b>	<b>17,273.78</b>	<b>3,340.95</b>	<b>284.21</b>	<b>3,625.16</b>
<b>Non-Financial liabilities</b>							
Provisions	17	12.06	206.62	218.68	0.11	17.75	17.86
Other non-financial liabilities	18	262.36	-	262.36	365.45	-	365.45
<b>Sub-total (B)</b>		<b>274.42</b>	<b>206.62</b>	<b>481.04</b>	<b>365.56</b>	<b>17.75</b>	<b>383.31</b>
<b>Total Liabilities (A + B)</b>		<b>14,603.45</b>	<b>3,151.37</b>	<b>17,754.82</b>	<b>3,706.51</b>	<b>301.96</b>	<b>4,008.47</b>



InCred Capital Financial Services Private Limited  
CIN: U67120MH1996PTC355036  
Notes to the consolidated financial statements for the year ended 31st March 2023  
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022					Total
	NBFC	Investment Banking	Advisory	Investment Management	Wealth Management	
Segment Income from Operations	2,130.63	1,912.79	25.78	66.70	-	11,559.28
Other Income	-	5.29	-	-	-	281.47
<b>Total Segment Income</b>	<b>2,130.63</b>	<b>1,918.08</b>	<b>25.78</b>	<b>66.70</b>	<b>-</b>	<b>11,846.04</b>
<b>Segment results (before depreciation &amp; amortisation)</b>	<b>2,068.95</b>	<b>(2,118.13)</b>	<b>25.78</b>	<b>(1,322.46)</b>	<b>-</b>	<b>2,985.34</b>
Exceptional gain	-	-	-	-	-	-
<b>Profit / (loss) before tax</b>	<b>2,068.95</b>		<b>25.78</b>			<b>2,985.34</b>
<b>Tax expenses</b>						
Current tax	-	-	-	-	-	323.36
MAT credit written off	-	-	-	-	-	-
Deferred tax (credit)	-	-	-	-	-	396.21
Pertaining to earlier years	-	-	-	-	-	-
<b>Other Comprehensive Income</b>						
(A) Items that will not be reclassified to profit or loss	-	8.60	-	0.59	-	9.19
(B) Items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Segment profit / (loss) for the year</b>	<b>2,068.95</b>	<b>8.60</b>	<b>25.78</b>	<b>0.59</b>	<b>-</b>	<b>2,274.96</b>
<b>Segment Assets</b>	<b>#####</b>	<b>5,552.85</b>	<b>0.64</b>	<b>184.45</b>	<b>-</b>	<b>41,566.80</b>
<b>Segment Liabilities</b>	<b>2.70</b>	<b>3,480.71</b>	<b>-</b>	<b>440.80</b>	<b>-</b>	<b>4,008.47</b>
<b>Depreciation and Amortisation</b>	<b>-</b>	<b>148.04</b>	<b>-</b>	<b>4.56</b>	<b>-</b>	<b>152.60</b>

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 43 : Business Combination****a. Business Combinations**

The Board of Directors of the Group at their meeting held on 27th September, 2021, had approved the Composite Scheme of Arrangement (the 'Scheme') with InCred Capital Financial Services Private Limited, Clamant Tech Services Private Limited, MAPE Advisory Group Private Limited, InCred Wealth Private Limited and InCred Wealth & Investment Services Private Limited and the same was filed with various regulatory authorities and National Company Law Tribunal (NCLT).

The NCLT passed the final order dated 26th April, 2022. The Scheme was made effective by of the Group, Clamant Tech Services Private Limited, MAPE Advisory Group Private Limited and InCred Wealth Private Limited on 30th June 2022 and the relevant filing were done with the Registrar of Companies, Mumbai on 30th June 2022.

The Appointed date of the Scheme is 1st April, 2022, and accordingly the books of account and financial statements effecting the Scheme have been prepared with effect from 1st April, 2022.

Under the Scheme, the identified advisory business of MAPE Advisory Group Private Limited shall be demerged with InCred Capital Financial Services Private Limited and Clamant Tech Services Private Limited shall be amalgamated with InCred Capital Financial Services Private Limited. Further, the Wealth (Distribution of third party products) business of InCred Wealth Private Limited shall be demerged with InCred Wealth & Investment Services Private Limited, for which the company shall issue shares to the shareholders of InCred Wealth Private Limited as Purchase Consideration. Further, with the discharge of purchase consideration for demergers and amalgamation, shareholders of the company will hold majority shareholding of the company.

Accordingly, the business combination has been treated as per Ind AS 103 and the Group has been identified as the accounting acquirer and Clamant Tech Services Private Limited & MAPE Advisory Group Private Limited & InCred Wealth Private Limited ("acquiree") being the accounting acquiree.

As per Ind AS 103, these consolidated financial statements issued under the name of the company represent the continuation of the financial positions of acquiree except for share capital which is currently presented as per legal share capital of the company. Accordingly the assets, liabilities and reserves of acquiree have been continued at their pre-business combination carrying values and measured the fair value of identified assets and liabilities as per requirements of Ind AS 103. The earnings per share figures presented in respect of comparative periods are those of the company and are accordingly not comparable with the current period figures.

The accounting impact of the aforesaid Scheme in the books of the company has been summarily presented as follows:

**(i). Goodwill/bargain purchase on business combinations (Clamant Tech Services Private Limited)**

Particulars	Amount
(A) Net Assets and liabilities (Net Assets including Identifiable Intangible Assets) recorded at fair value pursuant to amalgamation	2,389.80
(B) Purchase consideration (Fair value of shares)	3,207.91
<b>Goodwill (A-B)</b>	<b>818.11</b>

**(ii). Goodwill/bargain purchase on business combinations (MAPE Advisory Group Private Limited)**

Particulars	Amount
(A) Net Assets and liabilities (Net Assets including Identifiable Intangible Assets) recorded at fair value pursuant to demerger	2,998.03
(B) Purchase consideration (Fair value of shares)	3,543.76
<b>Goodwill (A-B)</b>	<b>545.73</b>

**(iii). Capital Reserve on business combinations (InCred Wealth Private Limited)**

Particulars	Amount
(A) Net Assets and liabilities (Net Assets including Identifiable Intangible Assets) recorded at fair value pursuant to demerger	1,828.66
(B) Purchase consideration (Fair value of shares)	1,748.27
<b>Capital Reserve (A-B)</b>	<b>(80.39)</b>

As per the terms of the Scheme, the shareholders of Clamant Tech Services Private Limited shall receive equity shares as a consideration for amalgamation. Further, shareholders of MAPE Advisory Group Private Limited shall receive either equity shares or Class B Optionally Convertible Redeemable Preference Shares and Class A Optionally Convertible Redeemable Preference Shares, and shareholders of InCred Wealth Private Limited shall receive equity shares of InCred Capital Financial Services Private Limited, as a consideration for demerger of identified advisory and wealth business respectively, whose equity conversion terms would determine the purchase consideration described above.

b. As per the scheme of merger loan taken from the Company by InCred Wealth Private Limited (subsequently transferred to InCred Wealth & Investment Services Private Limited vide sheme of merger) had been converted into equity for an aggregate amount of Rs. 20,011.24 lakhs. Pursuant to the approval, the Company was allotted 36,90,477 equity shares of the InCred Wealth & Investment Services Private Limited.

**Note 44 : Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

Name of the Entity	As on 31st March 2023									
	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		As a % of	
	Amount	As a % of Consolidated net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Other Comprehensive Income	Amount	As a % of Other Comprehensive Income	Amount	Consolidated Comprehensive Income
<b>Parent</b> InCred Capital Financial Services Private Limited	12,962.50	27.90%	(12.78)	0.2%	(5.77)	23.60%	(18.55)	0.25%		
<b>Subsidiary</b> InCred Asset Management Private Limited	1,808.55	3.89%	(908.21)	12.5%	0.39	-1.60%	(907.82)	12.48%		
InCred Wealth & Investment Services Private Limited	31,867.60	68.60%	(6,030.23)	83.1%	(14.85)	60.74%	(6,045.08)	83.07%		
Vishuddha Capital Management LLP	-	0.00%	(18.15)	0.3%	-	0.00%	(18.15)	0.25%		
InCred Alternative Investments Private Limited	(110.83)	-0.24%	(212.54)	2.9%	-	0.00%	(212.54)	2.92%		
<b>Associate</b> Alpha Fintech Private Limited	(74.67)	-0.16%	(70.45)	1.0%	(4.22)	17.26%	(74.67)	1.03%		
	<b>46,453.15</b>	<b>100.00%</b>	<b>(7,252.36)</b>	<b>100.0%</b>	<b>(24.45)</b>	<b>100.00%</b>	<b>(7,276.81)</b>	<b>100.00%</b>		<b>100.00%</b>

Name of the Entity	As on 31st March 2022									
	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		As a % of	
	Amount	As a % of Consolidated net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Other Comprehensive Income	Amount	As a % of Other Comprehensive Income	Amount	Consolidated Comprehensive Income
<b>Parent</b> InCred Capital Financial Services Private Limited	36,089.08	96.09%	3,015.16	142.68%	8.60	93.58%	3,023.76	142.47%		
<b>Subsidiary</b> InCred Asset Management Private Limited	1,390.41	3.70%	(906.94)	-42.92%	0.59	6.42%	(906.35)	-42.70%		
InCred Wealth & Investment Services Private Limited	40.10	0.11%	(30.50)	-1.44%	-	0.00%	(30.50)	-1.44%		
Vishuddha Capital Management LLP	38.26	0.10%	35.96	1.70%	-	0.00%	35.96	1.69%		
InCred Alternative Investments Private Limited	0.48	0.00%	(0.51)	-0.02%	-	0.00%	(0.51)	-0.02%		
	<b>37,558.33</b>	<b>100.00%</b>	<b>2,113.17</b>	<b>100.00%</b>	<b>9.19</b>	<b>100.00%</b>	<b>2,122.36</b>	<b>100.00%</b>		<b>100.00%</b>

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 45 : Investment in Associates**

The Groups interests in associates are:

Name of Associate	Principle Place of Business	Method of Accounting	Proportion of Stake
Alpha Fintech Private Limited	India	Equity Method	31.21%

Summarised financial information in respect of Group's associates is set out below:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Summarised Statement of net assets</b>		
Financial assets	149.40	-
Non-Financial assets	366.54	-
<b>Total assets (I)</b>	<b>515.94</b>	
Financial liabilities	399.63	-
Non-Financial liabilities	30.32	-
<b>Total liabilities (II)</b>	<b>429.95</b>	
<b>Net assets (I - II)</b>	<b>85.99</b>	
Group's share %	31.40%	-
Group's share in amount	27.00	-
<b>Carrying amount of Investment</b>	<b>1,145.50</b>	

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Summarised Statement of Profit and Loss</b>		
Revenue from operation	49.92	-
Other income	(0.05)	-
<b>Total income (I)</b>	<b>49.87</b>	
Finance costs	10.15	-
Employee benefit expenses	233.48	-
Depreciation, amortization and impairment	1.51	-
Other expenses	29.09	-
<b>Total expenses (II)</b>	<b>274.22</b>	
<b>Loss before tax (III = I-II)</b>	<b>(224.35)</b>	
Tax expense (IV)	-	-
<b>A. Loss after tax (V = III-IV)</b>	<b>(224.35)</b>	
<b>B. Other Comprehensive income</b>	<b>13.44</b>	
<b>Total Comprehensive income</b>	<b>(237.79)</b>	
Group's share % for the year	31.40%	-
Group share in Amount in Profit and loss (A)	(70.45)	-
Group share in Amount in Other Comprehensive Income (B)	(4.22)	-
<b>Total Group share in Amount (A+B)</b>	<b>(74.67)</b>	

**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 46 : Disclosure relating to earnings and expenditure in foreign currency**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>A. Expenditure in foreign currency</b>		
Referral fees	1,228.49	789.39
Legal, professional and consultancy charges	119.82	374.88
Membership and subscription	5.02	2.65
Recruitment Charges	17.96	-
IT Expenses	7.65	-
Hotel Expenses	5.10	-
AIF Distributor Brokerage	124.00	-
Distribution fees, commission and related income	43.91	-
Conference and Seminar Charges	1.30	-
	<b>1,553.26</b>	<b>1,166.92</b>
<b>B. Earnings in foreign currency</b>		
Success Fees	-	714.22
Consultancy Fees	4.11	-
	<b>4.11</b>	<b>714.22</b>

**Note 47 : Ratio Analysis and its elements**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	% change during the year
CRAR (%) [Total capital/Risk weighted assets]	42.44%	30.35%	39.84%
CRAR - Tier - I Capital (%) [Tier - I Capital/Risk Weighted assets]	34.65%	29.87%	15.97%
CRAR - Tier - II Capital (%) [Tier - II Capital/Risk Weighted assets]	7.79%	0.47%	1542.81%
Liquidity coverage ratio	Not Applicable	Not Applicable	Not Applicable

**Note 48 : Corporate Social Responsibility**

The gross amount required to be spent by the Company during the year ended 31 March 2023 is INR 19.82 lakhs (31st March 2022: INR NIL).

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Amount required to be spent as per section 135 of the Companies Act, 2013:	19.82	-
Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above		
In cash	-	-
Deposited in specified fund*	19.82	-

\* The company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 on 10th May 2023 in compliance with second proviso to sub-section (5) of section 135 of the said Act.

**Note 49 : Other Statutory Information**

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transaction with struck off company.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) (a)

A. On 16th March 2023, the Company had Invested in InCred Wealth & Investment Services Pvt Ltd ("IWISPL") ( a wholly owned subsidiary ) of Rs. 3,600 lakhs and the amount was used to further advance ICD loan of Rs. 3,615 lakhs to InCred Employee Welfare Trust.

The transactions are in compliance with the relevant provisions of the Companies Act, 2013 and are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003). Further the provisions of Foreign Exchange Management Act, 1999 (42 of 1999) are not applicable to the transactions.

(b) Except as disclosed above, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(I) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(II) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries



**InCred Capital Financial Services Private Limited**

CIN: U67120MH1996PTC355036

**Notes to the consolidated financial statements for the year ended 31st March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) There is a composite scheme of arrangement ("Scheme") which have been filed by the Company under the Act with the National Company Law Tribunal on 8th October 2021. The same has been approval by the competent authority u/s 232 to 237 of the Act as on 26th April 2022. The appointed date under the scheme is 01st April 2022.

(ix) The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India as a non systematically important NBFC, the provisions of sec 2(87) read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.

(x) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

(xi) The Company has not revalued any property plant and equipment and intangible assets.

**Note 50 : Other notes to accounts**

**Previous year figures**

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

For **P N A M & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 001092N/N500395

**Parv  
Bansal**

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by Parv Bansal  
Date: 2023.09.06  
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**Parv Bansal**

Partner

Membership No.: 515167

**Place : Mumbai**

**Date : 06th September 2023**

For and on behalf of the Board of Directors of

**InCred Capital Financial Services Private Limited**

(Formerly Known As Proud Securities And Credits Private Limited)

**BHUPINDER SINGH**  
Digitally signed by  
BHUPINDER SINGH  
Date: 2023.09.06  
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**Bhupinder Singh**

Director

DIN - 07342318

Place : Mumbai

Date : 06th September 2023

**MITESH K KAMARIYA**  
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MITESH K KAMARIYA  
Date: 2023.09.06  
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**Mitesh Kamariya**

Company Secretary

Membership No.: A52519

**Place : Mumbai**

**Date : 06th September 2023**

**VENKATESH VISHWANATHAN**  
Digitally signed  
by VENKATESH  
VISHWANATHAN  
Date: 2023.09.06  
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**Venkatesh Vishwanathan**

Director

DIN - 08032824

Place : Mumbai

Date : 06th September 2023