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BOARD REPORT
OF
HOME CREDIT INDIA FINANCE PRIVATE LIMITED
FOR THE YEAR 2023-24

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DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting you the 27th Annual Report of your Company along with the Audited Accounts for the Financial Year (FY) from April 01, 2023, to March 31, 2024, as follows:

Particulars	Year ended. March 31, 2024 *(INR in Crores)*	Year ended. March 31, 2023 *(INR in Crores)*
Revenue from operations	1927.03	1719.66
Other Income	5.45	17.53
Employee benefits expenses and other expenses	661.69	744.14
Impairment on financial instruments	594.40	413.92
Profit/ Loss before Interest, Depreciation and Tax	**676.39**	**579.13**
Finance costs	401.17	373.20
Depreciation and amortization	86.65	88.91
Net Profit/ (Loss) before Tax	**188.57**	**117.02**
Income tax	-	-
Deferred tax expense	46.75	37.12
Net Profit/ (Loss) after Tax	**141.82**	**79.90**
Other comprehensive income/ (loss) for the year, net of tax	(2.09)	(0.54)
Total comprehensive income/ (loss) for the year, net of tax	**139.73**	**79.36**
Surplus/(Deficit) b/f from previous year	(2196.10)	(2260.02)
Amount available for appropriation	**141.82**	**79.90**
Transfer from retained earnings to statutory reserve	28.36	15.98
Balance c/f to Balance Sheet	**(2082.64)**	**(2196.10)**

STATEMENT OF COMPANY'S AFFAIRS:

The Financial Year 2023-24 has proved to be resilient for the global economy despite multiple shocks observed during the past four years viz. COVID-19 pandemic, geopolitical conflicts in Europe and Middle East and the tightened monetary policies to curb inflationary pressures. In FY 2023-24, the total disbursement has increased to INR 6,047 crores as opposed to INR 5,440 crores in previous financial year.

The Company has a strong Liquidity position with cash & bank balance at INR 287 crores and funding deals of INR 1,315 crores were closed during the year FY 2023-24. Further, as on March 31, 2024, the Company is strongly capitalized with Capital to Risk Assets Ratio (CRAR) stood at 18.70% in FY 23-24 which is well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India. The CRAR is lower as compared to previous year due to impact of RBI circular that increased risk weight of unsecured loans to 125% from earlier 100%.

During FY 2023-24, the total income of the Company has increased to INR 1,932 crores as against the INR 1,737 crores in previous financial year, primarily due to increase in loan portfolio and with reduction in riskier portfolio. In FY 2023-24, the finance cost of the Company has increased to INR 401 crores as against INR 373 crores in previous financial year, due to increased average borrowings driven by increase in operations. The impairment on financial instruments increased to INR 594 crores in FY 2023-24 as against INR 414 crores in the previous financial year due to higher write-off resulting from change in the write-off policy from 270DPD to 180DPD and lower recovery from bad debts. The higher impairment was, however, partially counterbalanced by reduction in the impairment loss allowances and loss on settlement / loan closure. The operating expense of the Company has reduced to INR 748 crores as against INR 833 crores in previous financial year, majorly on account of reversal of provision for some tax matters, lower expense for information technology and discretionary spends.

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During the year under review, your Company continued with its diverse methods of sourcing funds in addition to regular borrowings like Term Loans, Working Capital Demand Loans and External Commercial Borrowings etc. and has maintained prudential Asset/ Liability match throughout the year. Your Company has also sourced loans from banks and other institutions at attractive rates and reduced the average cost of funding. Home Credit India was successful in managing its asset liability management (ALM) prudently with a strategy of raising long-term borrowings and maintaining a judicious mix of borrowings. Your Company has a comprehensive liquidity management framework and maintains an abundant liquidity buffer to manage liquidity risk. This has enabled Home Credit India to overcome past and current liquidity stresses.

During FY 2023-24, your Company remained focused on enhancing brand awareness and worked towards implementing strategies for creating deeper connect with the dealers and customers by launching various marketing activities and to attract better profile customer to drive business at Point of Sales (POS). In line with our persistent commitment to gaining deeper insights into our customers, your Company initiated the campaigns aimed at boosting customer application penetration. Your Company continued to reiterate the brand message of #ZindagiHit, that aimed at celebrating consumer victories and positioning Home Credit India as a facilitator in fulfilling customers' dreams and aspirations, through a series of comprehensive campaigns, including digital films, POS visibility, and engagement activities, allowing your Company to establish a distinct identity within the target market.

In line with our values and commitment around customer experience, your Company introduced transactional NPS (tNPS) mechanism to automate feedback collection from customers on real-time basis at critical touchpoints and create delightful customer experience through 360-degree closure on customer issues by incorporating system and process changes. Through this process, your Company has been able to create a brand that listens to customer concerns and acts on it. This is also reflected in NPS or recommendation score which has moved from 60 to 66 in last 2 years.

Your Company has made digital transformation a strategic priority to align its business model with industry demands and ensure competitive service offerings for its customers. To keep pace with the rapidly evolving digital landscape, your Company has explored various innovative avenues for customer engagement. Significant efforts have been dedicated to enhancing the digital experience, including the introduction of UPI-enabled repayment options. The flexible personal loan has successfully completed the technical pilot and is being scaled up gradually as a cross sell product for customers not looking for an immediate cash loan. Your Company successfully repositioned flexible personal loan from an emergency cash to a loan to fulfil life aspirations with #ChoiceAapkihai campaign (Choice is yours). Your Company believes this should help in bringing more valuable customers thereby contributing to the overall monetization strategy.

Your Company's strategic efforts in augmenting its customer portfolio through the POS channel have yielded remarkable results. The FY 2023-2024 heralds a significant leap forward with the introduction of Ujjwal EMI Card for online transactions, marking a transformative addition to our service offerings. This evolution from traditional consumer durables to an expansive array of sectors including apparel, travel etc. reflects a visionary approach to diversifying the Ujjwal EMI Card's utility landscape. Anticipated outcomes include heightened customer engagement and expand usage, laying the groundwork for amplified repeat transactions. Moreover, the symbiotic relationship between heightened transactional activity and enhanced personal loan conversion rates promises to elevate profitability to unprecedented heights.

During FY 2023-24, your Company significantly bolstered its sales network at POSs.This strategic move also empowers customers to personalize their experience with value-added services like Extended Warranty and Mobile Protect. Additionally, your Company launched Health360+, a standalone VAS in collaboration with a new Service Provider, aimed at enriching customer choices and ensuring operational resilience. In the realm of Joint Lending Personal Loans, customers now have access to comprehensive wellness packages inclusive of Life and Health Insurance, all offered at exceptionally competitive rates. The sustained success of these VAS offerings serves as a testament to their robust customer appeal, compelling value propositions, and affordability.

Dedicated to fortifying customer loyalty, your Company is committed to optimizing the value proposition for its customers, fostering enduring satisfaction and sustained engagement. Embracing an omnichannel strategy, your Company harnessed a diverse array of platforms, including WhatsApp, VoiceBot, and IVR, to extend our reach across a broader spectrum of customers. Through these channels, tailored products are seamlessly delivered at compelling prices, ensuring a gratifying experience at every interaction point. Guided by unwavering "Customer First" ethos, your Company has witnessed remarkable advancements in customer allegiance, brand resonance, user interaction, product evolution, streamlining of customer journeys, and the thrust towards digital metamorphosis.

Your Company and its Board wish to place on record their heartiest thanks to our shareholders for their continued support and guidance.

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SHARE CAPITAL

Capital Structure

The Authorised Share Capital of the Company as on March 31, 2024, was INR 21,000,000,000/- (Indian Rupees Twenty-One Billion Only) comprising of 2,100,000,000 (Two Billion One Hundred Million) equity shares of INR 10/- (Indian Rupees Ten only).

The issued and paid-up Equity Share Capital as on March 31, 2024, was INR 10,910,891,760 /- (Ten Billion Nine Hundred Ten Million Eight Hundred Ninety-One Thousand Seven Hundred Sixty Only).

Non-Convertible Debentures

During the year under review, the Company has redeemed the following Non- Convertible Debentures.

S. No	Name of Allotee	No. of Debentures	Face Value (INR)	Amount (INR)	Date of Redemption
1	Texterity Private Limited	1000	1,00,000	100,000,000	May 18, 2023
2	Texterity Private Limited	1500	1,00,000	15,00,00,000	November 19, 2023

Further, during the year under review, the Company has not issued any Non-Convertible Debentures.

HOLDING /SUBSIDIARY / ASSOCIATE COMPANIES:

Your Company is the subsidiary of Home Credit India B. V. having its registered seat at Strawinskylaan 933, 1077 XX Amsterdam, The Netherlands.

The Company has no subsidiary or associate in India as defined in the Companies Act, 2013 (the "Act").

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2024 are as follows:

1. Mr. Ondrej Kubik (Chief Executive Officer)
2. Mr. Anirban Majumder (Chief Financial Officer)
3. Ms. Neha Gupta (Company Secretary)

CORPORATE GOVERNANCE

Effective corporate governance practice constitutes the strong foundation, on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance superintends business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Key Elements of Corporate Governance are as follows:

- Compliance with applicable laws and adopting best practices from Home Credit Group.
- Proactive adherence to the regulations.
- Benchmarking and adopting best practices among banks, peers and other leading organisations.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Effective and professional Board of Director. The Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- The Audit Committee, Nomination & Remuneration Committee and IT Strategy Committee comprising of independent Board members.

- Independent discussions by the Audit Committee members with Internal Auditor without presence of Senior Management on a quarterly basis.
- Independent Discussions by the Board members with Chief Risk Officer without presence of Senior Management on a quarterly basis.
- Separate meeting of independent directors without presence of non-independent directors
- Evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for viewing and downloading from the Company's website.

The Company not only views Corporate Governance principles as set of binding obligations but believes in using it as a framework to be followed in true spirit. The Company makes a constant endeavour to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government, and others. The Company's activities are carried out in accordance with high quality corporate practices and the Company is constantly striving to finer these by adopting best practices.

The Company embraced ethical, transparent, accountable conduct and creating a culture where the Directors and employees have been empowered to bring any wrongful conduct to notice. The Company practiced zero tolerance toward sexual harassment at the workplace and it also have the Policy on prevention of sexual harassment at workplace to create a healthy working environment for all genders of employees in the Company.

The Corporate Governance Report for the year under review is attached herewith as ***Annexure* A.** Further, the additional disclosure requirements for NBFCs in accordance with the SBR framework forms part of the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, the Board of Directors hereby confirms that:

a. In preparation of the Annual Accounts for the FY ended March 31, 2024, the applicable Accounting Standards had been followed along with proper explanation to material departures.
b. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY and of the profit or loss of the Company for that period.
c. The Directors 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. The Directors had prepared the Annual Accounts on a going concern basis.
e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
f. The Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY DIRECTORS

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed under Paragraph 96 of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 , as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of section 164(2) of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act and have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board took on record the declaration and confirmation submitted by the independent directors of adhering the prescribed criteria of independence.

Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management of the Company. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ('IICA') and the said registration is renewed and active.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of Sec 134(3)(p) read with Sec 178 of the Act, a formal evaluation of the performance of the Board, it's Committees, Individual Directors and the Chairperson was carried out for FY 2023-2024.

1. The evaluation was carried out using questionnaire covering, amongst others, composition of board, effective decision making, advice and necessary guidance, open communication, meaningful participation, knowledge & expertise of Directors, contribution at Board meetings etc. Further, Individual Directors (Executive, Non- Executive and Independent) were evaluated in terms of participation in the meetings of Board and Committees, Education & Qualification, effective examination of the financial and other information related to the operations of the Company, raising of valid concerns, impartial & meaningful participation, and adequate deliberations in the meeting.

2. As part of the evaluation process, the performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated. The performance of Non-Independent Directors, the Chairman and the Board was conducted by the Independent Directors in its meetings. The criteria for evaluation of the Board as a whole, inter alia, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board & Management. The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfilment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc. The feedback of the Independent Director on their review of the performance of Non-Independent Directors, Chairman of the Board, and the Board as a whole and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

3. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board. The actions emerging from the Board evaluation process were collated and on consolidated basis, the summary of the ratings was prepared, and the report of performance evaluation so arrived at, was then noted, and discussed by the Board.

The performance evaluation concluded on the note that each of the individual directors, Committees, and the Board as a whole, were performing efficiently and effectively and shared a common vision to turning organization goals into reality. The entire performance evaluation process was completed to the satisfaction of Board.

EMPLOYEES

To Home Credit India, our people are key assets. In an increasingly competitive market for talent, the organization continues to focus on attracting and retaining right talent and fostering a work culture that is always committed to providing the best opportunities to employees to realize their potential. Our constant endeavour is to invest in people and processes to improve human capital for the organization and service delivery to our customers. Given growth plans of the Company, an important strategic focus of the Company is to continue to not only nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future. The Company strives to provide a conducive and competitive work environment to help the employees excel and create new benchmarks of productivity, efficiency, and customer delight. The Company has adopted remuneration policy. The salient features of the same is displayed on the website (www.homecredit.co.in) of the Company.

The organization has reinforced a culture of performance and meritocracy by deploying transparent and agreed goals. These agreed goals cascade from the Company's growth strategy and plans. Appraisals are also completed based on these goals and

objectives filled by the employees. Attracting and retaining bright talent and improvement in the quality of manpower are identified as key challenge and being addressed accordingly through product training and retention initiatives.

We provide our employees opportunities to learn, grow and take their career forward through global mobility and secondment program. We also have transparent Internal Job Posting (IJP) program. These programs allow employees to apply for a role of their interest, thus giving them the choice to acquire multi-disciplinary skills to shape their career. This also leads to development of well-rounded talent for the organization.

Home Credit's mission on creating a high-performance culture has been further strengthened through areas like building a capability model (identification of critical competencies), nurturing talent through interventions such as mentoring, competency-based training programs and cross functional projects. The organization has a strong orientation to learning and development. Also, it is understood that everyone has a different learning pattern and hence we try to create a flexible training culture. The learning & development opportunities that we provide are a mix of on-the job training, instructor led training and self-paced trainings. All employees, from a new joiner to a tenured one, we have curated learning opportunities per the level and focus area. At early career stages, the focus is on making the employee role ready through functional and skill-based interventions, moving to managerial capability building at mid-levels, and leadership and strategic execution at senior levels.

The organization believes strongly in maintaining a healthy work culture and celebrating small or big success. To support this, we have various comprehensive programs such as rewards and recognition programs, employee engagement programs, leadership connect programs etc. Also, the organization recognizes that at times an employee needs flexibility to manage work and personal priorities therefore employees are given option to operate from home or any other location.

The organization has a comprehensive Group Medical Insurance Policy for employees which can be extended to cover spouse, children, and parents. Also, there is a Group Personal Accidental Insurance Policy that aims to provide benefit for employees or their nominees in case of any accidental injury or death.

PUBLIC DEPOSITS

During the FY 2023-24, the Company has not accepted any public deposit. The resolution has been passed by the Board of Directors on April 23, 2024 confirming that the Company has neither accepted nor held any public deposit as defined in RBI Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, as amended from time to time and that the Company shall neither accept nor hold in FY 2024-25 any public deposit as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, as amended from time to time.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

In compliance with the RBI Guidelines and in terms of the provisions of Section 139 of the Companies Act, 2013, shareholders of the Company at the 24th Annual General Meeting (AGM) held on September 10, 2021, has, on the recommendations of the Board of Directors, appointed M/s S.N. Dhawan & Co., LLP (Firm No. FRN 000050N/N500045), Chartered Accountants as the Statutory Auditors of the Company for a consecutive term of 3 years (2021-22 to 2023-24) to hold office from the conclusion of the 24th AGM till the conclusion of the 27th AGM of the Company.

In terms with the RBI guidelines on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DOS.CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"), the tenure of the M/s S.N. Dhawan & Co., LLP, Statutory Auditors of the Company shall complete on the conclusion of the 27th AGM of the Company. Accordingly, the Company shall appoint Statutory Auditors of the Company from Financial Year 2024-25 in adherence with the said RBI Guidelines along with the applicable provisions specified under the Companies Act, 2013.

Further, in compliance with the RBI Guidelines, the Board has approved and adopted a Policy for appointment of Statutory Auditors of the Company, which can be accessed on the Company's website.

STATUTORY AUDITORS' REPORT

The Auditors' Report to the shareholders does not contain any qualification, reservation, or adverse remark. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for further comments. Further, there were no

frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

SECRETARIAL AUDITOR

The Board of Directors appointed M/s Anjali Yadav & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for FY 2023-24 for conducting the audit of the secretarial and related records of the Company.

SECRETARIAL AUDITORS' REPORT

Pursuant to the provisions of Section 204 of the Act, the Company is required to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed format.

Their report is annexed to this Board Report as ***Annexure B***. The Report does not contain any qualification, reservation or adverse remark.

DEBENTURE TRUSTEE

During the year, the Company has not issued any convertible or non-convertible securities to its investors which mandated the appointment of Debenture Trustee.

Further, for the non-convertible securities issued prior to 01st April 2023, Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) with CIN U74999PN1997PLC110262 and having its office at 901, 9TH Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai- 400013, continued to be the Debenture Trustee until such securities were redeemed during the financial year 23-24.

LOAN, GUARANTEES & INVESTMENT

The Company, being a non-banking finance Company registered with the Reserve Bank of India and engaged in the business of granting loans and finance in the ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Act, in respect of loans and guarantees. Accordingly, the disclosures of the loans as required under the aforesaid section have not been given in this report.

CREDIT RATINGS

As on March 31, 2024, the Non-Convertible Debentures and other borrowings raised by the Company retained the below ratings:

Facility	Rating as at March 31, 2024		Rating as at March 31, 2023	
	CARE	India Ratings	CARE	India Ratings
A. **Non-Convertible Debentures***	-	IND BBB+/Positive	-	IND BBB+/Stable
B. **Other Borrowings****				
- Long term bank facilities	CARE BBB+; Stable	-	CARE BBB+; Stable	-
- Short term Debt/Commercial Paper	-	IND A2+	-	IND A2+
- Bank Loans	-	IND BBB+/Positive	-	IND BBB+/Stable

**The Company has duly made the intimation regarding change in credit rating of NCDs to debenture trustee and RBI within the stipulated time.*
***The Company has duly made intimation regarding change in credit rating with respect to term loan borrowing to RBI within the stipulated time.*

RELATED PARTY TRANSACTIONS

During the FY 2023-24 all contracts/arrangements/transactions entered by your Company were on arms' length basis and in the ordinary course of business. During the FY 2023-24, as required under section 177 of the Act, all related party transactions were approved & ratified by the Audit Committee and the Company has not entered into any transactions with Related Parties which are not in its ordinary course of business or not on an arm's length basis and which require disclosure in this Report in terms of

the provisions of Section 188(1) of the Act. A statement on "Related Party Disclosures" showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) issued by Institute of Chartered Accountants of India, read with the Companies (Indian Accounting standards) Rules, 2015, are given in the Notes to the Financial Statements.

The Company has framed policy on related party transactions in compliance with RBI directions. There were no materially significant related party transactions made by your Company with its Promoters, Directors, Key Managerial Personnel's or other designated persons which might have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS:

During the financial year 2023-24, the Company shifted its registered office from the state of Haryana to the National Capital Territory of Delhi (NCT of Delhi). Accordingly, the Company obtained an order from the Regional Director, Ministry of Corporate Affairs, dated June 30, 2023, in respect of the alteration of the registered office clause in the Memorandum of Association. The resulting changes were made to the registered office clause in the Memorandum of Association of the Company.

Further, there were no significant/material orders passed by any Regulator or Court or Tribunal which would impact the going concern status of the Company and its future operations.

TRANSFER TO RESERVES

Pursuant to guidelines issued by Reserve Bank of India, the Company is required to transfer 20% of its profits to the Reserves in terms of section 45-IC (1) of the Reserve Bank of India Act, 1934. Accordingly, the Company has transferred 20% of its profits amounting to INR 28.36 crores to Statutory Reserve Account maintained by the Company.

DIVIDEND

The Board of Directors have decided to retain the profits earned during the financial year 23-24 for future business needs. Accordingly, no dividend was recommended by the Board for the financial year ended on 31st March 2024.

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

After the closure of F.Y 23-24, the shareholders of the Company and the Company has entered into the share purchase agreement with TVS Holdings Limited, Srinivasan Trading Private Limited and PI Opportunities Fund – II , on May 10, 2024 for the proposed sale of the100% paid-up equity share capital of the Company leading to change in control subject to the receipt of the applicable regulatory approvals including approval of Reserve Bank of India and Competition Commission of India.

Apart from the above, there have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

A. **Conservation of Energy:** The operations of your Company are not energy intensive. Adequate measures have, however, been taken to reduce energy consumption, wherever possible. As energy costs form a very small part of the cost, the impact on cost is not material. Your Company is primarily involved in providing services which do not result in significant consumption of power and energy; hence energy conservation measures are not very relevant. Also, the loans and financing business is not covered under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules.

B. **Technology Absorption**: Your Company is primarily engaged in the business of loans and financing. There is no usage of any technology or process. Hence, the Company is not required to provide any specific information/ inputs on technology absorption.

C. **Foreign exchange earnings and outgo:**

Sr. No.	Particulars	Year ended March 31, 2024 (INR In Crores)	Year ended March 31, 2023 (INR In Crores)
1.	Expenditure in foreign currency*	195.42	505.40
2.	Earning in foreign currency	0.14	3.01

*including Capex.

RISK MANAGEMENT

Risk Management is at the centre stage in Home Credit to effectively manage and mitigate the risk, that the Company is or may be exposed to, by integrating and strengthening the role of risk management in its strategic decision making and creating value for its stakeholders. The Risk Acceptance Policy of the Company has been adopted and is regularly reviewed by the Board of Directors which provides for the identification, assessment, and control of risks. At Home Credit, the Chief Risk Officer is the custodian of the Risk Management Framework. Mr. Sameer Katdare, the Chief Risk Officer of the Company, is responsible for the identification and measurement of risks using both quantitative and qualitative elements, assisting in establishing the Company's risk management framework encompassing risk strategy and risk appetite, considering the competitive and regulatory landscape, and reporting of risks and risk mitigating measures to the Board/IRMC. In terms of RBI instructions dated May 16, 2019, the Company has put in place a Board approved Policy to Safeguard the Independence of the CRO.

In line with RBI instructions dated May 16, 2019, the Company has a Board-approved Policy to safeguard the independence of the CRO. The Company conducts continual review of risk events and its impact through a Board formed an Integrated Risk Management Committee("IRMC"). The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Risk department of the Company follows a dynamic approach to risk assessment. Instead of yearly consolidation of risk assessment exercise, the Company operates under the guidance of an Operational Risk Framework that ensures ongoing risk-assessment through risk control self-assessment (RCSA). This means a better oversight and governance of risk events that may impact organisation in an adverse manner. The Risk management framework aims to capture all key risk pertaining to people, process, technology, and vendors. All major risks identified by businesses and functions are systematically addressed through mitigating actions on a continuing basis. Based on the outcomes of various risk measurement methodologies, HCIN deploys adequate risk responses within its risk management framework, which include Risk Acceptance, Risk Elimination, Risk Reduction and Risk Transfer. The critical and high risks are highlighted in appropriate forums to ensure they are addressed effectively. The structured approach described above, ensures comprehensive risk management and supports the organization in maintaining resilience and profitability.

VIGIL MECHANISM

The Company has a vigil mechanism policy to deal with instances of fraud, unethical behaviour, and mismanagement, if any. The vigil mechanism policy ensures that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism. The vigil mechanism provides for adequate safeguards against victimization of persons and ensures that any employee, officer, and director who violates the requirements of this policy will be subject to disciplinary action.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has aligned its current systems of internal financial control with the requirement of the Act. The Company is continuing to monitor the efficacy of Internal Controls through a comprehensive Internal Control Framework which had been designed to ensure transparency and accountability in an organization's process of designing and implementing a system of internal control. Through this framework, risks in the Company are identified, analysed and appropriate responses are managed.

The Company has established an adequate internal control mechanism to safeguard all our assets and ensure operational efficiency and regulatory compliance. The frameworks are put in place to ensure adequate controls on business processes. Further, Risk and Control dashboards have been defined and are periodically updated for all important operational processes. At periodic intervals, the management team ensure that the defined controls are operative. Every year on annual basis, the report is presented to Audit Committee by Internal Auditors and Statutory Auditors.

The Company's internal controls systems are commensurate with its size and the nature of its operations. These have been designed as well as operating effectively to provide a reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures and ensuring compliance of corporate policies. The same has also been confirmed by the Statutory Auditor in their report on the financial statements of the Company for FY 23-24.

INTERNAL AUDIT

In compliance with RBI circular dated 3rd February 2021, the Audit Committee has approved a Risk Based Internal Audit ("RBIA") framework, along with appropriate processes and plans for internal audit. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. Based on the internal audit reports, function/process owners undertake corrective action in their respective areas. The significant audit observations are tracked and presented to the Audit Committee, together with the status of the management actions and the progress of the implementation of the recommendations on a regular basis. The HCIN has a dedicated team of internal auditors to conduct internal audits. Every year, this team defines the audit agenda for the year, which is implemented after approval from the Audit Committee. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated. Separate meetings between the Internal Auditor and the Audit Committee, without the presence of senior management, were held on quarterly basis to facilitate unbiased and independent discussion amongst them.

SAFE ENVIRONMENT FOR WOMEN AT WORKPLACE

Your Company is committed to ensure safe and secure environment for women employees of the Company at all the levels and at all the offices of the Company. Accordingly, the Company has duly constituted Internal Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures immediate response to the complaints of harassment and fast track procedure disposal for such complaints. During the FY ended March 31, 2024, two complaints were received by the Committee which were duly addressed, investigated, and resolved by the committee in timely manner.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014. The Annual Return in form MGT-7 as at March 31, 2024 shall be made available on the website of the Company and can be accessed at Company https://www.homecredit.co.in/

COMPLIANCE WITH REGULATIONS/ DIRECTIONS OF RESERVE BANK OF INDIA APPLICABLE TO NON-BANKING FINANCIAL COMPANIES:

The Company continues to comply with applicable regulations/ directions and other instructions issued by Reserve Bank of India (RBI) from time to time and continues to fulfil all the norms and standards laid down by the RBI in Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 issued by Department of Non-Banking Supervision, Reserve Bank of India on October 19, 2023 as amended from time to time.

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT (RESERVE BANK) DIRECTIONS, 2016:

Pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, a report from the statutory auditors to the Board of Directors has been received by the Company. The Company continues to fulfil all the norms and standards laid down by the Reserve Bank of India (RBI) as applicable to the Company.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company and hence such accounts and records were not required to be maintained by the Company.

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DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 of 2016)

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

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 FY2024, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

COMPLIANCE WITH SECRETARIAL STANDARDS:

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has, on April 23, 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS–1) and General Meetings (SS–2) effective from July 1, 2015, and revised from time to time. The Company is in fully compliant with the same.

ACKNOWLEDGEMENT:

Your Company maintained cordial relationships with Reserve Bank of India, Registrar of Companies, Trustees for Debenture holders and other regulatory authorities, Financial Institutions, Banks, Vendors, Suppliers and Customers during the financial year. Your directors wish to place on record the support extended by them, extend heartiest thanks and look forward to receiving their continued support and encouragement. Last but not the least by any means, the Board of Directors also acknowledge its sincere appreciation for the commitment and hard work put in by the Management and employees of the Company during the year under review.

For and on behalf of the Board of Directors of
Home Credit India Finance Private Limited

[redacted]

Ondrej Kubik
Whole Time Director
DIN 08194580

Date: 13-08-2024
Place: Gurugram

Esha Pruthi
Whole Time Director
DIN 10392980

Date: 13-08-2024
Place: Gurugram

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Annexure -A

CORPORATE GOVERNANCE REPORT

The Company's Philosophy on Corporate Governance:

The Company endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices. The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial service Company in India. As a part of the Home Credit Group, Home Credit India has a strong legacy of fair, transparent and ethical governance practices.

The key elements of Home Credit's Corporate Governance include effective and professional Board of Directors and established practices and procedures to comply with applicable laws and adopting best practices from Home Credit Group. The Board comprises of Directors having diversified experience in the fields of finance, law, risk, information technology and operations. The Board comprises two independent directors, four Non-Executive Directors and three Whole-time Directors.

To focus on key areas and to meet the regulatory requirements, the Board has also constituted various committees like Audit Committee, Nomination & Remuneration Committee Integrated Risk Management Committee, Asset Liability Committee, IT Strategy etc. and defined their roles and responsibilities. The Board reviews the functioning of these committees from time to time. The Company has also framed and implemented requisite policies, inspired from applicable laws and Home Credit Group directions, to guide the business operations and practices of the Company. The Company has appointed Chief Risk Officer, Internal Auditor and Chief Compliance Officer to advise on function specific matters in line with the regulatory expectations.

I. BOARD OF DIRECTORS

Your Company recognises and embraces the importance of a diverse Board in its success. The confluence of Directors on the Board with different knowledge and skills, perspective, regional and industry experience, cultural and geographical background ensures that your Company retains its competitive advantage. As on March 31, 2024, the Board of the Company comprises of 9 (Nine) Directors, consisting of three Executive Directors and Six Non-Executive Directors out of which two are Independent Directors having diversified experience in the fields of finance, law, risk, information technology and operations. The composition of the Board is in conformity with the Act and other applicable laws.

Further, during the year ended March 31, 2024, 7 (Seven) meetings of the Board of Directors were held (i.e., on 10.05.2023, 25.05.2023, 19.06.2023, 15.09.2023, 24.11.2023, 08.12.2023 and 22.03.2024). The intervening gap between the two continuous meetings was within the period prescribed under the Act. The details of the composition of Board of Directors as on March 31, 2024, and the number of Board meetings attended by respective Directors are tabulated below:

S. 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 ships in other Companies	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	**Attended**		**Salary and other compensation***	**Sitting Fee (in**	**Commission**	

									INR Lakhs)		
1.	Ondrej Kubik	28/08/2018	Whole Time Director/ Executive	0819 4580	7	7	Nil		N.A	N.A	Nil
2.	Esha Pruthi	24/11/2023	Whole Time Director/ Executive	1039 2980	7	2	Nil		N.A	N.A	Nil
3	Jean Pascal Pierre A. Duvieu sart	25/05/2023	Non-Executive Director	1 0167 605	7	5	2		N.A	N.A	Nil
4.	Rakesh Kapoor	16/01/2020	Independent Director	0001 5358	7	7	2		0.07	N.A	Nil
5.	Jean Lafontaine	22/05/2020	Non-Executive Director	0874 0353	7	6	Nil		N.A	N.A	Nil
6.	Sarpreet Singh Benipal	20/04/2021	Non-Executive Director	0843 0748	7	6	1		N.A	1.24	Nil
7.	Anirban Majumder	22/05/2020	Whole Time Director/ Executive	0874 1217	7	6	Nil		N.A	N.A	Nil
8.	Jagdish Prasad	11/02/2022	Independent Director	0165 3669	7	7	Nil		0.08	N.A	Nil
9.	Pavel Rozehnal	30/08/2013	Non-Executive Director	0668 3247	7	2	12		N.A	N.A	Nil

*Salary and other compensation to Whole Time Directors INR 29.07 crores.

1. **Changes in the Board of Directors during the FY 2023-24:**

During the FY 2023-24, following changes took place in the composition of Board of Directors. However, the appointment/re-appointment of following Directors was regularized by the shareholders at the annual general meeting held on September 29, 2023.

S. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Sarpreet Singh Benipal	Non-Executive Director	Re-appointment as Non-Executive Director by Board subject to shareholders approval	20/05/2023
2	Anirban Majumder	Whole Time Director/Executive	Re-appointment as Whole-time Director by Board subject to shareholders approval	22/05/2023

3	Jean Pascal Pierre A. Duvieusart	Non-Executive Director	Appointment as Additional Non-Executive Director by Board subject to shareholders approval	25/05/2023
4	Sarpreet Singh Benipal	Non-Executive Director	Re-appointment approval by shareholders in AGM	29/09/2023
5	Anirban Majumder	Whole Time Director/Executive	Re-appointment approval by shareholders in AGM	29/09/2023
6	Jean Pascal Pierre A. Duvieusart	Non-Executive Director	Appointment regularization by shareholders in AGM	29/09/2023
7	Vijay Dhingra	Whole Time Director/Executive	Resignation	13/10/2023
8	Esha Pruthi	Whole Time Director/Executive	Appointment as Whole- Time Director by Board subject to shareholders approval.	24/11/2023

II. COMMITTEES OF THE BOARD

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include the Audit Committee, the Nomination and Remuneration Committee, the Integrated Risk Management Committee, the Information Technology Strategy Committee, the ESG Working Group and the Asset Liability Committee. The Board reviews the functioning of these committees from time to time. The Minutes and the gist of minutes of meetings of all Committees of the Board are placed before the Board of Directors for noting.

1. AUDIT COMMITTEE

Pursuant to the requirement of the NBFC Regulations and the Act, the Company has constituted an Audit Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Audit Committee inter-alia provides for the following key responsibilities of Committee:

1. To review on quarterly basis the performance of the Company and annual financial statements and Auditors' report thereon before submission to the Board.
2. To evaluate the internal financial control and the risk management systems.
3. To review and monitor all the cases of frauds against the Company involving an amount of INR 25,00,000/- (Indian Rupees Twenty-Five Lacs) and above as and when reported to the Company.
4. To provide any clarification on matters relating to audit in the Annual General Meeting.
5. To ensure that an Information System Audit of the internal system and processes is being conducted at least once in a year to assess operational risks faced by the Company.
6. To provide omnibus approval or specific approval, as the case may be, for any transaction or any subsequent modification of transactions of the Company with related parties where the transaction is proposed to be carried out in the ordinary course of business and on an arm's length basis including any omnibus approval for related party transactions.
7. To recommend related party transactions to the Board for approval when the transaction proposed to be carried out in not the ordinary course of business and on an arm's length basis.
8. To scrutinize the inter-corporate loans and investments of the Company.
9. To review quarterly audit notes and compliances with respect to the KYC Policy of the Company.
10. To approve adjustments if any, to the model output (i.e., a management overlay) of the Expected Credit Loss (ECL) Model
11. To take decision on the valuation of the undertaking or assets of the Company in the event of sale or purchase of such undertaking or assets.
12. To appoint registered valuer for valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth or liabilities of the Company as required under any applicable law.
13. To take note of the ageing analysis of the entries pending reconciliation with outsourced vendors of cash management.
14. To review the details of trading in securities by the Designated Persons, if any, including violation of any clauses of the Code of Conduct as reported to the Committee by the Compliance Officer at least once in a financial year.
15. To review the reports of internal audit conducted on various activities outsourced by the Company.

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16. To oversee the vigil mechanism established by the Company by reviewing the nature of complaints/whistle blowers received from time to time and action taken in this regard.
17. To review the reports of Internal Audit, status on closure of audit reports as well as status of closure of internal audit findings.
18. To recommend to the Board of Directors for appointment, including the fillings of a casual vacancy, remuneration and terms of appointment of auditors of the Company.
19. To ensure that the risk assessment of business and other functions of the Company is conducted and the consolidated position of major risks faced by the Company based on inputs from all forms of audit is reviewed on an annual basis.
20. To monitor and assess the auditor's independence and review the performance of auditor and effectiveness of audit process on annual basis and assist Statutory Auditor in case of any concern with the management.
21. To review the report on any serious lapses/negligence in audit responsibilities or conduct issues on part of the Auditors or any other matter considered as relevant, before submission to RBI.
22. To approve the Risk Based Internal Audit (RBIA) plan and review the performance of Risk Based Internal Audit (RBIA).
23. The ACB shall formulate and maintain a quality assurance and improvement program that covers all the aspect of internal audit function and may include assessment of the internal audit function at least once in a year
24. Such other matters as may be required to be discussed and/ or approved by Audit Committee pursuant to the provisions of Companies Act, 2013 along with rules and regulations made thereunder, guidelines and notifications issued by Reserve Bank of India or other applicable laws.
25. To have full access to information contained in the records of the Company.
26. To investigate into any matter in relation to the items specified in this TOR or referred to it by the Board and have power to obtain professional advice from external sources on specified items in this and above section.
27. The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
28. To provide reasonable recommendations to the Board of Directors on the matters as and when asked for, the Board of Directors shall have the right either to accept the recommendation with or without modifications, or to reject the recommendations, of the Committee. If the Board does not accept the recommendations of the Committee, it shall disclose the same in the Boards' Report along with the reasons, therefore.
29. The Audit Committee of Board shall be responsible for overseeing the internal audit function in the organization. The Audit Committee shall approve the RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the Company's goals. Every activity / location, including the risk management and compliance functions, shall be subjected to risk assessment by the RBIA. It shall review all the pending high and medium risk paras and persisting irregularities regarding key areas in which risk mitigation has not been undertaken despite risk identification.
30. To ensure that the remuneration for Internal Audit Function staff should be structured in a way to avoid creating conflict of interest and compromising audit's independence and objectivity.
31. To promote the use of new audit tools/ new technologies for reducing the extent of manual monitoring / transaction testing / compliance monitoring, etc. and ensure the adequate staffing of the Internal Audit Function
32. The Audit Committee shall meet Internal Auditor at least once in a quarter, without the presence of the senior management, including the Chief Executive Officer or whole-time director. In case Chief Executive Officer or whole-time director is the reporting authority to Internal Auditor, then the 'Reviewing authority' shall be the Audit Committee/Board and the 'Accepting authority' shall be the Board in matters of performance appraisal of the Internal Auditor.

Composition of the Audit Committee and details of meeting held:

During the FY 2023-24, the Committee met 4 (Four) times on May 25, 2023, September 15, 2023, November 24, 2023 and March 22, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

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. Ondrej Kubik	October 16, 2018	Whole-time Director	4	4	Nil
2.	Mr. Pavel Rozehnal	November 12, 2021	Non- Executive Director	4	0	Nil
3.	Mr. Jean Lafontaine	November 12, 2021	Non- Executive Director	4	4	Nil
4.	Mr. Rakesh Kapoor	March 06, 2020	Independent Director	4	4	Nil
5.	Mr. Jagdish Prasad	February 11, 2022	Independent Director	4	4	Nil

2. NOMINATION & REMUNERATION COMMITTEE

Pursuant to the requirement under NBFC Regulations, the Company has constituted a Nomination & Remuneration Committee. The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Nomination and Remuneration Committee inter-alia provides for the following key responsibilities of Committee:

a. To lay down the criteria (i.e., Fit & Proper Criteria) determining the requisite qualification, and past experience required from an individual for appointment as Director, Key Managerial Personnel, Chief Compliance Officer and Senior Management Officers of the Company.

b. The Committee shall identify an individual, on the basis of the prescribed Fit & Proper Criteria for appointment as the Director, Key Managerial Personnel , Chief Compliance Officer or Senior Management Officers of the Company, as the case may be, and recommend to the Board, or the other appointing authority, as the case may be, in the matter of appointment of such individual as the Director, Key Managerial Personnel, Chief Compliance Officer or Senior Management Officers of the Company.
In case of appointment or cessation of any of the Directors of the Company, the Chief Compliance Officer is under an obligation to inform Group Chief Legal Officer and Group Chief People Officer before the recommendation of such appointment or cessation, as the case may be, is proposed to be placed before the Board.

c. The Committee shall scrutinize various declarations/ undertakings given by the individual for his/ her appointment as Director.

d. Review from time to time the eligibility of the Directors to continue to hold directorship in the Company and recommend to the Board for its consideration on the structure for the Board.

e. To recommend to the Board the Policy relating to the compensation payable to the Senior Management Officers, Key Managerial Personnel, and other employees of the Company. Such policy shall be placed on the website of the Company along with the salient features. ***It is hereby clarified that employee/ officer of the Company/ Home Credit Group, if appointed as the Director of the Company, shall not be entitled to any compensation over and above the compensation he/ she is entitled to receive as such employee of the Company/ Home Credit Group.***

f. To review and recommend to the Board the compensation, including modification therein, that can be offered to the Non-Executive Director, Key Managerial Personnel, or Senior Management Officers of the Company.

g. The Company may pay sitting fees to any of the Non-Executive Director for attending any meetings of the Company as per the Applicable Law. The Company may receive services from the Non-Executive Director (not being Independent Director) and pay fee/ remuneration/ charges for such services to such Non-Executive Director. Such fee/ remuneration/ charges may be payable either as lump sum, or on monthly basis, or annual basis as decided by the Board on recommendation of the Committee of the Company.

h. To have full access to information contained in the records of the Company.

i. The recommendations of the Committee on any matter falling under aforesaid Terms of Reference shall be binding on the Board.

j. To specify the criteria and procedure for effective evaluation of performance of Board, its Committees and Directors to be carried out by the Board and review its implementation and compliance.

k. To ensure 'fit and proper' status of proposed/existing directors 4

l. To ensure that there is no conflict of interest in appointment of directors on Board of the Company, KMP and Senior Management Officers.

m. To work in close coordination with Integrated Risk Management Committee (IRMC) of the Company to achieve effective alignment between compensation and risks.

n. To ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).

Composition of the Nomination and Remuneration Committee and details of meeting held:

During the FY 2023-24, the Committee met on April 17,2023; The composition of the Committee and attendances of the Members at the meeting of the Committee held during the year is as follows:

S. 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. Pavel Rozehnal	June 25, 2020	Non- Executive Director	1	1	Nil
2.	Mr. Jean Lafontaine	June 25, 2020	Non- Executive Director	1	1	Nil
3.	Mr. Rakesh Kapoor	February 16, 2020	Independent Director	1	1	Nil
4.	Mr. Jagdish Prasad	September 20, 2022	Independent Director	1	1	Nil

3. COMPANY ESG WORKING GROUP

The Company has framed a Policy on ESG Sustainability to provide a framework to implement sustainable business practices in the context of Environmental, Social and Governance (ESG) principles. The Policy on ESG Sustainability is wide enough to cover the matters related to Corporate Social Responsibility under the applicable provisions of Companies Act, 2013 and for which an ESG Working Group (CEWG) has been constituted by the Board which will provide expertise in the area of ESG and Corporate Social Responsibility.

The Board reviews the terms of reference and working of the Committee from time to time.

The TOR of Company ESG Sustainability Group Committee inter-alia provides for the following key responsibilities of Committee:

1. Provides priorities and guidance in the area of ESG and sustainability in terms of the ESG Policy approved by the Board.
2. In line with Sustainability Practices, ensures the use of reliable, effective and efficient methods for managing ESG initiatives and ensures the establishment of a reliable and integrated framework for management of these actions, and

2. Supports Director External Affairs in preparing the Company ESG Annual Plan and its submission for approval and fulfils action steps stemming thereof.

Composition of the Company ESG Sustainability Group Committee and details of meeting held:

During the FY 2023-24, the Committee met 2 (two) times on August 10, 2023, and March 28, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S. No.	Name of Member*	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. Sarpreet Benipal	June 30, 2021	Non- Executive Director	2	2	Nil

2.	Mr. Vijay Dhingra*	June 30, 2021	Whole-Time Director	2	1	Nil
3.	Mr. Anirban Majumder	June 30, 2021	Whole-Time Director	2	0	Nil
4.	Ms. Harshita Uppal	June 30, 2021	Chief People Officer	2	2	Nil
5.	Mr. Sameer Katdare	June 30, 2021	Chief Risk Officer	2	0	Nil
6.	Mr. Raja Rekhi**	June 30, 2021	Head- Treasury	2	1	Nil
7.	Mr. Ashish Tiwari	June 30, 2021	Chief Marketing Officer	2	0	Nil
8.	Mr. Amit Gupta**	November 03,2023	Head- Funding	2	1	Nil
9.	Ms. Esha Pruthi*	October 01,2023	Whole-Time Director	2	1	Nil

. Due to the resignation of Mr. Vijay Dhingra, Ms. Esha Pruthi appointed as Chief Legal Officer w.e.f. October 1, 2023, and also appointment as Director w.e.f. November 24, 2023.*

*** Due to the resignation of Mr. Raja Rekhi, Mr. Amit Gupta appointed as Head- Funding w.e.f. November 03, 2023.*

4. Asset Liability Committee (ALCO)

The Terms of Reference of Company of Asset Liability Committee (ALCO) inter-alia provides for the following key responsibilities of Committee:

- Review ALM position for each quarter and ensure adherence to risk tolerance limits set by the Board.
- Monitor and discuss the status and results of decisions implemented in previous meetings.
- Review the short-term liquidity through current and prospective cashflow position.
- Assess funding requirements and review funding pipeline, including contingency funding plan.
- Discuss maturity profile and mix of incremental assets and liabilities.
- To take decision on sale of assets as a source of funding, if required.
- Review the current and prospective capital levels to determine sufficiency in relation to financial goals, risk and compliance.
- Review deployment of excess liquidity as per the latest Liquidity Management policy.
- Ensure compliance with all regulatory requirements on liquidity, funding and capital.
- Review repayment, refinancing of maturing debt liabilities
- Oversee risks relating to liquidity and interest rate risk.
- Ensure implementation of the liquidity risk management strategy, in line with "Liquidity Risk Management Framework" policy of HCIN
- Ensure adherence to risk tolerance limits set by the Board. Review utilization and breach of all internally established Risk Appetite Limits (RAL) and Target Limits and mitigation plan in case of any limit breach
- Distribute the minutes of each meeting to the Board of Directors/ relevant stakeholders.
- To give necessary authorizations to continue to operate with higher limits than prescribed in this Policy for various purposes based on exigencies and actual requirements, if any.

Composition of the Asset Liability Committee (ALCO) and details of meeting held:

During the FY 2023-24, the Committee met 5 (Five) times on April 20, 2023, June 19, 2023, September 13, 2023, December 06,2023 and February 15, 2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S. No.	Name of Member*	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. Ondrej Kubik	August 28, 2018	Whole-Time Director	5	3	Nil

2.	Mr. Sameer Katdare	September 15, 2020	Chief Risk Officer	5	5	Nil
3.	Mr. Anirban Majumder	December 01, 2017	Whole-Time Director	5	4	Nil
4.	Mr. Amit Gupta**	February 11, 2022	Head-Finance Controller/ Head- Funding	5	4	Nil
5.	Mr. Raja Rekhi**	September 09, 2019	Head Treasury/ Funding	5	2	Nil
6.	Vikas Aggarwal**	November 03, 2023	Head- Finance Controller and Tax	5	2	Nil

**Depends upon continuation on basis of their role in the Company.*

*** Pursuant to the resignation of Mr. Raja Rekhi from the designation/capacity of Head- Treasury, Mr. Amit Gupta designation/capacity was changed from* Head-Finance Controller *to Head-Funding and Mr. Vikas Aggarwal was appointed as new Head Finance Controller w.ef November 03, 2023.*

5. Integrated Risk Management Committee (IRMC)

The Terms of Reference of Company of Integrated Risk Management Committee (IRMC) inter-alia provides for the following key responsibilities of Committee:

- To review and assess the type and nature of the different risks, i.e. credit risk, liquidity risk, market risk, operational risk, financial risk, legal risk and/or any other risk as may be decided by the Board of Directors of the Company.
- To review and assess the quality, integrity and effectiveness of the risk management systems;
- To review and govern the functions of the sub-committee on operational risk and credit risk of the Company;
- To ensure that the Company has implemented an effective ongoing process to identify various risks, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk;
- To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- To review the risk bearing capacity of the Company in light of its reserves, insurance coverage or other such financial structures.

Composition of the *Integrated Risk Management Committee (IRMC)* and details of meeting held:

During the FY 2023-24, the Committee met 4 (Four) times on May 18,2023, August 24,2023, November 02, 2023 and March 20,2024. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S. No.	Name of Member*	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. Ondrej Kubik	August 01, 2018	Whole-Time Director	4	3	Nil
2.	Mr. Sameer Katdare	September 15, 2020	Chief Risk Officer	4	4	Nil
3.	Mr. Anirban Majumder	May 30, 2018	Whole-Time Director	4	4	Nil
4.	Mr. Vijay Dhingra**	May 30, 2018	Whole-Time Director	4	1	Nil
5.	Mr. Nitin Kumar Agarwal	July 26, 2018	Head – Operational Risk Management	4	4	Nil
6.	Ms. Harshita Uppal***	June 1, 2021	Chief People Office	4	1	Nil

7.	Ms. Esha Pruthi**	October 01, 2023	Whole-Time Director	4	2	Nil

** Depends upon continuation on basis of their role in the Company.*
*** Due to the resignation of Mr. Vijay Dhingra, Ms. Esha Pruthi appointed as Chief Legal Officer w.e.f. October 1, 2023, and also appointment as Director w.e.f. November 24, 2023.*
***Harshita Uppal ceased to be member of committee w.e.f. 15th September 2023.

6. IT Strategy Committee

The Terms of Reference of IT Strategy Committee provides that the Committee shall be responsible for the overall evaluation, providing direction, and monitoring of the IT Governance Framework which inter-alia includes the following key responsibilities of Committee:

- Ensure that an effective IT strategic planning process in place.
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the HCIN towards accomplishment of its business objectives.
- Ensures that IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives, and unambiguous responsibilities for each level in the organisation.
- Ensure that the HCIN has put in place processes for assessing and managing IT and cybersecurity risks.
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the HCIN's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the HCIN
- Review of assessment of IT capacity requirements and measures taken to address the issues.
- Approval of documented standards and procedure of access control
- The constitution of the ISC, with Chief Information Security Officer (CISO) and other representatives from business and IT functions, etc., shall be decided by the ITSC.
- Oversee the Information Security Committee
- Consult with Risk Management Committee of Board on risk management policy on issues with IT related risks, including the Cyber Security related risks.
- Review of cyber security risks/ arrangements/ preparedness of the HCIN on Quarterly basis.
- Monitor strategic IT plans.
- Proper balance of IT investments for sustaining HCIN's growth and becoming aware about exposure towards IT risks and controls.
- Provide IT insights to board and act as subject matter expert.
- Work in partnership with other Board committees and Senior Management for providing input.
- Approval & updating of documented standards and procedure for access to information asset and Privileged Access
- Work in alignment with HCIN Operational Risk Management (ORM) Committee to ensure the following with regards to IT Outsourcing:
  - Institute an appropriate governance mechanism.
  - Identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner.
  - Developing responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements.
  - Evaluating risks of all prospective outsourcing based on developed framework.
  - Periodically reviewing the effectiveness of policies and procedures.
  - Communicating significant risks to the Board.
  - Ensuring that contingency plans have been developed and tested adequately.
  - Ensure that business continuity preparedness is not adversely compromised on account of outsourcing.
- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place. The Committee shall review all policies of the Company relating to information security and information technologies and recommend to the Board, the policies that require approval from Board.
- IT Strategy committee have the responsibility to institute an effective governance mechanism and risk management process for all IT outsourced operations.

Composition of the IT Strategy Committee and details of meeting held:

During the FY 2023-24, the Committee met 2 (Two) times on May 04, 2023 and November 03, 2023. The composition of the Committee and attendances of the Members at the meetings of the Committee held during the year are as follows:

S. No.	Name of Member	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. Jagdish Prasad	February 11, 2022	Independent Director	2	2	Nil
2.	Mr. Vijay Dhingra*	January 16, 2020	Whole-Time Director & Chief Legal Officer	2	0	Nil
3.	Mr. Anirban Majumder	June 28, 2018	Whole-Time Director & Chief Financial Officer	2	0	Nil
5.	Mr. Ladislav Simicek	January 16, 2020	Chief Information Officer	2	2	Nil
6.	Mr. Milan Dolansky	October 16, 2018	Head-Online	2	0	Nil
7.	Mr. Jan Brazda	September 15, 2023	Head- IT Operations	2	1	Nil
8	Mr. Bartosz Poswiata	September 15, 2023	Head- IT Security Department	2	1	Nil
9.	Ms. Esha Pruthi*	October 01,2023	Chief Legal Officer	2	1	Nil
10.	Mr. Bhrigu Sehgal	October 21,2022	Chief Sales Officer	2	0	Nil

** *Due to resignation of Mr. Vijay Dhingra, Ms. Esha Pruthi appointed as Chief Legal Officer w.e.f October 01, 2023.*

7. Independent Directors Meeting

In compliance with Schedule IV of the Act, the Independent Directors held their separate meeting on March 28, 2024 inter alia, for the following:

1. To review the performance of Non-Independent Directors and the Board as a whole.
2. To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

Both the Independent Directors were present at the meeting. The Independent Directors present at the meeting elected Mr. Rakesh Kapoor as the Chairperson for the meeting, deliberated on the above and expressed their satisfaction on all matters.

III. General Body Meetings

During the FY 2023-24, one shareholder's meeting was held on September 29, 2023. The details of such meetings and the special resolution passed in such meetings are as follows:

S. No.	Type of Meeting (Annual/ Extraordinary)	Date and Place	Special resolutions passed
1.	**Annual General Meeting**	29/09/2023 Gurugram, Haryana	i. Re-appointment of Mr. Sarpreet Singh Benipal (DIN-08430748) as a Non-Executive Director of the Company. ii. Re-appointment of Mr. Anirban Majumder (DIN-08741217) as a Whole-Time Director of the Company. iii Regularize the appointment of Mr. Jean Pascal Pierre A. Duvieusart (DIN- 10167605) as a Non- Executive Director of the Company.

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IV. Details of non-compliance with requirements of Companies Act, 2013

The Company has not defaulted in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

V. Details of penalties and strictures

During FY 2023-24, no penalty or stricture has been imposed on the Company by the RBI, ROC or any other statutory authority.

****

Anjali Yadav & Associates
COMPANY SECRETARIES

Registered Address
B-6/32, Sector-15, Rohini, New Delhi-110085
Website: www.csanjali.com
Fixed Line: 011-47067659
E Mail: Anjaliyadav.associates@gmail.com
Anjaliyadavpcs@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Home Credit India Finance Private Limited
S-7, Second Floor, Manish Chambers 4,
Plot No. 7, LSC, Sector -12,
District Court Complex,
Dwarka, Delhi -110075

We, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Home Credit India Finance Private Limited (CIN: U65910DL1997PTC422426) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder (as amended from time to time)

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder (as amended from time to time) -**Not applicable to the Company during the audit period**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (as amended from time to time)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) - **Not applicable to the Company during the audit period**

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time) - **Not applicable to the Company during the audit period**

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) - **Not applicable to the Company during the audit period**

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) -**Not applicable to the Company during the audit period**

e) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 (as amended from time to time) -**Not applicable to the Company during the audit period**

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as amended from time to time) - **Not applicable to the Company during the audit period**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended from time to time)

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (as amended from time to time) - **Not applicable to the Company during the audit period**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended from time to time) - **Not applicable to the Company during the audit period**

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (as amended from time to time) - **Not applicable to the Company during the audit period**

(vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws such as rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non – Deposit taking NBFC and other laws which are specifically applicable to the Company.

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

i. Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India

ii. Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, the Company has maintained the proper books of accounts as required under the law except the daily backups of the books of account and other records and papers maintained in electronic mode has not been maintained by the Company on servers physically located in India as per the requirement of Section 128 of the Companies Act, 2013..

During the period under review, the Company is generally regular in filing of returns within the prescribed time with the Reserve Bank of India.

During the period under review, the company has entered into transactions with business entities in which directors are interested on arm's length basis and in ordinary course of business and the requisite approval(s) for all such transaction in this regard has been obtained from the Audit Committee and where there was a variance in the related party transactions, the ratification of the variances has been approved by the Audit Committee as on the date of signing of this report.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through unanimous consent of the members and same is recorded in the Minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that during the audit period under review:

1. The Hon'ble Regional Director vide its order dated June 30, 2023 has granted approval for shifting of registered office of the company from Haryana to National Capital Territory of Delhi.

2. The Board of Directors of the Company in the board meeting held on September 15, 2023 has approved keeping and maintaining of books of accounts at a place other than the registered office of the Company with effect from October 1, 2023.

3. Mr. Vijay Dhingra (DIN: 01617643) has resigned as Whole Time Director with effect from October 13, 2023 and Ms. Esha Pruthi (DIN: 10392980) was appointed as Whole Time Director with effect from November 24, 2023.

4. The Board of Directors of the Company in the board meeting held on November 24, 2023 has approved appointment of Ms. Esha Pruthi (DIN: 10392980) as designated director under the provisions of the prevention of Money Laundering Act, 2002.

5. Mr. Gaurav Sharma has resigned as Company Secretary with effect from December 08, 2023 and Ms. Neha Gupta was appointed as Company Secretary with effect from December 08, 2023.

6. Mr. Gaurav Sharma has resigned as Chief Compliance Officer with effect from December 08, 2023 and Ms. Shuchi Batra Kathuria was appointed as Chief Compliance Officer of the Company for a period of three years with effect from December 15, 2023.

7. Mr. Abhishek Dubey was appointed as Principal Officer of the Company with effect from December 29, 2023.

8. Mr. Rajesh Kane was appointed as Principal Nodal Officer of the Company with effect from January 31, 2024.

9. The Company has redeemed 100 Non-Convertible Debentures having Face Value of Rs. 10,00,000/- on May 18, 2023 and 1500 Non-Convertible Debentures having Face Value of Rs. 1,00,000/- on November 19, 2023.

10. The Members of the Company in their Annual General meeting held on 29th September, 2023, has regularized the appointment of Mr. Jean Pascal Pierre A Duvieusart (DIN: 10167605) as Non-Executive Director of the Company with effect from May 25, 2023.

11. The Members of the Company in their Annual General meeting held on 29th September 2023, has approved the re-appointment of Mr. Sapreet Singh Benipal (DIN: 08430748) as Non-Executive Director of the Company for a period of 2 years with effect from April 20, 2023.

12. The Members of the Company in their Annual General meeting held on 29th September 2023, has approved the re-appointment of Mr. Anirban Majumder (DIN: 08741217) as Whole Time Director of the Company for a period of 3 years with effect from May 22, 2023.

This Report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this Report.

For Anjali Yadav & Associates
Company Secretaries



Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257
UDIN: F006628F000906406
PR Unique Code: S2006DE715800
PR Certificate No.: 629/2019

Place: New Delhi
Date: August 6, 2024

Annexure I

To,
The Members,
Home Credit India Finance Private Limited
S-7, Second Floor, Manish Chambers 4,
Plot No. 7, LSC, Sector -12,
District Court Complex,
Dwarka, Delhi -110075

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.

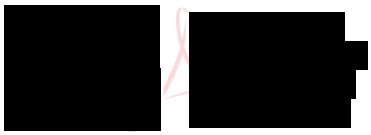
3. We have not verified the correctness and appropriateness of financial and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates
Company Secretaries



Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257
UDIN: F006628F000906406
PR Unique Code: S2006DE715800
PR Certificate No.: 629/2019

Place: New Delhi
Date: August 6, 2024

S.N. Dhawan & CO LLP
Chartered Accountants

Plot No 51-52, 2nd Floor
Udyog Vihar, Phase IV, Sector-18
Gurugram, Haryana 122016
India

Tel: +91 124 481 4444

INDEPENDENT AUDITOR'S REPORT

To the Members of Home Credit India Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Home Credit India Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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"), the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 28 and Note 42.2.2 of the accompanying financial statements which states that during the year ended March 31, 2024, the Company has written off loan assets amounting to Rs.950.39 crores primarily due to the Company's policy to write off any overdue balance over and above 180 days. Management has represented to us that they are still making efforts to collect the above amount.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. The Director's 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 identified above when it becomes available 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.

S. N. DHAWAN & CO. LLP Gurugram Chartered Accountants

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal 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 has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

S.N. Dhawan & Co. LLP * Chartered Accountants * Gurugram

report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable 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, except that the daily backup of the books of account and other records and papers maintained in electronic mode has not been maintained on servers physically located in India as per the requirement of section 128 of the Companies Act 2013.

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, Section 197 of the Act related to the managerial remuneration is not applicable.

   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:

S.N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 33.1 to the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 45 to the financial statements).

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

iv. (a) The Management has represented that, to the best of it's 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 to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

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

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. April 01, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended March 31, 2024.

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm's Registration No. 000050N/N500045)

[redacted]

Rahul Singhal
Partner
Membership No. 096570
UDIN: 24096570BKCTID9819

S. N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

Place: Gurugram
Date: 29 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Home Credit India Finance Private Limited on the financial statements as of and for the year ended March 31, 2024)

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

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

(B) The Company has maintained proper records showing full particulars of intangible assets recognized in the financial statements.

(b) The property, plant and equipment are physically verified by the Management once in a three year, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the above program, the Company has carried out the physical verification during the previous year. No material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds comprising all the immovable properties of land (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) which are freehold, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

(ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) The Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns/statements filed by the Company with the said bank are in agreement with the books of accounts of the Company.

(iii) (a) Since, the Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable.

(b) In our opinion, security given and the terms and conditions of grant of all loans and advances in the nature of loans are not, *prima facie,* prejudicial to the Company's interest. The Company has not made any investments in, and or provided any guarantee during the year.

(c) In our opinion, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in our opinion the repayments/receipts of the principal amount and the interest are regular, except for below mentioned cases outstanding as at year end, wherein the repayment(s)/receipt(s) of the principal amount and the interest are not regular. The details of such cases are as follows (Refer note 42.2 to the financial statements):



Category of loans	Extent of delay	Amount (Rs. In crores)*
Two-Wheeler Loans	1-30 Days	-
	31-90 Days	-
	More than 90 Days	-
Consumer Durable Loans	1-30 Days	48.27
	31-90 Days	42.76
	More than 90 Days	46.32
Cash Loans	1-30 Days	175.20
	31-90 Days	157.33
	More than 90 Days	210.34
Total		**680.22**

**Before adjustment of loan acquisition costs and related income to arrive at EIR method*

Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide requisite details of loans where repayment(s)/receipt(s) of the principal amount and interest amount are not regular during the year and also an itemised list of loan assets (as mentioned in above table) as at year end.

(d) In respect of loans or advances in the nature of loans granted by the Company, the total amount which is overdue for more than 90 days as at the balance sheet date is given as under. As explained to us, reasonable steps have been taken by the Company for the recovery of principal/ interest amounts (Refer note 42.2 to the financial statements).

(Amount Rs. In crores)

Category of Loans	No. of Cases	Principal Amount Overdue	Interest Overdue*	Total Overdue*
Consumer Durable Loans	88,581	43.64	2.68	46.32
Cash Loans	33,946	187.27	23.07	210.34

**Before adjustment of loan acquisition costs and related income to arrive at EIR method*

(e) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) The Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

(iv) Basis of our examination of the records of the Company, the Company has not undertaken any transactions in respect of loans, guarantees, and securities covered under section 185 of the Companies Act, 2013. The Company has not made any investment as referred to in section 186(1) of the Act and other requirements relating to section 186 do not apply to the Company.

(v) The Company has not accepted any deposits during the year and further, the Company had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



(b) There are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of Statute	Nature of dues	Amount (Rs. crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961*	Income Tax	6.46	Assessment Year (AY) 2016-17	CIT (A)
Income-tax Act, 1961	Tax deducted at source	0.01	Various assessment years	CPC-Traces
Goods and Services tax Act, 2017	Goods and Services Tax (CGST)-Maharashtra	0.16	FY 2018-19	Commissioner (Appeals), Raigarh CGST, Central Excise and Service Tax
Goods and Services tax Act, 2017	Goods and Services Tax-Delhi	2.41	FY 2018-19	Demand order received in Apr'24. Appeal not yet filed.
Goods and Services tax Act, 2017	Goods and Services Tax (IGST)-Maharashtra	0.38	FY 2018-19	Demand order received in Apr'24. Appeal not yet filed.

(*As per order, nil demand was raised by the income tax department since the Company had tax losses in the AY 2016-17, however, since carried forward losses have been utilized by the Company in the subsequent years against the taxable income, potential tax amount on disputed amount is disclosed in the above table.)

The above table does not include show cause notices replied by the Company. The Company has not yet heard from the appropriate authorities in these matters.

(viii) There were no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) (Refer note 45(iv) of the financial statements).

(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 wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans were applied for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) Since, the Company does not have any subsidiary, associate or joint ventures. Accordingly, the provisions of clause 3(ix) (e) of the Order are not applicable.

(f) Since, the Company does not have subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix) (f) of the Order are not applicable.

(x) (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause3 (x)(b) of the order are not applicable.

S. N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

(xi) (a) Considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) During the year and upto the date of this report, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.

(c) Considering the principles of materiality outlined in the Standards on Auditing, we have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) Transactions with the related parties are in compliance with Sections 188 of the Act and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Since the Company is a private limited Company, therefore, the provisions of section 177 of the Act are not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) During the year, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the order are not applicable.

(xvi) (a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, provisions of clause 3 (xvi)(c) of the order are not applicable.

(d) The Group has no CICs which are part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, read with notes 42.3.1 and 45 (xi) of the financial statements, 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 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) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act.

(b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the Act.

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm's Registration No. 000050N/N500045)

[redacted]

Rahul Singhal
Partner
Membership No. 096570
UDIN: 24096570BKCTID9819

S. N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

Place: Gurugram
Date: 29 May 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Home Credit India Finance Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under Section 143(10) of the Act, 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

S.N. DHAWAN & CO. LLP * Gurugram * Chartered Accountants

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal financial control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm's Registration No. 000050N/N500045

[redacted]

Rahul Singhal
Partner
Membership No. 096570
UDIN: 24096570BKCTID9819

S. N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

Place: Gurugram
Date: 29 May 2024

S.N. Dhawan & CO LLP
Chartered Accountants

Plot No 51-52, 2nd Floor
Udyog Vihar, Phase IV, Sector-18
Gurugram, Haryana 122016
India

Tel: +91 124 481 4444

To,

The Board of Directors
Home Credit India Finance Private Limited
3rd Floor, Tower-C, DLF Infinity Towers,
DLF Cyber City, Phase-II,
Gurugram, Haryana-122002

Additional Auditors Report as per para 3 and 4 of Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

1. This report is issued in accordance with the terms of our engagement letter dated February 21, 2024.

2. This report is issued in accordance with the requirements of "Master Direction DNBS. PPD.03/66.15.001/2016-17 - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 (the "Directions") dated September 29, 2016" and amendments thereto.

Management's Responsibility

3. 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 the financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 true and fair view and are free from material misstatement, whether due to fraud or error.

4. The management is also responsible for compliance with the Reserve Bank of India (RBI) Act, 1934 and other relevant RBI Circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditor's Responsibility

5. We have audited the financial statements of the Company for the year ended March 31, 2024 on which we issued an unmodified audit opinion vide our report dated May 29, 2024. Our audit of the financial statements was conducted in accordance with the Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

   Our report on the financial statements for year ended March 31, 2024 includes the following Emphasis of Matter paragraph:

   "During the year ended March 31, 2024, the Company has written off loan assets amounting to Rs.950.39 crores primarily due to the Company's policy to write off any overdue balance over and above 180 days. Management has represented to us that they are still making efforts to collect the above amount. Our opinion is not modified in respect of this matter."

6. Pursuant to the requirements of the Directions, it is our responsibility to report on the matters specified in para 3 of the Directions to the extent applicable to the Company based on the audited financial statements of the Company for the year ended March 31, 2024.

S.N. DHAWAN & CO. LLP Gurugram Chartered Accountants

7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Conclusion

9. Based on our examination of the audited financial statements for the year ended March 31, 2024 as produced for our examination and the information and explanations given to us we report that:

   a. The Company is engaged in the business of Non- Banking Financial Institutions as defined in clause (a) of Section 45 IA of the Reserve Bank of India Act, 1934 ("RBI Act") and obtained a Certificate of Registration (CoR) as a Non-Deposit Accepting Systematically Important (NBFC-ND-SI) from RBI, vide Certificate No. B-14.03292 dated October 25, 2013.

   b. The Company is entitled to continue to hold the CoR granted by the RBI to carry on the business of Non-Banking Financial Institution based on its asset/ income pattern as on March 31, 2024 which have been computed in the manner laid down in the Direction DoS.DSG.No.10/33.01.001/2023-24 dated 27 February 2024 (as amended from time to time), issued by the Reserve Bank of India (RBI), for which, we have issued report dated June 04, 2024 (Statutory Auditor Certificate (SAC)- Return DNBS-10).

   c. The Company as on March 31, 2024 holds the required Net owned fund as per the requirement laid down in the RBI Guidelines.

   d. The Board of Directors of the Company has passed a resolution by circulation on April 18, 2023 which has been subsequently noted in the board meeting held on May 10, 2023 for non-acceptance of public deposit(s) as defined under Master Direction Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

   e. The Company has not accepted any public deposits during the year ended March 31, 2024.

   f. The Company has complied with the prudential norms directions relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the RBI Guidelines.

   g. The capital adequacy ratio as of March 31, 2024 disclosed in the DNBS-3 return submitted on provisional basis to the RBI on April 19, 2024 on the basis of the unaudited financial information and such ratio is in compliance with the minimum capital to risk assets ratio ("CRAR") prescribed by the RBI. Management is in the process of filing of final return on the basis of audited financial statements.

   h. The Company has represented that the form NBS-7 has been replaced with DNBS return. Based on the representation provided by the management, the Company is in the process of filing final DNBS-3 return.

10. There are no unfavorable or qualified opinion in respect of the matters mentioned in paragraph 9 above, therefore requirements of para 4 of the Directions are not applicable.



Restriction on use

11. This report has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, for submission to RBI pursuant to the RBI Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. – 000050N/N500045

[redacted]

Rahul Singhal
Partner
Membership Number: 096570
UDIN No: 24096570BKCTIK6054



Place: Gurugram
Date: June 04, 2024

Home Credit India Finance Private Limited
Balance Sheet as at March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	4	209.21	205.52
Bank balance other than cash and cash equivalents	5	77.49	29.94
Trade receivables	6	22.39	16.94
Loans	7	4,995.51	4,230.02
Other financial assets	8	61.61	22.55
		5,366.21	**4,504.97**
Non-financial assets			
Current tax assets (net)	9	15.98	24.56
Deferred tax assets (net)	10 (a)	725.64	771.69
Property, plant and equipment	11	10.97	6.86
Right-of-use assets	12	24.39	43.08
Intangible assets under development	13 (a)	18.84	15.46
Other intangible assets	13 (b)	111.31	127.16
Other non-financial assets	14	26.82	25.75
		933.95	**1,014.56**
Total assets		**6,300.16**	**5,519.53**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables	15		
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.50	0.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		102.66	95.36
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		0.81	0.07
Debt securities	16	-	11.17
Borrowings (other than debt securities)	17	3,780.83	3,188.65
Lease liabilities	18	24.36	41.11
Other financial liabilities	19	161.66	98.25
		4,070.82	**3,434.90**
Non-financial liabilities			
Provisions	20	131.84	123.50
Other non-financial liabilities	21	36.24	39.60
		168.08	**163.10**
Total liabilities		**4,238.90**	**3,598.00**
Equity			
Equity share capital	22	1,091.09	1,091.09
Other equity	23	970.17	830.44
Total equity		**2,061.26**	**1,921.53**
Total liabilities and equity		**6,300.16**	**5,519.53**
Material accounting policy information	3		
Notes to the financial statements	1 to 69		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **S.N. DHAWAN & CO LLP**
Chartered Accountants
Firm Registration Number: 000050N/N500045

[redacted]
Partner

Membership No : 096570

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Home Credit India Finance Private Limited

[redacted]

Ondrej Kubik
Director/ Chief Executive Officer
DIN: 08194580

Place: Gurugram
Date: May 29, 2024

Rida Bouthi
Director
DIN: 10392980

Place: Gurugram
Date: May 29, 2024

[redacted]

Anirban Majumder
Chief Financial Officer

Place: Gurugram
Date: May 29, 2024

Neha Gupta
Company Secretary

Place: Gurugram
Date: May 29, 2024

Home Credit India Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations			
Interest income	24	1,664.50	1,460.95
Fees and commission income	25	262.53	258.71
Total Revenue from operations		**1,927.03**	**1,719.66**
Other income	26	5.45	17.53
Total income		**1,932.48**	**1,737.19**
Expenses			
Finance costs	27	401.17	373.20
Impairment on financial instruments	28	594.40	413.92
Employee benefits expenses	29	299.23	282.79
Depreciation and amortization expense	30	86.65	88.91
Other expenses	31	362.46	461.35
Total expenses		**1,743.91**	**1,620.17**
Profit/ (loss) before tax		**188.57**	**117.02**
Tax expense:	10 (b)		
(i) Current tax		-	-
(ii) Deferred tax charge (net)		46.75	37.12
Total tax expense		**46.75**	**37.12**
Profit/ (loss) for the year		**141.82**	**79.90**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement (losses)/gains on defined benefit plans		(2.79)	(0.72)
Income tax impact on above	10 (c)	0.70	0.18
Other comprehensive (loss)/income for the year, net of tax		**(2.09)**	**(0.54)**
Total comprehensive income/ (loss) for the year, net of tax		**139.73**	**79.36**
Earnings per equity share (face value of Rs. 10 per share)	32		
Basic (Rs.)		1.30	0.73
Diluted (Rs.)		1.30	0.73
Material accounting policy information	3		
Notes to the financial statements	1 to 69		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For S.N. DHAWAN & CO LLP
Chartered Accountants
Firm Registration Number: 000050N/N500045

[redacted]

Rahul Singhal
Partner

Membership No : 096570

Place: Gurugram
Date: May 29, 2024

S. N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

For and on behalf of the Board of Directors of
Home Credit India Finance Private Limited

[redacted]

Ondrej Kubik
Director / Chief Executive Officer
DIN: 08194580

Place: Gurugram
Date: May 29, 2024

Esha Pruthi
Director

DIN: 10392980

Place: Gurugram
Date: May 29, 2024

[redacted]

Anirban Majumder
Chief Financial Officer

Place: Gurugram
Date: May 29, 2024

Neha Gupta
Company Secretary

Place: Gurugram
Date: May 29, 2024

Home Credit India Finance Private Limited
Statement of changes in equity for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Equity share of Rs. 10 each, issued, subscribed and fully paid		
As at April 1, 2023	1,091,089,176	1,091.09
Changes in equity share capital during the year	-	-
As at March 31, 2024	1,091,089,176	1,091.09

Particulars	Number of shares	Amount
Equity share of Rs. 10 each, issued, subscribed and fully paid		
As at April 1, 2022	1,091,089,176	1,091.09
Changes in equity share capital during the year	-	-
As at March 31, 2023	1,091,089,176	1,091.09

B. Other equity

As at March 31, 2024	Reserves and surplus			Item of OCI	Total
	Statutory reserve as per section 45-IC of RBI Act,1934*	Securities premium	Retained earnings	Remeasurements of defined benefit plans	
As at April 01, 2023	86.26	2,940.01	(2,196.10)	0.27	830.44
Profit for the year	-	-	141.82	-	141.82
Other comprehensive income/(loss) for the year, net of tax (OCI)	-	-	-	(2.09)	(2.09)
Transfer from retained earnings to statutory reserve	28.36	-	(28.36)	-	-
As at March 31, 2024	114.62	2,940.01	(2,082.64)	(1.82)	970.17

As at March 31, 2023	Reserves and surplus			Item of OCI	Total
	Statutory reserve as per section 45-IC of RBI Act,1934*	Securities premium	Retained earnings	Remeasurements of defined benefit plans	
As at April 01, 2022	70.28	2,940.01	(2,260.02)	0.81	751.08
Profit for the year	-	-	79.90	-	79.90
Other comprehensive income/(loss) for the year, net of tax (OCI)	-	-	-	(0.54)	(0.54)
Transfer from retained earnings to statutory reserve	15.98	-	(15.98)	-	-
As at March 31, 2023	86.26	2,940.01	(2,196.10)	0.27	830.44

Material accounting policy information — 3
Notes to the financial statements — 1 to 69

As per our report of even date attached

For S.N. DHAWAN & CO LLP
Chartered Accountants
Firm Registration Number: 000050N/N500045

[redacted]
Rahul Singhal
Partner
Membership No : 096570

Place: Gurugram
Date: May 29, 2024

S. N. DHAWAN & CO. LLP ★ Gurugram ★ Chartered Accountants

For and on behalf of the Board of Directors of
Home Credit India Finance Private Limited

Home Credit India Finance Private Limited · HOME CREDIT · Haryana

[redacted]

Ondrej Kubik
Director / Chief Executive Officer
DIN: 08194580

Place: Gurugram
Date: May 29, 2024

Esha Pruthi
Director
DIN: 10392980

Place: Gurugram
Date: May 29, 2024

[redacted]

Anirban Majumder
Chief Financial Officer

Place: Gurugram
Date: May 29, 2024

Neha Gupta
Company Secretary

Place: Gurugram
Date: May 29, 2024

Home Credit India Finance Private Limited
Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**Cash flow from operating activities**		
	Profit/(Loss) before taxes	188.57	117.02
	Add/(less) adjustments:		
	Depreciation and amortisation expense	86.65	88.91
	Interest on lease liabilities	4.17	8.83
	Liabilities written back	(0.04)	(0.39)
	Interest on bank deposits	-	(4.42)
	Interest on income tax refund	(1.95)	-
	Impairment loss allowance on loans	(136.17)	116.61
	Impairment loss allowance on other financial assets	(0.60)	(2.15)
	Other financial assets written off	0.31	2.61
	Amortisation of deferred finance cost	1.47	-
	Loss on settlement and loan closure	22.73	27.54
	Bad debts written off	950.39	553.14
	Profit on sale of property, plant and equipment and other intangible assets (net)	(1.00)	(4.85)
	Gain on lease modification	(0.16)	(6.80)
	Interest Income on security deposits	(1.45)	(1.55)
	Operating profit before working capital changes	**1,112.92**	**894.50**
	Working Capital Adjustments:		
	(Increase) in loans	(1,602.44)	(1,313.42)
	(Increase) in trade receivables	(5.24)	(5.86)
	Increase/(Decrease) in trade payables	7.50	(11.22)
	Increase in Other payables	-	0.01
	(Increase) in other financial assets	(36.93)	(4.98)
	Increase in other financial liabilities	63.46	39.09
	Increase in provisions	5.55	44.69
	(Decrease)/Increase in other non-financial liabilities	(3.36)	23.49
	(Increase) in other non-financial assets	(0.97)	(3.26)
	(Increase) in bank balance other than cash and cash equivalents	(47.70)	(11.54)
	Cash (used in)/ generated from operations before taxes	**(507.21)**	**(348.50)**
	Income taxes paid (net of refunds)	10.53	6.41
	Net cash (used in)/generated from operating activities (A)	**(496.68)**	**(342.09)**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, other intangible assets and intangible assets under development	(58.43)	(67.11)
	Proceeds from sale of property, plant and equipment and other intangible assets	1.00	5.10
	Net cash (used in)/ generated from investing activities (B)	**(57.43)**	**(62.01)**
C.	**Cash flow from financing activities**		
	Debt securities issued	-	15.00
	Debt securities repaid	(11.31)	(63.83)
	Borrowings other than debt securities taken	2,414.77	1,633.71
	Borrowings other than debt securities repaid	(1,823.92)	(1,155.32)
	Repayment of lease liabilities	(21.26)	(26.57)
	Net cash generated from/ (used in) financing activities (C)	**558.28**	**402.99**
D.	**Net increase in cash and cash equivalents (A+B+C)**	**4.17**	**(1.11)**
	Cash and cash equivalents at the beginning of the year in the statement of cash flows	205.53	206.64
	Cash and cash equivalents at the end of the year in the statement of cash flows	**209.70**	**205.53**

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Home Credit India Finance Private Limited HOME CREDIT Haryana

Home Credit India Finance Private Limited
Statement of Cash Flows for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of cash and cash equivalents in the statement of cash flows		
A. Cash and cash equivalents (refer note 4)		
Cash in hand	0.12	0.01
Balances with banks		
- On current accounts	194.58	151.31
- Deposits with banks (original maturity of less than three months)	15.00	54.21
	209.70	**205.53**
Less: Impairment loss allowance	0.49	0.01
	209.21	205.52

The above statement of cash flows has been prepared under the indirect method set out in Ind AS 7-Statement of Cash Flow.

As per our report of even date attached

For S.N. DHAWAN & CO LLP
Chartered Accountants
Firm Registration Number: 000050N/N500045

[redacted]

Rahul Singhal
Partner

Membership No : 096570

Place: Gurugram
Date: May 29, 2024

S.N. DHAWAN & CO. LLP * Chartered Accountants * Gurugram

For and on behalf of the Board of Directors of
Home Credit India Finance Private Limited

Home Credit India Finance Private Limited • Haryana •

[redacted]

Ondrej Kubik
Director, Chief Executive Officer
DIN: 08194580

Place: Gurugram
Date: May 29, 2024

Esha Pruthi
Director

DIN: 10392980

Place: Gurugram
Date: May 29, 2024

[redacted]

Anirban Majumder
Chief Financial Officer

Place: Gurugram
Date: May 29, 2024

Neha Gupta
Company Secretary

Place: Gurugram
Date: May 29, 2024

Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores unless otherwise stated)

1. Company overview

Home Credit India Finance Private Limited ('the Company') is a Systemically Important Non–Banking Financial Company (NBFC) incorporated on 1st October 1997 in India as Private Limited Company. The Company is registered with the Reserve Bank of India ('RBI') as a Non–Banking Financial (Non-Deposit Accepting or Holding) Company ('NBFC - ND') vide certificate of registration number 01.00317 dated 20 September 1999 and subsequent to change in name of the Company, a fresh registration number B-14.03292 dated 25 October 2013 has been obtained. The Company has been classified as Middle Layer NBFC ("NBFC-ML") as per RBI Scale Based Regulations. The Company is primarily engaged in the business of retail financing. The Company does not accept deposits from the public.

2. Basis of preparation

2.1 Statement of Compliance

The financial statements for the year ended March 31, 2024 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. These financial statements have been approved by the Board of Directors in their meeting held on May 29, 2024.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.2 Basis of preparation, measurement and presentation

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies in note 3) in accordance with the accounting principles generally accepted in India.

The Balance Sheet, the Statement of Change in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ("NBFCs") that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in crores and rounded off to the nearest two decimals, except as stated otherwise. The amounts disclosed as '0.00' represent amounts below rounding off norms adopted by the Company.

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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Judgements, assumptions and estimation uncertainties

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have a significant impact on the carrying amount of assets and liabilities at each balance sheet date:

Business model assessment - Classification of financial assets: Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. Refer note 41 & 42.

Impairment of financial assets

The Company establishes criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determines methodology for incorporating forward looking information into measurement of expected credit loss ('ECL') and selection of models used to measure ECL. The inputs used and process followed by the Company in determining the ECL have been detailed in note 42.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is carried out in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Refer note 41 & 42.

Impairment of financial instruments: Determining inputs into the ECL measurement model, including incorporation of forward-looking information including key assumptions used in estimating recoverable cash flows

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

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- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL ('LTECL') basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. Refer to note 42.

Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Measurement of defined benefit obligations: key actuarial assumptions

The measurement of obligations related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations. Refer to note 35.

Recognition of deferred tax assets

The Company has recognised deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time. Refer to note 10.

Recognition and measurement of provisions and contingencies

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

Useful lives and expected residual value of assets

Depreciation and amortisation are derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. Useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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2.5 Measurement of fair value

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

When measuring the fair value of an asset or a 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.

Fair value of financial instruments measured at amortized cost is disclosed in Note 41.

3. Material accounting policy information

3.1 Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets – Classification

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

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost, only if both of the following conditions are met and is not designated as at FVTPL:

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- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features)

Financial assets: Subsequent measurement and gains and losses

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 Statement of Profit and Loss.

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.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in 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 Statement of Profit and Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in 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 Statement of Profit and Loss.

Collateral Repossession

In its normal course of business whenever default occurs, the Company on the satisfaction of some internal logics initiate the Arbitration process and after getting the order from the Arbitral Tribunal takes the possession of two-wheeler in its secured portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed

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for the internal operations. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession. The Company does not record repossessed assets on its Balance Sheet as non–current assets held for sale.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as 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 a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Derecognition

Financial asset – derecognition due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Financial asset – derecognition other than due to substantial modification

A financial asset, such as a loan to a customer, is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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Derecognition - Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2 Impairment of financial assets

Impairment of financial instruments:

The Company applies the ECL model in accordance with Ind AS 109 for recognising impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL'), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on a collective basis, considering the retail nature of the underlying portfolio of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflects the general pattern of credit deterioration of a financial assets. The Company categories financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- Stage 1: Low credit risk, i.e. 0 to 30 days past due
- Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- Stage 3: Impaired assets, i.e. more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic

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scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgment, in particulars, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and make adjustments when such differences are significantly material.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

After initial recognition, trade receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

Write-offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of recovery and/or overdue beyond 180 days in case of loan assets (360 days in case of one joint lending arrangement). This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.3 Property, plant and equipment

Initial recognition and measurement

The cost of an item of Property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

Gains or losses arising from the retirement or disposal of a property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

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The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress

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

Depreciation methods, estimated useful lives and residual value

The Company depreciates its property, plant and equipment on the straight line method based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for the following assets, where the management's estimate of the useful life of such property, plant and equipment are lower than the lives arrived at on the basis of Schedule II of the Act:

Category of assets	Estimated life (Years) #
Servers (included in Computers)	5
Furniture and fixtures	3
Office equipment	2

#For the above mentioned class of assets, based on internal technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Similarly, depreciation on assets sold / disposed off during the year is being provided up to the dates on which such assets are sold / disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

Leasehold improvements are amortised on a straight line basis over the non-cancellable period of lease or management estimates to useful life, whichever is lower.
The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.4 Intangible assets

Initial recognition and measurement

Intangible assets acquired by the Company are carried at cost of acquisition less amortisation. The cost of an item of intangible assets comprises its purchase price, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset is recognised in profit or loss when the asset is de-recognised.

Amortization methods, estimated useful lives and residual value

Intangible assets, comprising software, are amortised over the estimated useful life of 3 years to 5 years on a straight-line basis from the date of capitalization. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.





3.5 Cash and cash equivalents

Cash and cash equivalent 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.

3.6 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

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

3.7 Revenue recognition

Interest income on loans

Interest income from financial assets is recognised using Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired) or to the amortised cost of the liability. However, for the financial assets that have become credit impaired subsequent to the 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.

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Other financial charges

Cheque bouncing charges, late payment charges, foreclosure and other related charges are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

Other income

Service fees income is recognised over the time as services are rendered, per the terms of the contract.
Insurance commission income is recognised in the month of issuance / renewal of the policy.
All other items of income are accounted for on accrual basis.

Recovery from bad debts

Recovery from bad debts written off is recognised as income on the basis of actual realization from customers.

3.8 Employee Benefits

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. Benefits such as salaries and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee provides the related service.

Post-employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident fund is a defined contribution plan. The Company expenses its contributions towards provident fund which are being deposited with the Regional Provident Fund Commissioner.

Defined benefit plans

The Company's gratuity scheme is an unfunded defined benefit plan. The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The present value of obligations under such defined benefit plans are based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity period approximating to the terms of related obligations.

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The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements. Changes due to service cost and net interest cost / income is recognised in the statement of profit and loss. Re-measurements of net defined benefit liability / (asset) which comprise of actuarial gains and losses are recognised in other comprehensive income:

Gratuity payable to the employees on fixed term contract with the Company are accounted for on the basis of salary drawn and the period served as at the balance sheet date in accordance with the Payment of Gratuity Act, 1972.

Other long term employee benefits

Benefits under compensated absences constitute other employee benefits. Employee entitlements to annual leave are recognised when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services provided by the eligible employees up to the Balance Sheet date. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Leave encashment payable to the employees on fixed term contract with the Company are accounted for on the basis of salary drawn and the accumulated leave balance as at the balance sheet date in accordance with the other long term employee benefits plans of the company.

3.9 Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Minimum alternative tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss.

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

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

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Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores unless otherwise stated)

Deferred tax

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

3.10 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease; initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3.11 Foreign Currency Transactions

Transactions in foreign currency are translated into the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss of the period. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

3.12 Earnings per share

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.13 Statement of cash flows

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

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Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
4 Cash and cash equivalents		
Cash in hand	0.12	0.01
Balances with banks		
- in current accounts	194.58	151.31
- Deposits with banks (original maturity up to three months or less)	15.00	54.21
	209.70	205.53
Less : Impairment loss allowance	0.49	0.01
	209.21	205.52

	As at March 31, 2024	As at March 31, 2023
5 Bank balance other than cash and cash equivalents		
Fixed deposit with banks	10.09	-
Other bank deposits (Refer notes below)	67.92	30.31
	78.01	30.31
Less : Impairment loss allowance	0.52	0.37
	77.49	29.94

Notes:
(i) Rs. 0.02 crores (March 31, 2023: Rs. 0.03 crores) fixed deposit included on which lien marked with banks for registration with VAT authorities.
(ii) Rs. 0.25 crores (March 31, 2023: Rs. 0.25 crores) fixed deposit included on which lien marked with banks for Aadhar verification.
(iii) Rs. 0.14 crores (March 31, 2023: Rs. 0.12 crores) fixed deposit included on which lien marked against overdraft.
(iv) Rs. 67.51 crores (March 31, 2023: Rs. 29.91 crores) fixed deposit include on which lien marked against securitisation transactions.

	As at March 31, 2024	As at March 31, 2023
6 Trade receivables		
Trade receivables (unsecured) considered good	11.56	11.97
Less: Impairment loss allowance	1.51	2.04
Sub-total - (A)	10.05	9.93
Trade receivables (unsecured) which have significant increase in credit risk	0.11	0.79
Less: Impairment loss allowance	0.02	0.41
Sub-total - (B)	0.09	0.38
Trade receivables (unsecured) - credit impaired	1.33	1.47
Less: Impairment loss allowance	1.33	1.47
Sub-total - (C)	-	-
Unbilled revenue	14.49	8.03
Less: Impairment loss allowance	2.24	1.40
Sub-total - (D)	12.25	6.63
Total (A+B+C+D)	22.39	16.94

Notes:
1. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

2. The amount pertaining to Rs 0.72 crores (March 31, 2023: Rs 0.52 crores) for joint lending services fee recoverable is not included in the above, yet it is probable that the entity will collect the consideration to which it is entitled for the services that have been transferred to the customer.

As at March 31, 2024

Particulars	Unbilled	Not due for payment	Outstanding for following periods from due date of payments					
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	14.49	-	11.56	-	-	-	-	26.05
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	0.11	-	-	-	-	0.11
(iii) Undisputed trade receivables – credit impaired	-	-	0.04	-	-	-	-	0.04
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	1.29	1.29
Total Receivables	14.49	-	11.71	-	-	-	1.29	27.49
Less: Impairment loss allowance								5.10
Net Receivables								22.39

As at March 31, 2023

Particulars	Unbilled	Not due for payment	Outstanding for following periods from due date of payments					
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	8.03	-	11.97	-	-	-	-	20.00
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	0.79	-	-	-	-	0.79
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	0.00	0.05	-	0.05
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	1.42	1.42
Total Receivables	8.03	-	12.76	-	0.00	0.05	1.42	22.26
Less: Impairment loss allowance								5.32
Net Receivables								16.94

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Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

7 Loans	As at March 31, 2024	As at March 31, 2023
(A) Loans at Amortised cost		
Term loans		
Two wheeler loans	0.00	0.37
Consumer durable loans	1,175.70	818.64
Cash loans	4,358.99	4,048.77
Total (A) - Gross	5,534.69	4,867.78
Less: impairment loss allowance	403.74	546.60
Less: unamortised income & expenses	135.44	91.16
Total (A) - Net	4,995.51	4,230.02
(B) Secured/ Unsecured		
(i) Secured by tangible assets	0.00	0.37
(ii) Unsecured	5,534.69	4,867.41
Total (B) - Gross	5,534.69	4,867.78
Less: impairment loss allowance	403.74	546.60
Less: unamortised income & expenses	135.44	91.16
Total (B) - Net	4,995.51	4,230.02
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	5,534.69	4,867.78
Total (C) - Gross	5,534.69	4,867.78
Less: impairment loss allowance	403.74	546.60
Less: unamortised income & expenses	135.44	91.16
Total (C) - Net	4,995.51	4,230.02

8 Other financial assets	As at March 31, 2024	As at March 31, 2023
Receivable from payment gateway providers	11.64	11.27
Security deposits	11.98	10.76
Receivables from channel partners	2.61	2.84
Recoverable from employees	0.53	0.49
Interest accrued but not due on fixed deposits	3.51	0.81
Receivables from related party	-	0.44
Other receivables*	34.91	0.52
	65.18	27.13
Less: Impairment loss allowance	3.57	4.58
	61.61	22.55

* Includes assets amounting to Rs. 34.00 crores (March 31, 2023: Nil) provided against securitisation transaction

9 Current tax assets (net)	As at March 31, 2024	As at March 31, 2023
Advance tax and deduction at source* [Net of provision of tax of Rs. 88.68 crores (March 31, 2023: Rs. 108.94 crores)]	15.98	24.56
	15.98	24.56

* Includes Rs. 1.38 crores adjusted against tax demand by the authority.

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10 Deferred tax assets (net) and tax expense

(a) Movement in deferred tax on temporary differences:

	As at April 1, 2022	Recognised in profit or loss during FY 2022-23	Recognised in OCI during FY 2022-23	As at March 31, 2023	Recognised in profit or loss during FY 2023-24	Recognised in OCI during FY 2023-24	As at March 31, 2024
Deferred tax assets:							
Provisions for employee benefits	12.26	0.62	0.18	13.06	6.54	0.70	20.30
Depreciation	20.06	(0.39)	-	27.67	(8.95)	-	18.72
Impairment loss allowance on loans	105.22	29.32	-	134.54	(34.25)	-	100.29
Expense disallowable under section 94B of Income Tax Act, 1961	266.26	1.73	-	267.99	(11.36)	-	256.63
Effect of effective interest rate on interest income	11.62	11.14	-	22.76	11.21	-	33.97
Unabsorbed depreciation	30.26	-	-	30.26	(3.05)	-	27.21
Brought forward losses	342.33	(82.83)	-	259.50	(12.50)	-	247.00
Other temporary differences	68.19	(34.14)	-	34.05	4.03	-	38.08
	864.20	(74.55)	0.18	789.83	(48.33)	0.70	742.20
Deferred tax liabilities:							
Other temporary differences	(55.57)	37.43	-	(18.14)	1.58	-	(16.56)
	(55.57)	37.43	-	(18.14)	1.58	-	(16.56)
Net deferred tax assets/ (liabilities)	808.63	(37.12)	0.18	771.69	(46.75)	0.70	725.64

The Company has reassessed the deferred tax recognized as at March 31, 2024 and based on the assessment, the Company believes that sufficient taxable income will be available and considering this it is probable that unused tax credit will be adjusted. Following factors has been considered by the management:

Absorption of past tax losses – The past year losses were primarily due to temporary effect of Covid 19 on the Company's business. Further, the Company has taken measures to increase operations and profitability of the Company like cost optimization, enhanced credit underwriting process etc. In the past also, the Company fully utilized carry forward losses and had started generating taxable income.

Temporary differences getting consumed in next 5 years - The Company expects that the temporary differences like impairment loss allowance on loans, interest expense of associate enterprises under section 94B on Income Tax Act, 1961 provision for expenses, bonus, gratuity and income deferral etc. would be consumed in next 5 years.

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10 **Deferred tax assets (net) and tax expense *(Continued)***

	For the year ended March 31, 2024	For the year ended March 31, 2023
(b) Amounts recognised in statement of profit or loss		
Particulars		
Current tax (i)		
Current year	-	-
Tax adjustments relating to earlier years	-	-
Deferred tax (ii)		
Attributable to-		
Origination and reversal of temporary differences	46.75	37.12
Tax expense recognised in Statement of profit and loss	**46.75**	**37.12**

(c) Income tax recognised in other comprehensive income/ (loss)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Before tax	Deferred tax (expense)/ benefit	Net of tax	Before tax	Deferred tax (expense)/ benefit	Net of tax
Remeasurement (losses)/gains on defined benefit plans	(2.79)	0.70	(2.09)	(0.72)	0.18	(0.54)
	(2.79)	0.70	(2.09)	(0.72)	0.18	(0.54)

(d) Reconciliation of effective tax expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/ (loss) before tax	188.57	117.02
Total	**188.57**	**117.02**
Tax using the Company's domestic tax rate of 25.17%	47.46	29.45
Effect of:		
Non-deductible expenses / other items	(0.71)	7.67
Effective tax expense	**46.75**	**37.12**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2024 and year ended March 31, 2023 is 25.17%

S. N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

11 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the year	Disposals	As at March 31, 2024	As at March 31, 2024
Leasehold improvements	62.53	-	-	62.53	62.52	0.01	-	62.53	0.00
Land and building	0.22	-	-	0.22	0.03	0.01	-	0.04	0.18
Furniture and fixtures	3.28	0.06	(0.04)	3.30	1.33	1.14	(0.04)	2.43	0.87
Computer and data processing units	135.55	8.18	(6.91)	136.82	130.85	3.40	(6.91)	127.34	9.48
Office equipment	23.97	0.01	(3.21)	20.77	23.96	0.01	(3.21)	20.76	0.01
Vehicles	-	0.48	-	0.48	-	0.05	-	0.05	0.43
Total	**225.55**	**8.73**	**(10.16)**	**224.12**	**218.69**	**4.62**	**(10.16)**	**213.15**	**10.97**

Particulars	Gross block				Accumulated depreciation				Net block
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023
Leasehold improvements	62.53	-	-	62.53	62.47	0.05	-	62.52	0.01
Land and building	0.22	-	-	0.22	0.02	0.01	-	0.03	0.19
Furniture and fixtures	15.85	1.07	(13.64)	3.28	14.62	0.35	(13.64)	1.33	1.95
Computer and data processing units	155.62	0.27	(20.34)	135.55	141.16	9.99	(20.30)	130.85	4.70
Office equipment	41.66	0.01	(17.70)	23.97	41.18	0.48	(17.70)	23.96	0.01
Total	**275.88**	**1.35**	**(51.68)**	**225.55**	**259.45**	**10.88**	**(51.64)**	**218.69**	**6.86**

12 Right-of-use assets

Particulars	Gross block				Accumulated depreciation				Net block
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the year	Disposals	As at March 31, 2024	As at March 31, 2024
Leasehold Buildings	64.19	1.09	(1.70)	63.58	23.72	17.48	(1.09)	40.11	23.47
Computers	3.06	0.15	-	3.21	2.42	0.79	-	3.21	-
Vehicles	3.63	0.39	(0.96)	3.06	1.66	0.86	(0.38)	2.14	0.92
Total	**70.88**	**1.63**	**(2.66)**	**69.85**	**27.80**	**19.13**	**(1.47)**	**45.46**	**24.39**

Particulars	Gross block				Accumulated depreciation				Net block
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023
Leasehold Buildings	81.79	66.24	(83.84)	64.19	35.97	20.15	(32.40)	23.72	40.47
Computers	3.06	-	-	3.06	1.37	1.05	-	2.42	0.64
Vehicles	2.68	1.65	(0.70)	3.63	0.87	1.19	(0.40)	1.66	1.97
Total	**87.53**	**67.89**	**(84.54)**	**70.88**	**38.21**	**22.39**	**(32.80)**	**27.80**	**43.08**

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Home Credit India Finance Private Limited Haryana HOME CREDIT

		As at March 31, 2024	As at March 31, 2023
13	(a) Intangible assets under development	18.84	15.46

Movement of Intangible assets under development

Particulars	March 31, 2024	March 31, 2023
Opening Balance	15.46	17.20
Additions during the year	50.43	65.76
Capitalised during the year	(47.05)	(67.50)
Closing Balance	**18.84**	**15.46**

Intangible asset under development ageing schedule					
Intangible asset under development	Amount in Intangible assets under development for a period, as of March 31, 2024				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18.84	-	-	-	18.84
Projects temporarily suspended	-	-	-	-	-
Total	**18.84**	-	-	-	**18.84**

Intangible asset under development ageing schedule					
Intangible asset under development	Amount in Intangible assets under development for a period, as of March 31, 2023				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.46	-	-	-	15.46
Projects temporarily suspended	-	-	-	-	-
Total	**15.46**	-	-	-	**15.46**

The Company does not have any project temporary suspended or any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable.

(b) Other intangible assets

Particulars	Gross block				Accumulated amortisation				Net block
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the year	Disposals	As at March 31, 2024	As at March 31, 2024
Software	398.11	47.05	-	445.16	270.95	62.90	-	333.85	111.31
Total	**398.11**	**47.05**	-	**445.16**	**270.95**	**62.90**	-	**333.85**	**111.31**

Particulars	Gross block				Accumulated amortisation				Net block
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023
Software	330.82	67.50	(0.21)	398.11	215.31	55.64	-	270.95	127.16
Total	**330.82**	**67.50**	**(0.21)**	**398.11**	**215.31**	**55.64**	-	**270.95**	**127.16**

During the current year, the Company has changed the expected useful life of certain intangible assets from 5 years to 3 years which has resulted in increase in current year's amortisation expense by INR 6.77 crores.

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Home Credit India Finance Private Limited * Haryana

		As at March 31, 2024	As at March 31, 2023
14	**Other non-financial assets**		
	Balance with tax authorities	6.79	7.60
	Advances to employees	0.05	0.02
	Prepaid expenses	18.64	14.42
	Advance paid to suppliers	1.34	3.71
		26.82	25.75

		As at March 31, 2024	As at March 31, 2023
15	**Payables**		
(I)	**Trade payables**		
	(i) total outstanding dues of micro enterprises and small enterprises*	0.50	0.29
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises**	102.66	95.36
(II)	**Other payables**		
	(i) total outstanding dues of micro enterprises and small enterprises*	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises**	0.81	0.07
		103.97	95.72

*The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available.
**Includes amount of Rs 14.27 crores (March 31, 2023: Rs 10.62 crores) for payable to related parties, (Refer note 36)

(I) Trade payables ageing schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of transaction				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	0.50	-	-	-	0.50
ii. Others	100.57	0.38	0.11	0.22	101.28
iii. Disputed dues- MSME	-	-	-	-	-
iv. Disputed dues - Others	0.93	-	-	0.45	1.38

As at March 31, 2023

Particulars	Outstanding for following periods from due date of transaction				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	0.29	-	-	-	0.29
ii. Others	93.16	1.48	0.20	0.52	95.36
iii. Disputed dues- MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

(II) Other payables ageing schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of transaction				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	0.81	-	-	-	0.81
iii. Disputed dues- MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

As at March 31, 2023

Particulars	Outstanding for following periods from due date of transaction				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	0.07	-	-	-	0.07
iii. Disputed dues- MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

		As at March 31, 2024	As at March 31, 2023
15.1	**Disclosures relating to Micro, Small and Medium Enterprises Development Act, 2006 are as follows:**		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.50	0.29
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	-	-
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	Total	0.50	0.29

15.2 Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

S.N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

		As at March 31, 2024	As at March 31, 2023
16	**Debt securities***		
	At Amortised cost (in India)		
	Secured		
	Non-convertible debentures		
	- From others	-	11.17
		-	11.17

* For terms of borrowing refer note 44

		As at March 31, 2024	As at March 31, 2023
17	**Borrowings (other than debt securities)***		
	At Amortised cost		
	Secured		
	Term loans		
	- From banks	45.67	-
	- From other parties	148.72	105.70
	Loans repayable on demand		
	- Working capital demand loan from banks	18.00	35.00
	External commercial borrowings from related parties (refer note 36)	2,440.00	2,615.00
	Associated liabilities in respect of securitization transactions#	643.44	142.95
	Unsecured		
	Loans repayable on demand		
	- Working capital demand loan from banks	485.00	290.00
	Total	**3,780.83**	**3,188.65**
	Borrowings (other than debt securities) in India	1,340.83	573.65
	Borrowings (other than debt securities) outside India	2,440.00	2,615.00
	Total	**3,780.83**	**3,188.65**

*For terms of borrowings, refer note 44.
#Refer note 40.
Note: There is no borrowings measured at FVTPL or designated at FVTPL

	As at March 31, 2024	As at March 31, 2023
18 Lease Liabilities		
Lease liabilities (refer note 63)	24.36	41.11
	24.36	**41.11**

	As at March 31, 2024	As at March 31, 2023
19 Other financial liabilities		
Interest accrued but not due on debt securities and borrowings#	4.37	2.08
Employee benefits payable	0.81	0.57
Payable towards securitisation / assignment transactions	66.33	20.13
Loans pending disbursement	2.22	2.91
Other payables*	87.93	72.56
	161.66	**98.25**

* Includes Rs. 80.90 crores (March 31, 2023: Rs. 68.20 crores) related to overpayments and prepayments received from customers
# Rs 1.79 crores due to related parties (March 31, 2023: 0.77 crores) (Refer note 36)

	As at March 31, 2024	As at March 31, 2023
20 Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 35)	18.70	16.52
Provision for compensated absences (refer note 35)	8.23	7.07
Provision for bonus	53.07	27.82
Provision for incentives to customers	19.26	5.67
Provision for contingent liabilities (taxes)	31.14	65.99
Others	1.44	0.43
	131.84	**123.50**

The movement in the provision for bonus is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	27.82	20.40
Provision recognized during the year	54.88	31.82
Provision (utilized) during the year	(29.63)	(24.40)
Balance at the end of the year	**53.07**	**27.82**

The movement in the provision for incentives to customers is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	5.67	16.04
Provision recognized during the year	48.85	7.36
Provision (utilized) during the year	(35.26)	(17.73)
Balance at the end of the year	**19.26**	**5.67**

The Company offers a product where it waives a part of its receivable amount (e.g. a number of last instalments) under the condition that the customer keeps his payment discipline throughout the term of the loan. Therefore, the impact on the loan's cash flows is estimated using the expected success rate of the instalment waiver feature. Estimated expected success rate is based on the previous actual instalment waiver benefits given to the customer and on an estimate of the expected future instalment waiver.

The movement in the provision for tax is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	65.99	14.28
Provision recognized during the year	(34.85)	51.71
Provision (utilized) during the year	-	-
Balance at the end of the year	**31.14**	**65.99**

	As at March 31, 2024	As at March 31, 2023
21 Other non-financial liabilities		
Statutory dues payable	31.21	31.12
Other liabilities	5.03	8.48
	36.24	**39.60**

S.N. Dhawan & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

22 Equity Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised:				
Equity shares of Rs 10 each	2,10,00,00,000	2,100.00	2,10,00,00,000	2,100.00
Issued, subscribed and fully paid up				
Equity shares of Rs 10 each	1,09,10,89,176	1,091.09	1,09,10,89,176	1,091.09

a) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each				
Opening balance	1,09,10,89,176	1,091.09	1,09,10,89,176	1,091.09
Issued during the year Rs.10 each (fully paid up)	-	-	-	-
Outstanding at the end of the year	**1,09,10,89,176**	**1,091.09**	**1,09,10,89,176**	**1,091.09**

b) **Terms/ rights, preference and restrictions attached to equity shares:** The Company has only one class of equity shares having a par value of Rs 10 per share. The holders of the equity shares are entitled to receive dividends and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all liabilities of the Company, in proportion to their shareholding.

c) **Shares held by the holding company**

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares of Rs. 10 each		
1,09,10,89,166 (March 31, 2023: 1,09,10,89,166;) held by Home Credit India B.V., the Netherlands	1,091.09	1,091.09
Percentage of holding (%)	99.99%	99.99%

Note: The balance 10 shares are held by Home Credit International a.s as a nominee shareholder.

d) **Details of shareholders holding more than 5% shares in the Company:**

Name of shareholder	Number of shares	% of shareholding
As at March 31, 2024		
Home Credit India B.V., the Netherlands, the holding company	1,09,10,89,166	99.99%
Total	**1,09,10,89,166**	**99.99%**
As at March 31, 2023		
Home Credit India B.V., the Netherlands, the holding company	1,09,10,89,166	99.99%
Total	**1,09,10,89,166**	**99.99%**

e) **Details of shares held by the promoters**

As at March 31, 2024

Particulars	Shares held by promoters at the beginning of the year		Shares held by promoters at the end of the year		% change during the year
Promoter name	No of shares	% of total shares	No of shares	% of total shares	
Home Credit India B.V.	1,09,10,89,166	99.99%	1,09,10,89,166	99.99%	0%
Home Credit International a.s.	10	0.01%	10	0.01%	0%
Total	**1,09,10,89,176**	**100%**	**1,09,10,89,176**	**100%**	**0%**

As at March 31, 2023

Particulars	Shares held by promoters at the beginning of the year		Shares held by promoters at the end of the year		% change during the year
Promoter name	No of shares	% of total shares	No of shares	% of total shares	
Home Credit India B.V.	1,09,10,89,166	99.99%	1,09,10,89,166	99.99%	0%
Home Credit International a.s.	10	0.01%	10	0.01%	0%
Total	**1,09,10,89,176**	**100%**	**1,09,10,89,176**	**100%**	**0%**

f) No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment.

g) During the period of five years immediately preceding the reporting date, no bonus shares have been issued, no shares have been issued for consideration other than cash and no shares have been bought back.

S. N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

23 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory reserve (as per Section 45-IC of the RBI Act, 1934)	114.62	86.26
Securities premium	2,940.01	2,940.01
Retained earnings	(2,082.64)	(2,196.10)
Other comprehensive income	(1.82)	0.27
	970.17	830.44

a) Statutory reserve (as per Section 45-IC of the RBI Act, 1934)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	86.26	70.28
Add: Amount transferred during the year	28.36	15.98
Closing balance	114.62	86.26

b) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	2,940.01	2,940.01
Add: Additions during the year	-	-
Closing balance	2,940.01	2,940.01

c) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(2,196.10)	(2,260.02)
Profit/ (loss) for the year	141.82	79.90
Transfer to statutory reserve	(28.36)	(15.98)
Closing balance	(2,082.64)	(2,196.10)

d) Other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.27	0.81
Add: (Loss)/income for the year	(2.09)	(0.54)
Closing balance	(1.82)	0.27

Statutory reserve
Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (the 'RBI Act'). Under Section 45-IC of the RBI Act, a company is required to transfer sum not less than twenty percent of its net profit every year. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

Securities premium
Securities premium account is used to record the premium on issue of shares/securities. This amount is utilised in accordance with the provisions of the Act.

Retained earnings
Retained earnings represents total of all profits/ (losses) retained or incurred since the Company's inception. Retained earnings are credited with the current year's profits, reduced by losses, (if any).

Other comprehensive income
Remeasurement gain/(loss) on defined benefit plan: Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

S. N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

	For the year ended March 31, 2024	For the year ended March 31, 2023
24 Interest income		
At Amortised cost		
Interest on loans*	1,656.83	1,456.53
Interest on bank deposits	7.67	4.42
	1,664.50	**1,460.95**

* Includes subvention income of Rs. 111.91 crores (March 31, 2023: Rs 97.55 crores). Also, refer note no. 34 for breakup of interest income.

	For the year ended March 31, 2024	For the year ended March 31, 2023
25 Fees and commission income*		
Service fees	234.21	243.49
Sales commission	28.32	15.22
	262.53	**258.71**

* Refer note no. 34 and 39

	For the year ended March 31, 2024	For the year ended March 31, 2023
26 Other income		
Shared revenue from related party (Refer note 36)	0.15	3.00
Profit on sale of property, plant and equipment (net)	1.00	4.85
Gain on lease modification	0.16	6.80
Miscellaneous income	4.14	2.88
	5.45	**17.53**

	For the year ended March 31, 2024	For the year ended March 31, 2023
27 Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)*	389.38	353.98
Interest on debt securities	0.63	2.13
Interest expense on leases	4.17	8.83
Corporate guarantee & SBLC charges#	5.52	7.36
Other borrowing costs	1.47	0.90
	401.17	**373.20**

* Include Rs. 295.46 crores (March 31, 2023: Rs. 311.10 crores) for related parties (Refer note 36)
# Includes Rs. 5.05 crores (March 31, 2023: Rs. 5.84 crores) for related parties (Refer note 36)

	For the year ended March 31, 2024	For the year ended March 31, 2023
28 Impairment on financial instruments		
On financial instruments measured at amortized cost*		
Impairment loss allowance on loans #	(136.17)	116.61
Loss on settlement and loan closure	22.73	27.54
Bad debts written off	950.39	553.14
Bad debts (recovered)	(242.26)	(283.83)
Impairment loss allowance on other financial assets	(0.60)	(2.15)
Other financial asset written off	0.31	2.61
	594.40	**413.92**

* During the year, the Company reassessed its estimate to write off loan assets at 180 days past due from the existing estimate of 270 days past due. The Company has evaluated the recovery pattern for the previous years and observed a standard trend of insignificant recovery between the 180 days past due and 270 days past due. There is an impact of Rs. 39.10 crores due to this change in the estimate.
# Impairment loss allowance on stage 3 income amounting to Rs. 6.69 crores (March 31, 2023: Rs. 3.33 crores) netted off with interest income.

S.N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

29 Employee benefits expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	271.80	254.27
Contribution to provident and other funds (Refer note 35)	12.53	12.49
Gratuity (Refer note 35)	4.55	3.91
Compensated absences (Refer note 35)	4.29	3.05
Staff welfare	6.06	9.07
	299.23	282.79

30 Depreciation and amortization expense	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	4.62	10.88
Depreciation on right-of-use assets	19.13	22.39
Amortization of other intangible assets	62.90	55.64
	86.65	88.91

31 Other expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
Information technology maintenance fees*	103.64	116.50
Rent	1.23	2.30
Travelling and accommodation**	3.66	5.23
Incentive	5.65	11.62
Repairs and maintenance	20.59	20.27
Communication	32.37	26.67
Management service fees (Include Trademark Fees) (Refer note 36)	29.84	22.19
Legal and professional ##	163.67	156.37
Electricity and water	4.86	3.64
Rates and taxes (Refer note 33.1.(e))	(31.05)	53.00
Business promotion	9.23	21.11
Recruitment expenses	0.41	0.92
Payment processing and account maintenance	13.09	13.20
Printing and stationery	0.17	0.47
Insurance	0.17	0.25
Loss on foreign currency transactions (net)	2.52	4.25
Miscellaneous	2.41	3.36
	362.46	461.35

* Include Rs. 75.15 crores (March 31, 2023 Rs. 92.48 crores) for related party (Refer note 36)
** Include Rs. 0.92 crores (March 31, 2023 Rs. 1.50 crores) for related party (Refer note 36)

## Payments to auditor (excluding taxes)	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
- for statutory audit	0.22	0.22
- for tax audit	0.04	0.04
- for other audit services	0.12	0.02
- for reimbursement of expenses	0.01	0.01
	0.39	0.29

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Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

32 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.
The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	Units	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax (A)	Rs. Crores	141.82	79.90
Weighted average number of equity shares used in computing basic and diluted earnings per share (B)	Number of shares	1,09,10,89,176	1,09,10,89,176
Basic and diluted earnings per equity share (C= A/B)	Rs. per share	1.30	0.73

Reconciliation of weighted average number of equity shares for the year ended March 31, 2024 and March 31, 2023 for basic and diluted earnings per share:

Particulars	No. of shares	Weighted average no. of shares as at March 31, 2024
Equity shares of face value of Rs. 10 per share from: - April 1, 2023 to March 31, 2024	1,09,10,89,176	1,09,10,89,176
Total	1,09,10,89,176	1,09,10,89,176

Particulars	No. of shares	Weighted average no. of shares as at March 31, 2023
Equity shares of face value of Rs. 10 per share from: - April 1, 2022 to March 31, 2023	1,09,10,89,176	1,09,10,89,176
Total	1,09,10,89,176	1,09,10,89,176

33 Contingent liabilities and commitments

33.1 Contingent liabilities

(a) The Company's pending tax litigations comprises claims against the Company pertaining to proceedings pending with income tax amounting to Rs. 7.84 crores (March 31, 2023: Rs. 7.84 crores).

(b) The Company had provided for Rs. 31.14 crores (March 31, 2023: Rs. 16.18 crores) in relation to show cause notices/contingent liabilities for tax matters. While the outcome of the above mentioned matters cannot be ascertained at this time, based on the current knowledge of the applicable law, management believes that these law suits should not have material adverse effect on the Company's financial statements or its business operations.

(c) The suits filed & legal notices against company in relation with customer complaints in the ordinary course of business as on March 31, 2024 amounting Rs.0.73 crores (March 31, 2023: Rs. 3.46 crores.)

(d) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(e) During the previous year, the associated enterprise / the related party has received a draft order under section 144C(1) from the Income Tax Department for assessment year 2020-2021 with respect to the applicability of section 194LD of the Income Tax Act, 1961 on the interest payments on debentures issued by the Company to the associated enterprise, wherein, the Income Tax Department has taxed the interest payments from the Company at the rate of 10% instead of 5% as withhold by the Company as tax deducted at source under section 194LD. Aggrieved by the above draft order from the Income Tax Department, the associated enterprise had filed an objection with Dispute Resolution Panel (DRP) on 21st October 2022. However, in the current year, the group has received a favourable order under section 156 of Income Tax Act, 1961 unposing zero demand on the group. Accordingly, the Company has reversed the provision of Rs 49.81 crores during the current year as there is no longer any tax implication on the company.

33.2 Capital and undrawn limits

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to Rs. 1.82 crores (March 31, 2023: Rs. 1.51 crores) (net of advances). Undrawn commitments as at March 31, 2024 is Rs. 25.57 crores (March 31, 2023: Rs. 43.64 crores).
There is an uncommitted limit assigned to the EMI card customers at the time of issuance of card. The balance of unutilised limit as on March 31, 2024 is Rs. 1,124.30 crores (March 31, 2023 Rs. 828.85 crores)

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34 Operating segments

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is engaged in the business of financing and related financial services. Accordingly, the Company's activities/business is regularly reviewed by the Company's Board of Directors assisted by an executive committee from an overall business perspective, rather than reviewing its product/services as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS 108 Operating Segments.

Entity wide disclosures as required by Ind AS 108 are as follows:

a. **Information about products and services:**
The Company is part of Home Credit group. It focusses on lending primarily to people with little or no credit history. It offers easy, simple and fast loans for a range of Home Appliances, Mobile Phones, Laptops, Two Wheelers, and varied personal needs.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from various portfolios is as follows:		
-Two wheeler loans	0.01	0.75
-Consumer durable loans	313.75	239.90
-Cash loans	1,343.07	1,215.88
	1,656.83	1,456.53

	For the year ended March 31, 2024	For the year ended March 31, 2023
Safe pay Fees income* from various portfolios is as follows:		
-Consumer durable loans	44.36	56.49
-Cash loans	76.20	63.54
	120.56	120.03

* Service fees include safe pay fees (refer note 25)

b. **Information about geographical areas:**
The entire income of the Company are generated from customers which are domiciled in India.

c. **Information about major customers (from external customers):**
The Company does not derive revenues, from any single customer, amounting to 10 per cent or more of Company's revenues.

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35 Retirement benefit plans

35.1 Defined contribution plan

The Company makes monthly contribution towards provident fund, labour welfare fund (LWF) and employee state insurance corporation (ESIC) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Employer's contribution to provident fund	10.77	10.86
Employer's contribution to LWF	0.18	0.10
Employer's contribution to ESIC	1.58	1.53
	12.53	12.49

35.2 Defined benefit plan

The Company operates an unfunded gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five year of continuous service. The benefit to employees is as per the plan rules or as per the Payment of Gratuity Act, 1972, whichever is earlier.

i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	16.38	17.94
Included in profit or loss		
Current service cost	3.25	3.41
Interest cost	0.98	0.88
Past service cost (non vested benefits)	-	-
	4.23	4.29
Remeasurement losses in other comprehensive (income)/ loss		
Actuarial loss arising from:		
- demographic assumptions	0.62	(1.07)
- financial assumptions	2.18	1.58
- experience adjustment	(0.01)	0.21
	2.79	0.72
Other		
Benefit paid by the Company	(4.71)	(6.57)
	(4.71)	(6.57)
Balance at the end of the year	18.69	16.38
Current liability	3.31	3.75
Non-current liability	15.38	12.63
	18.69	16.38

Since the liability is not funded, Therefore information with regards to the plan assets has not been furnished.

ii) Expense recognised in statement of profit and loss

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	3.25	3.41
Interest cost	0.98	0.88
Past service cost (non vested benefits)	-	-
	4.23	4.29

iii) Expense recognised in other comprehensive (income)/ loss

	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial loss arising from:		
- demographic assumptions	0.62	(1.07)
- financial assumptions	2.18	1.58
- experience adjustment	(0.01)	0.21
	2.79	0.72

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iv) **Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	6.90%	7.00%
Future salary growth#		
-Mass	10.00%	10.00%
-Non Mass	18.00%	15.00%
Mortality	IALM (2006-08)	IALM (2006-08)
Retirement age(years)	58	58
Withdrawal rate	Refer below table	Refer below table

For the year ended March 31, 2024

Age	Mass	Non Mass
Less than 22	50%	40%
22-25	50%	35%
26-30	45%	35%
31-35	35%	30%
36-40	30%	25%
41 and above	20%	18%

For the year ended March 31, 2023

Age	Mass	Non Mass
Less than 22	50%	40%
22-25	50%	35%
26-30	45%	35%
31-35	35%	30%
36-40	30%	30%
41 and above	20%	20%

#The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and relevant factors such as supply and demand in the employment market etc.

v) **Sensitivity analysis of significant assumptions**

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	Year ended March 31, 2024		Year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.95)	1.06	(0.65)	0.71
Future salary growth (1% movement)	0.96	(0.89)	0.66	(0.62)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vi) **Expected contribution during the next annual reporting period:** Since the scheme is managed on unfunded basis, the next year contribution is taken as Nil (previous year Nil).

vii) **Expected maturity analysis of the defined benefit plans in future years**

Duration (years)	Year ended March 31, 2024	Year ended March 31, 2023
within the next 12 months	3.43	3.87
Between 2 to 5 years	14.33	14.14
Above 5 years	21.46	15.70
	39.22	33.71

As at March 31, 2024, the weighted-average duration of the defined benefit obligation was 4 years (March 31, 2023: 3 years)

viii) **Description of risk exposures**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follows:-

Interest Rate Risk : The defined benefit obligation calculation uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligations will tend to increase

Salary Inflation Risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements due that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

35.3 The above disclosure excludes the gratuity expense amounting to Rs. 0.32 crores (March 31, 2023: Rs (0.38 crores)) recognised towards the amount payable to the employees on fixed term contract with the Company. The above expenses has been determined in accordance with the Payment of Gratuity Act, 1972. The total amount payable as at March 31, 2024 to the above employees on fixed term contract is Rs 0.01 crores (March 31, 2023: 0.14 crores)

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35.4 Other long term employee benefit plans

(a) Other long term employee benefit plans comprises of compensated absences. The Company operates compensated absences plan (earned leaves), where in every employee is entitled to the benefit equivalent to number days of leave balance salary which is subject to maximum of 15 days accumulation of leaves. The same is payable during retirement, withdrawal of scheme, resignation by employee, disability and upon death of employee. The salary for calculation of earned leave is last drawn salary. The amount of the provision of Rs. 2.54 crores (March 31, 2023 Rs. 2.38 crores) is current liability and Rs. 5.68 crores (March 31, 2023 : Rs. 4.61 crores) is non current liability as per the actuarial report, however, for maturity analysis (refer note 43), the same has been disclosed as payable within 12 months as the Company does not have an unconditional right to defer payment post 12 months. During the year ended March 31, 2024, the Company has recognised the expense of Rs 3.75 crores (March 31, 2023: Rs 3.52 crores).

(b) The above disclosure excludes the leave encashment expense amounting to Rs. 0.54 crores (March 31, 2023: Rs (0.47 crores)) recognised towards the amount payable to the employees on fixed term contract with the Company. The total amount payable as at March 31, 2024 to the above employees on fixed term contract is Rs 0.01 crores (March 31, 2023: Rs. 0.08 crores)

35.5 The Indian Parliament has approved the code on social security 2020 which subsumes the provident fund and gratuity act and rules thereunder. The ministry of labour and employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

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36 Related party transactions

a) List of Related parties:

i) Related party where control exists:

- PPF Group N.V. (NL) (ultimate holding company)
- PPF Financial Holdings a.s. (CZ) (step up holding)
- Home Credit Group B.V. the Netherlands (step up holding) (till November 28, 2023)
- Home Credit N.V., the Netherlands (step up holding)
- HC Asia B.V., the Netherlands (step up holding) (till December 31, 2023)
- Home Credit India B.V., the Netherlands (holding company)

ii) Key managerial personnel (KMP):

- Ondrej Kubik, Whole time director/Chief Executive Officer
- Anirban Majumder, Whole time director / Chief financial officer
- Esha Pruthi, Whole time director (w.e.f. November 24, 2023)
- Vijay Dhingra, Whole time director (till October 13, 2023)
- Rakesh Kapoor, Independent director
- Jagdish Prasad, Additional independent director (till September 29, 2022), Independent director (w.e.f. September 30, 2022)
- Sarpreet Benipal, Non executive director
- Jean Lefontaine, Non executive director
- Pavel Rozehnal, Non executive director
- Jean Pascal Pierre A. Duvieusart, Additional Non-Executive Director (w.e.f. May 25, 2023 till September 28, 2023), Non executive director (w.e.f. September 29, 2023)
- Gaurav Sharma, Company secretary (till December 7, 2023)
- Neha Gupta, Company secretary (w.e.f. December 8, 2023)

iii) Fellow subsidiaries with whom transactions have taken place during the year or previous year

- Home Credit International a.s
- AB 4 B.V.
- PPF CO3 B.V.
- PT. Home Credit, Indonesia
- Home Credit Vietnam Finance Company Limited
- HC Consumer Finance Philippines, Inc. (till May 31, 2023)
- EmbedIT s.r.o
- Embedinfo Technologies India Private Limited

b) Transactions with the related parties are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Compensation to key management personnel		
Short term employee benefits	29.47	23.61
Sitting fees	0.15	0.13
Professional fees	1.24	1.08
External commercial borrowings (repayment)		
AB 4 B.V.	175.00	-
Interest on external commercial borrowings		
AB 4 B.V.	148.72	164.76
PPF CO3 B.V.	146.74	146.34
Other borrowing costs		
Home Credit N.V., the Netherlands		-
Corporate guarantee & SBLC charges		
Home Credit Group B.V., the Netherlands	2.14	5.84
Home Credit N.V., the Netherlands	2.91	-
Management service fees		
Home Credit International a.s	12.44	12.24
Home Credit N.V., the Netherlands	6.25	-

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Home Credit India Finance Private Limited HOME CREDIT Haryana

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Travelling and accommodation		
Home Credit International a.s	0.67	1.50
Home Credit N.V., the Netherlands	0.25	-
Information technology maintenance fees		
Home Credit International a.s	1.01	36.75
EmbedIT s.r.o	74.14	55.73
Purchase of intangible assets		
Home Credit International a.s	-	38.23
EmbedIT s.r.o	46.21	18.08
Trademark fee		
Home Credit International a.s	8.69	8.12
Other Income		
PT. Home Credit, Indonesia	0.05	0.46
Home Credit Vietnam Finance Company Limited	0.05	0.46
HC Consumer Finance Philippines, Inc.	0.05	0.46
Embedinfo Technologies India Private Limited	-	1.62

#The amounts are exclusive of applicable GST.

c) Outstanding balances with related parties are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Payables		
Home Credit International a.s	2.33	2.57
Home Credit Group B.V., the Netherlands	-	0.72
Home Credit N.V., the Netherlands	8.79	-
EmbedIT s.r.o	3.15	7.33
External commercial borrowings		
PPF CO3 B.V.	1,240.00	1,240.00
AB 4 B.V	1,200.00	1,375.00
Interest accrued but not due on external commercial borrowings		
PPF CO3 B.V.	1.44	0.36
AB 4 B.V	0.35	0.41
Other receivables		
PT. Home Credit, Indonesia	-	0.24
Home Credit Vietnam Finance Company Limited	-	0.10
HC Consumer Finance Philippines, Inc.	-	0.10
Corporate Guarantee		
Home Credit Group B.V., the Netherlands	-	705.00
Home Credit N.V., the Netherlands	861.00	-

d) Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management is of the opinion that its international transactions are at arm's length and the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961 will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision of taxation, if any.

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37 Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI. The Company has complied in full with all its externally imposed capital requirements over the reported period.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with regulatory capital requirements. The Company ensures adequate capital at all time and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flow are monitored, borrowing covenants are honoured and ratings are maintained.
The RBI norms require capital to be maintained at prescribed level in accordance with such norms, Tier I capital of the Company comprises share capital, share premium, retained earnings, statutory reserve, less deferred revenue expenditure, deferred tax assets and other intangible assets (includes Right-of-use assets, Unbilled Revenue, Capital advance, leasehold improvements and First loss credit enhancement on securitization) etc. The other component of regulatory capital is Tier II capital instruments, and includes 12 month expected credit loss allowances for financial instruments (Stage I asset(s) i.e. where the credit risk has not increased significantly since initial recognition, to the extent the same does not exceed 1.25 % of risk weight assets less first loss credit enhancement on securitization, as applicable. Life time expected credit loss allowance on financial instrument (stage 2 and stage 3 assets) is reduced from risk weighted assets. There were no changes in capital management process during the period presented. Refer note no 46(i).

38 Events after balance sheet date

Subsequent to the balance sheet date, the Shareholders have entered into an agreement to sale the 100% shareholding in the Company. The agreement to sale is subject to the applicable regulatory approvals. As per management, there is no financial impact of this development at this stage.

39 Revenue from contracts with customers

Below table provides disaggregation of the Company's revenue from contracts with customers and reconciliation with Statement of profit and loss:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Type of Service		
Service fees includes penalty and safe pay fee	234.21	243.49
Sales commission	28.32	15.22
Total	**262.53**	**258.71**
Geographical markets		
India	262.53	258.71
Outside India	-	-
Total	**262.53**	**258.71**
Timing of recognition of revenue		
Performance obligation satisfied at a point in time	262.53	258.71
Performance obligation satisfied over period of time	-	-
Total	**262.53**	**258.71**

Particulars	As at March 31, 2024	As at March 31, 2023
Contract balances:		
Trade receivables	9.56	5.71
	9.56	**5.71**

40 Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

Securitisation

The Company had transferred certain pools of fixed rate loan receivables by entering into securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by various parties for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and transferring the same to SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as cash collateral as a credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company was exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company had retained substantially all the risks and rewards of ownership of the financial asset and thereby did not meet the derecognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liabilities in respect of securitisation transactions" under Note no.17.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of assets at amortised cost	810.39	201.85
Carrying amount of associated liabilities#	643.44	142.95
For those liabilities that have recourse only to the transferred financial assets	-	-
Fair value of transferred assets	741.01	176.45
Fair value of associated liabilities	650.74	135.16
Net position	90.27	41.29

Excludes the amount collected at year end and yet to be paid to borrowers at year end. The same has been disclosed under the head "other financial liabilities". Balance as at March 31, 2024 is Rs 66.33 crores (March 31, 2023: Rs 20.13 crores)
Note: The fair value of the transferred assets has been estimated on the basis similar to other assets carried at amortised cost, as the loan portfolio is homogeneous in nature.

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41 Financial instruments

a. Financial instruments by category and fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2024	Carrying Amount			Fair value		
	FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Cash and cash equivalents*	-	-	209.21	-	-	-
Bank balance other than cash and cash equivalents*	-	-	77.49	-	-	-
Trade receivables*	-	-	22.39	-	-	-
Loans	-	-	4,995.51	-	-	5,034.23
Other financial assets						
Security deposits	-	-	9.36	-	-	9.71
Other than security deposits*	-	-	52.25	-	-	-
	-	-	5,366.21	-	-	5,043.94
Financial liabilities						
Payables						
(I) Trade payables*						
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	0.50	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	102.66	-	-	-
(II) Other payables*				-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises; and			-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			0.81	-	-	-
Debt Securities	-	-	-	-	-	-
Borrowings (other than debt Securities)	-	-	3,780.83	-	-	3,784.13
Lease liabilities*			24.36	-	-	-
Other financial liabilities*	-	-	161.66	-	-	-
	-	-	4,070.82	-	-	3,784.13

As at March 31, 2023	Carrying Amount			Fair value		
	FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets						
Cash and cash equivalents*	-	-	205.52	-	-	-
Bank balance other than cash and cash equivalents*	-	-	29.94	-	-	-
Trade receivables*	-	-	16.94	-	-	-
Loans	-	-	4,230.02	-	-	4,209.63
Other financial assets						
Security deposits	-	-	8.36	-	-	6.02
Other than security deposits*	-	-	14.19	-	-	-
	-	-	4,504.97	-	-	4,215.65
Financial liabilities						
Payables						
(I) Trade payables*						
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	0.29	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	95.36	-	-	-
(II) Other payables*				-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises; and			-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			0.07	-	-	-
Debt Securities	-	-	11.17	-	-	11.21
Borrowings (other than debt Securities)	-	-	3,188.65	-	-	3,163.22
Lease liabilities*	-	-	41.11	-	-	-
Other financial liabilities*	-	-	98.25	-	-	-
	-	-	3,434.90	-	-	3,174.43

*The carrying amount of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, other financial assets, trade payable, other payables, lease liabilities and other financial liabilities approximates the fair value, due to their short-term nature.

Security Deposits:
The fair value of security deposits has been calculated based on the cash flows discounted using EIR.

Loans:
The fair value of loans are estimated by discounted cash flow models. For fixed rate loans, the fair value represent the discounted value of the expected future cash flows. Fair value is then reduced by unamortised income and expenses and impairment loss allowance on loans which is already calculated incorporating probability of default and loss given defaults

Debt securities and borrowings (other than debt securities):
Fair value is estimated at portfolio level by a discounted cash flow model incorporating market interest rates and the company's own credit risk or based on market-observable data. For floating rate interest borrowings, the discounted value of expected cash flows represent the carrying amount of the borrowings.

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Financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

b. Valuation framework

The finance department of the Company includes personnel that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. These personnel reports directly to the Chief Financial Officer.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates and other premium used in estimating discount rates and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses suitable valuation models to determine the fair value of common and simple financial instruments, that use only observable market data and require little management judgement and estimation.

There were no transfer between the levels during the year.

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42 Risk management framework

42.1 Risk profile and risk mitigation

Risk management structure and Company's risk profile

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of directors on its activities.

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

The Board of directors 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 Board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

42.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans, trade receivables, other financial assets, balance and deposits with banks and financial institutions.
The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company has a comprehensive framework for monitoring credit quality of its loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Credit Quality of loans

The following table sets out information about credit quality of loans based on days past due information.

Loans measured at amortised cost

Particulars	Stages	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at March 31, 2024					
Current (not past due)*	Stage 1	4,854.47	1.75%	84.81	No
1-30 days past due	Stage 1	223.47	17.84%	39.87	No
31-60 days past due	Stage 2	117.26	35.22%	41.30	No
61-90 days past due	Stage 2	82.83	38.28%	31.71	No
More than 90 days past due	Stage 3	256.66	80.28%	206.05	Yes
		5,534.69	7.29%	403.74	
As at March 31, 2023					
Current (not past due)*	Stage 1	4,087.54	2.75%	112.47	No
1-30 days past due	Stage 1	193.80	19.65%	38.08	No
31-60 days past due	Stage 2	106.09	38.41%	40.75	No
61-90 days past due	Stage 2	77.68	40.99%	31.84	No
More than 90 days past due	Stage 3	402.67	80.33%	323.46	Yes
		4,867.78	11.23%	546.60	

*Loss allowance includes Rs 12.22 crores (March 31, 2023: Rs 10.97 crores) pertaining to provision on undrawn uncommitted credit limit, basis the expected utilisation and Rs. 0.26 crores (March 31, 2023: Rs. 0.34 crores) towards undrawn commitments.

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Company is into retail lending business, there is no significant credit risk of any individual customer that may impact the Company adversely, and hence the Company has calculated its impairment loss allowances on a collective basis.

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42.2.1 Analysis of risk concentration

The Company's concentrations of risk are managed on the basis of client/counterparty and industry sector. The maximum credit exposure to any individual contract was Rs. 0.05 crores and Rs. 0.03 crores as at March 31, 2024 and March 31, 2023, respectively.

42.2.2 An analysis of changes in gross carrying amount in relation to loans is as follows:

	Total	Stage 1	Stage 2	Stage 3
Two Wheeler loans*				
Gross carrying amount as at April 01, 2022	**4.24**	**3.42**	**0.21**	**0.61**
New financial assets originated	-	-	-	-
New financial assets originated transferred to stage 2 and stage 3	-	-	-	-
Transfer from stage 1 to stage 2 and stage 3	-	(0.11)	0.02	0.09
Transfer from stage 2 to stage 1 and stage 3	-	0.00	(0.00)	0.00
Transfer from stage 3 to stage 1 and stage 2	-	0.00	-	(0.00)
Financial assets repaid including write offs	(3.85)	(3.07)	(0.21)	(0.57)
Others	(0.02)	-	-	(0.02)
Gross carrying amount as at March 31, 2023	**0.37**	**0.24**	**0.02**	**0.11**
New financial assets originated	-	-	-	-
New financial assets originated transferred to stage 2 and stage 3	-	-	-	-
Transfer from stage 1 to stage 2 and stage 3	-	-	-	-
Transfer from stage 2 to stage 1 and stage 3	-	-	-	-
Transfer from stage 3 to stage 1 and stage 2	-	0.00	-	(0.00)
Transfer from stage 3 to stage 2	-	-	-	-
Financial assets repaid including write offs	(0.36)	(0.24)	(0.02)	(0.10)
Others	(0.01)	-	-	(0.01)
Gross carrying amount as at March 31, 2024	**0.00**	**0.00**	**-**	**-**

*Before adjustment of loan acquisition costs and related income to arrive at EIR method for March 31, 2024: Nil ; March 31, 2023: (Rs. 0.00) crores;

Reconciliation of impairment loss allowance in relation to two wheeler loans is as follows:

Two Wheeler loans	Total	Stage 1	Stage 2	Stage 3
Impairment allowance as at April 1, 2022	**0.55**	**0.07**	**0.09**	**0.39**
New financial assets originated	-	-	-	-
Change in estimates/assumptions	0.77	0.06	(0.00)	0.71
Transfer from stage 1 to stage 2 and stage 3	-	(0.07)	0.01	0.06
Transfer from stage 2 to stage 1 and stage 3	-	-	(0.00)	0.00
Transfer from stage 3 to stage 1 and stage 2	-	-	-	-
Financial assets repaid including write offs	(1.24)	(0.06)	(0.09)	(1.09)
Impairment loss allowance as at March 31, 2023	**0.08**	**0.00**	**0.01**	**0.07**
New financial assets originated	-	-	-	-
Change in estimates/assumptions	(0.00)	(0.00)	(0.00)	(0.00)
Transfer from stage 1 to stage 2 and stage 3	-	-	-	-
Transfer from stage 2 to stage 1 and stage 3	-	-	-	-
Transfer from stage 3 to stage 1 and stage 2	-	0.00	-	(0.00)
Financial assets repaid including write offs	(0.08)	(0.00)	(0.01)	(0.07)
Impairment loss allowance as at March 31, 2024	**0.00**	**0.00**	**-**	**-**

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Consumer durable loans*	Total	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2022	**594.42**	**515.65**	**22.36**	**56.41**
New financial assets originated	812.48	812.48	-	-
New financial assets originated transferred to stage 2 and stage 3	-	(110.94)	37.95	72.99
Transfer from stage 1 to stage 2 and stage 3	-	(5.45)	0.02	5.43
Transfer from stage 2 to stage 1 and stage 3	-	0.16	(0.18)	0.02
Transfer from stage 3 to stage 1 and stage 2	-	0.00	0.00	(0.00)
Financial assets repaid including write offs	(588.52)	(509.94)	(22.18)	(56.40)
Others	0.26	-	-	0.26
Gross carrying amount as at March 31, 2023	**818.64**	**701.96**	**37.97**	**78.71**
New financial assets originated	1,174.24	1,174.24	-	-
New financial assets originated transferred to stage 2 and stage 3	-	(88.06)	42.72	45.34
Transfer from stage 1 to stage 2 and stage 3	-	(0.83)	0.04	0.79
Transfer from stage 2 to stage 1 and stage 3	-	0.00	(0.00)	0.00
Transfer from stage 3 to stage 1 and stage 2	-	0.01	0.00	(0.01)
Financial assets repaid including write offs	(817.11)	(700.70)	(37.97)	(78.44)
Others	(0.07)	-	-	(0.07)
Gross carrying amount as at March 31, 2024	**1,175.70**	**1,086.62**	**42.76**	**46.32**

*Before adjustment of loan acquisition costs and related income to arrive at EIR method for March 31, 2024: Rs. 34.18 crores; March 31, 2023: Rs. 23.71 crores.

Reconciliation of impairment loss allowance in relation to consumer durables loans is as follows:

Consumer durable loans	Total	Stage 1	Stage 2	Stage 3
Impairment allowance as at April 1, 2022	**67.80**	**17.07**	**10.39**	**40.34**
New financial assets originated	95.05	26.79	15.78	52.48
Change in estimates/assumptions	102.28	(1.78)	(0.07)	104.13
Transfer from stage 1 to stage 2 and stage 3	-	(3.88)	0.01	3.87
Transfer from stage 2 to stage 1 and stage 3	-	0.00	(0.02)	0.02
Transfer from stage 3 to stage 1 and stage 2	-	0.00	0.00	(0.00)
Financial assets repaid including write offs	(166.11)	(11.40)	(10.30)	(144.41)
Impairment loss allowance as at March 31, 2023	**99.02**	**26.80**	**15.79**	**56.43**
New financial assets originated	77.08	29.03	15.93	32.12
Change in estimates/assumptions	0.47	(0.03)	0.02	0.48
Transfer from stage 1 to stage 2 and stage 3	-	(0.03)	0.00	0.03
Transfer from stage 2 to stage 1 and stage 3	-	0.00	(0.00)	0.00
Transfer from stage 3 to stage 1 and stage 2	-	0.00	0.00	(0.00)
Financial assets repaid including write offs	(97.38)	(25.40)	(15.79)	(56.19)
Impairment loss allowance as at March 31, 2024	**79.19**	**30.37**	**15.95**	**32.87**

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Cash loans*	Total	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 01, 2022	3,495.00	3,079.75	158.77	256.48
New financial assets originated	2,515.45	2,515.45	-	-
New financial assets originated transferred to stage 2 and stage 3	-	(157.97)	68.60	89.37
Transfer from stage 1 to stage 2 and stage 3	-	(269.03)	71.20	197.83
Transfer from stage 2 to stage 1 and stage 3	-	6.18	(18.93)	12.75
Transfer from stage 3 to stage 1 and stage 2	-	12.31	2.18	(14.49)
Financial assets repaid including write offs	(1,956.52)	(1,607.55)	(136.04)	(212.93)
Others	(5.16)	-	-	(5.16)
Gross carrying amount as at March 31, 2023	4,048.77	3,579.14	145.78	323.85
New financial assets originated	2,721.01	2,721.01	-	-
New financial assets originated transferred to stage 2 and stage 3	-	(124.90)	65.09	59.81
Transfer from stage 1 to stage 2 and stage 3	-	(226.69)	89.30	137.39
Transfer from stage 2 to stage 1 and stage 3	-	3.44	(7.51)	4.07
Transfer from stage 3 to stage 1 and stage 2	-	4.19	0.52	(4.71)
Financial assets repaid including write offs	(2,402.75)	(1,964.87)	(135.85)	(302.03)
Others	(8.04)	-	-	(8.04)
Gross carrying amount as at March 31, 2024	4,358.99	3,991.32	157.33	210.34

*Before adjustment of loan acquisition costs and related income to arrive at EIR method for March 31, 2024: Rs. 101.26 crores; March 31, 2023: Rs. 67.45 crores.

Reconciliation of impairment loss allowance in relation to cash loans is as follows:

Cash loans	Total	Stage 1	Stage 2	Stage 3
Impairment loss allowance as at April 01, 2022	364.98	89.05	69.19	206.74
New financial assets originated	213.64	99.30	26.73	87.61
Change in estimates/assumptions	621.57	167.96	(1.49)	455.10
Transfer from stage 1 to stage 2 and stage 3	-	(187.50)	31.19	156.31
Transfer from stage 2 to stage 1 and stage 3	-	0.41	(10.49)	10.08
Transfer from stage 3 to stage 1 and stage 2	-	0.57	0.95	(1.52)
Financial assets repaid including write offs	(752.69)	(46.04)	(59.29)	(647.36)
Impairment loss allowance as at March 31, 2023	447.50	123.75	56.79	266.96
New financial assets acquired/originated	127.79	55.26	23.61	48.92
Change in estimates/assumptions	118.80	(13.72)	28.99	103.53
Transfer from stage 1 to stage 2 and stage 3	-	(7.84)	3.09	4.75
Transfer from stage 2 to stage 1 and stage 3	-	1.34	(2.92)	1.58
Transfer from stage 3 to stage 1 and stage 2	-	3.45	0.43	(3.88)
Financial assets repaid including write offs	(369.54)	(67.93)	(52.93)	(248.68)
Impairment loss allowance as at March 31, 2024	324.55	94.31	57.06	173.18

Note 1: There is no loan asset measured at FVTPL/ FVOCI or designated at FVTPL.
Note 2: In accordance with note 3.2, the contractual amount outstanding of financial assets written off year to year including Rs. 950.39 crores for the year ended March 31, 2024 (March 31, 2023: Rs. 553.14 crores) are subject to enforcement activity.

42.2.3 Concentration of credit risk grouping

The Company monitors concentration of credit risk by sector and by geographic location. An analysis of concentration of credit risk (net) from financial assets is shown below.

Loans and advances to customers	As at March 31, 2024 Amount	As at March 31, 2023 Amount
per Geographical grouping		
India	4,995.51	4,230.02
Outside India	-	-
Total	4,995.51	4,230.02
per Region		
North India	3,510.73	2,652.75
South India	679.54	567.78
East India	3.71	79.28
West India	801.53	930.21
Total	4,995.51	4,230.02

42.3 Liquidity risk

Liquidity risk arises as the Company has contractual financial liabilities that is required to be serviced and redeemed as per committed timelines and in the business of lending where money is required for the disbursement and creation of financial assets to address the going concern of Company. Liquidity risk management is imperative to Company as this allows covering the core expenses, market investment / creation of financial assets, timely repayment of debt commitments and continuing with their operations. The Company with the help of Asset and Liability Management Committee (ALCO) and ALM policy, monitors the liquidity risk and uses structural, dynamic liquidity statements and cash flow statements as a mechanism to address this.

The Company aims to maintain the level of its cash equivalents, un-utilised borrowing lines and cash inflow at an amount in excess of expected cash outflows on financial liabilities over the next one year.

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42.3.1 Contractual maturities of financial instruments

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2024 and March 31, 2023. The below maturities are based on contractual cash flows (without considering provision and impact of effective interest rate method of recognition).

	Contractual cash flows				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2024					
Financial assets					
Cash and cash equivalents	194.70	15.00	-	-	209.70
Bank balance other than cash and cash equivalents	-	0.14	77.87	-	78.01
Trade receivables	-	27.49	-	-	27.49
Loans	-	3,179.57	2,355.12	-	5,534.69
Other financial assets	-	20.26	48.27	-	68.53
Total undiscounted financial assets	**194.70**	**3,242.46**	**2,481.26**	**-**	**5,918.42**
Financial liabilities					
Payables					
(I) Trade payables					
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	0.50	-	-	0.50
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	102.66	-	-	102.66
(II) Other Payables					
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.81	-	-	0.81
Debt securities	-	-		-	-
Borrowings (other than debt securities)	-	3,492.37	288.90	-	3,781.27
Lease liabilities	-	16.17	12.20	-	28.37
Other financial liabilities	-	161.66	-	-	161.66
Total undiscounted financial liabilities	**-**	**3,774.17**	**301.10**	**-**	**4,075.27**
Net undiscounted financial assets/(liabilities)*	**194.70**	**(531.71)**	**2,180.16**	**-**	**1,843.15**

	Contractual cash flows				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2023					
Financial assets					
Cash and cash equivalents	151.32	54.21	-	-	205.53
Bank balance other than cash and cash equivalents	-	5.55	24.76	-	30.31
Trade receivables	-	22.18	0.08	-	22.26
Loans	-	2,713.84	2,153.38	0.56	4,867.78
Other financial assets	-	16.50	5.66	4.53	26.69
Total undiscounted financial assets	**151.32**	**2,812.28**	**2,183.88**	**5.09**	**5,152.57**
Financial liabilities					
Payables					
(I) Trade payables					
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	0.29	-	-	0.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	95.36	-	-	95.36
(II) Other payables					
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.07	-	-	0.07
Debt securities	-	11.31		-	11.31
Borrowings (other than debt securities)	-	562.53	2,626.71	-	3,189.24
Lease liabilities	-	21.52	26.19	1.59	49.30
Other financial liabilities	-	98.25	-	-	98.25
Total undiscounted financial liabilities	**-**	**789.33**	**2,652.90**	**1.59**	**3,443.82**
Net undiscounted financial assets/(liabilities)	**151.32**	**2,022.95**	**(469.02)**	**3.50**	**1,708.75**

	As at March 31, 2024	As at March 31, 2023
Total Undrawn commitments	25.57	43.64

*The expected net cashflows within less than 1 year are appearing negative mainly because of repayments due for External Commercial Borrowings (ECBs). It is expected to be resolved with likely fresh fundings (also refer note 38) and/or ECBs renewal/extension closer to the maturity dates of these ECBs. Historically, all the ECBs have been renewed by the Group. Company don't foresee any regulatory/administrative challenge in renewal/extension of these ECBs.

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42.4 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

42.4.1 Interest rate risk

Interest rate risk is the risk that arises from fluctuations of interest rate in market. It is imperative for the Company to measure and assess interest rate risk, as it has financial assets and liabilities at fixed and floating rate of interest, as any movement could negatively and positively affect the value of financial asset and liabilities.

The exposure of Company's financial assets and liabilities to interest rate risk is as follows:

Financial assets (loans)*	**Floating rate instruments**	**Fixed rate instruments**
March 31, 2024	-	5,534.69
March 31, 2023	-	4,867.78
Financial liabilities (borrowings)*		
March 31, 2024	283.67	3,497.60
March 31, 2023	165.00	3,035.55

* before adjustment of impairment loss allowance and unamortised income & expenses

As disclosed above, the Company's financial instruments (loans and borrowings) are primarily fixed interest rate bearing, accordingly, they are not exposed to significant interest risk.

The table below illustrates the impact of 1% per annum movement in interest rates on interest expense on borrowings (floating rate instruments) assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date.

Movement in interest rates	**Effect on profit before tax**	
	For the year ended March 31, 2024	**For the year ended March 31, 2023**
Increase (1.00%)	0.77	0.48
Decrease (1.00%)	(0.77)	(0.48)

42.4.2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency trade payables and trade receivables.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Rupees (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non–trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the statement of profit and loss or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the Rupees would have resulted in an equivalent but opposite impact.

Currency	**Change in currency rate in %**	**Effect on profit before tax**	**Change in currency rate in %**	**Effect on profit before tax**
	Year ended March 31, 2024	**Year ended March 31, 2024**	**Year ended March 31, 2023**	**Year ended March 31, 2023**
EUR	+5%	(0.80)	+5%	(0.56)

42.5 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ("NBFCs") are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning ("IRACP") norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.

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43 Maturity analysis of assets and liabilities#

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Assets						
Financial assets						
Cash and cash equivalents	209.21	-	209.21	205.52	-	205.52
Bank balance other than cash and cash equivalents	0.14	77.35	77.49	5.48	24.46	29.94
Trade receivables	22.39	-	22.39	16.87	0.07	16.94
Loans	2,869.83	2,125.68	4,995.51	2,358.28	1,871.74	4,230.02
Other financial assets	17.90	43.71	61.61	15.10	7.45	22.55
Total financial assets	**3,119.47**	**2,246.74**	**5,366.21**	**2,601.25**	**1,903.72**	**4,504.97**
Non-financial assets						
Current tax assets (net)	-	15.98	15.98	-	24.56	24.56
Deferred tax assets (net)	-	725.64	725.64	-	771.69	771.69
Property, plant and equipment	-	10.97	10.97	-	6.86	6.86
Right-of-use assets	-	24.39	24.39	-	43.08	43.08
Other intangible assets	-	111.31	111.31	-	127.16	127.16
Intangible assets under development	-	18.84	18.84	-	15.46	15.46
Other non-financial assets	26.76	0.06	26.82	25.63	0.12	25.75
Total non-financial assets	**26.76**	**907.19**	**933.95**	**25.63**	**988.93**	**1,014.56**
Total assets	**3,146.23**	**3,153.93**	**6,300.16**	**2,626.88**	**2,892.65**	**5,519.53**

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	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises; and	0.50	-	0.50	0.29	-	0.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	102.66	-	102.66	95.36	-	95.36
(II) Other Payables						
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.81	-	0.81	0.07	-	0.07
Debt Securities	-	-	-	11.17	-	11.17
Borrowings (other than debt securities)	3,492.34	288.49	3,780.83	561.94	2,626.71	3,188.65
Lease liabilities	14.06	10.30	24.36	17.26	23.85	41.11
Other financial liabilities	161.66	-	161.66	98.25	-	98.25
Total financial liabilities	**3,772.03**	**298.79**	**4,070.82**	**784.34**	**2,650.56**	**3,434.90**
Non-financial liabilities						
Provisions	61.19	70.65	131.84	115.01	8.49	123.50
Other non-financial liabilities	36.24	-	36.24	39.60	-	39.60
Total non-financial liabilities	**97.43**	**70.65**	**168.08**	**154.61**	**8.49**	**163.10**
Total liabilities	**3,869.46**	**369.44**	**4,238.90**	**938.95**	**2,659.05**	**3,598.00**
Net	**(723.23)**	**2,784.49**	**2,061.26**	**1,687.93**	**233.60**	**1,921.53**

Changes in liabilities arising from financing activities

Particulars	As at April 1, 2023	Cash flows	Interest expense	Others*	As at March 31, 2024
Debt securities	11.17	(11.31)	-	0.14	-
Borrowings (other than debt securities)	3,188.65	590.85	-	1.33	3,780.83
Lease liabilities	41.11	(21.26)	4.17	0.34	24.36
Total liabilities from financing activities	**3,240.93**	**558.28**	**4.17**	**1.81**	**3,805.19**

	As at April 1, 2022	Cash flows	Interest expense	Others*	As at March 31, 2023
Debt securities	60.00	(48.97)	-	0.14	11.17
Borrowings (other than debt securities)	2,710.25	477.84	-	0.56	3,188.65
Lease liabilities	52.08	(26.57)	8.83	6.77	41.11
Total liabilities from financing activities	**2,822.33**	**402.30**	**8.83**	**7.47**	**3,240.93**

*includes amortised expense of loan processing charges and non cash addition/deletion for right-of-use assets
The amounts are after adjusting unamortised expenses and income and impairment loss allowance.

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44. Terms of the borrowings

Following are the details of certain significant terms and conditions of the borrowings for the year ended March 31, 2024 and year ended March 31, 2023:

Note no. (i) Security and terms of repayment for Rated, Secured, Redeemable, Non-Convertible Debenture

Particulars	Amount outstanding As at March 31, 2024	Amount outstanding As at March 31, 2023	Repayment terms				
			Instalments March 31, 2024	Instalments March 31, 2023	Periodicity	Start date	Maturity date
Unlisted							
From others							
Nil (March 31, 2023: 211.55) NCD's of Rs 100,000 each	-	2.11	-	1	Quarterly	18-Feb-22	18-May-23
Nil (March 31, 2023: 919.57) NCD's of Rs 100,000 each	-	9.20	-	3	Quarterly	20-Oct-22	19-Nov-23
Total (As per contractual terms) (A)	-	11.31					
Less: Unamortised finance cost (B)	-	0.14					
Total (A)-(B)	-	11.17					

* Non-convertible debentures as on March 31, 2023 were secured by first pari-passu charge on all receivables of the Company. Rate of interest on debentures as on March 31, 2023 was 10.77%* per annum.

Note no. (ii) Secured term loans^

Particulars	Amount outstanding As at March 31, 2024	Amount outstanding As at March 31, 2023	Repayment terms				
			Instalments March 31, 2024	Instalments March 31, 2023	Periodicity	Start date	Maturity date
Kisetsu Saison Finance (India) Private Limited	12.50	-	2	-	Quarterly	21-Sep-23	15-Sep-24
Kisetsu Saison Finance (India) Private Limited	8.75	-	1	-	Quarterly	28-Jun-23	15-Jun-24
Kisetsu Saison Finance (India) Private Limited	-	12.50	-	2	Quarterly	2-Sep-22	15-Sep-23
Kisetsu Saison Finance (India) Private Limited	25.00	-	4	-	Quarterly	23-Jan-24	15-Jan-25
Northern Arc Capital Limited	-	37.50	-	2	Quarterly	10-Aug-22	7-Aug-23
Northern Arc Capital Limited	37.50	-	2	-	Quarterly	21-Aug-23	25-Aug-24
Northern Arc Capital Limited	-	56.25	-	3	Quarterly	30-Sep-22	5-Oct-23
Northern Arc Capital Limited	50.00	-	4	-	Quarterly	17-Jan-24	27-Jan-25
DCB Bank	1.67	-	1	-	Monthly	12-May-23	30-Apr-24
Deutsche Bank*	44.00	-	1	-	On Maturity	28-Dec-23	27-Dec-24
Incred Financial Services Limited	15.00	-	4	-	Quarterly	29-Mar-24	10-Apr-25
Total (As per contractual terms) (A)	194.42	106.25					
Less: Unamortised finance cost (B)	0.03	0.55					
Total (A)-(B)	194.39	105.70					

^Secured term loans are secured by first pari-passu charge on all receivables of the Company. As at March 31, 2024: Rate of interest varies from 10.17% to 13.35% per annum (March 31, 2023: Rate of interest varies from 12% to 14.10% per annum.)

* Secured by Corporate Guarantee given by Home Credit N.V (the step up holding company).

Note no. (iii) Secured working capital demand loans and overdraft from banks#

Particulars	Amount outstanding As at March 31, 2024	Amount outstanding As at March 31, 2023	Repayment terms				
			Instalments March 31, 2024	Instalments March 31, 2023	Periodicity	Start date	Maturity date
Axis Bank	18.00	-	1	-	On Maturity	28-Nov-23	21-May-24
Axis Bank	-	35.00	-	1	On Maturity	29-Mar-23	28-Apr-23
Total (As per contractual terms) (A)	18.00	35.00					
Less: Unamortised finance cost (B)	-	-					
Total (A)-(B)	18.00	35.00					

working capital demand loans from banks are secured by first pari-passu charge on all receivables of the Company and Corporate Guarantee given by Home Credit N.V (the step up holding company). As at March 31, 2024: Rate of interest is 11.00% per annum (March 31, 2023: 10.45% per annum)

Note no. (iv) External commercial borrowings from related party *

Particulars	Amount outstanding As at March 31, 2024	Amount outstanding As at March 31, 2023	Repayment terms				
			Instalments March 31, 2024	Instalments March 31, 2023	Periodicity	Start date	Maturity date
PPF CO3 B.V.	300.00	300.00	1	1	On Maturity	3-Sep-19	19-Sep-24
PPF CO3 B.V.	440.00	440.00	1	1	On Maturity	13-Dec-19	28-Jan-25
PPF CO3 B.V.	500.00	500.00	1	1	On Maturity	3-Oct-19	18-Oct-24
AB 4 B.V.	350.00	350.00	1	1	On Maturity	26-Jul-19	10-Aug-24
AB 4 B.V.#	-	175.00	-	1	On Maturity	28-May-19	13-Jun-24
AB 4 B.V.	300.00	300.00	1	1	On Maturity	24-Sep-19	10-Oct-24
AB 4 B.V.	550.00	550.00	1	1	On Maturity	30-Oct-19	14-Nov-24
Total (As per contractual terms) (A)	2,440.00	2,615.00					
Less: Unamortised finance cost (B)	-	-					
Total (A)-(B)	2,440.00	2,615.00					

* external commercial borrowings from related party are secured by first pari-passu charge on consumer finance portfolio of the Company. Rate of interest on these outstanding borrowings as on March 31,2024 varies from 10.34% to 10.94% per annum (March 31, 2023: 10.34% to 11.35% per annum). These rates are exclusive of income tax gross-up.

The External commercial borrowing has been repaid before its original maturity date.

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Note no. (v) Associated liabilities in respect of securitization transactions

Particulars	Amount outstanding As at March 31, 2024	Amount outstanding As at March 31, 2023
Nimbus CL Dhan 2022	-	9.84
Aditya Birla Ganesha Trust 2022	-	31.40
Aditya Birla Ganesha Trust 2022 (2)	-	53.39
Nimbus CL Dhan 2022 (2)	3.50	48.36
Aditya Birla Ganesha Trust 2023 (3)	59.13	-
Aditya Birla Ganesha Trust 2023 (4)	105.41	-
Aditya Birla Ganesha Trust 2023 (5)	111.90	-
Nimbus CL Dhan 2023 (3)	35.14	-
Nimbus 2023 Shiva-A1	39.12	-
Nimbus 2023 Shiva-A2	1.03	-
Kuber 01- Trust 2024	180.17	-
Kuber 02- Trust 2024	108.45	-
Total (As per contractual terms) (A)	**643.85**	**142.99**
Less: Unamortised finance cost (B)	0.41	0.04
Total (A)-(B)	**643.44**	**142.95**

Repayment terms				
Instalments March 31, 2024	Instalments March 31, 2023	Periodicity	Start date	Maturity date#
-	5	Monthly	29-Jul-22	15-Sep-23
-	9	Monthly	2-Sep-22	15-Dec-23
-	13	Monthly	20-Oct-22	15-Mar-24
2	15	Monthly	28-Mar-23	15-Jun-24
9	-	Monthly	30-Jun-23	15-Jan-25
13	-	Monthly	25-Oct-23	15-May-25
17	-	Monthly	27-Feb-24	15-Sep-25
13	-	Monthly	27-Sep-23	15-May-25
11	-	Monthly	29-Sep-23	17-Mar-25
1	-	On Maturity	29-Sep-23	17-Mar-25
32	-	Monthly	25-Jan-24	15-Dec-26
35	-	Monthly	26-Mar-24	15-Mar-27

As on March 31, 2024, rate of interest on securitization transactions varies from 11.00% to 13.00% per annum. (March 31, 2023 Rate of interest: 11.00% to 11.50% per annum)
Maturity dates with respect to Associated liabilities in respect of securitization transactions has been considered basis the latest repayment schedule agreed with the party.

Note no. (vi) Unsecured working capital demand loans from banks $

Particulars	Amount outstanding As at March 31, 2024	Amount outstanding As at March 31, 2023
CITI Bank	30.00	-
CITI Bank	40.00	-
CITI Bank	20.00	-
CITI Bank	20.00	-
CITI Bank	35.00	-
CITI Bank	20.00	-
CITI Bank	-	15.00
CITI Bank	-	25.00
CITI Bank	-	40.00
CITI Bank	-	15.00
CITI Bank	-	25.00
CITI Bank	-	20.00
CITI Bank	-	10.00
CITI Bank	-	15.00
CITI Bank	15.00	-
CITI Bank	15.00	-
CITI Bank	35.00	-
CITI Bank	15.00	-
CITI Bank	50.00	-
Deutsche Bank	60.00	-
Deutsche Bank	40.00	-
Deutsche Bank	40.00	-
Deutsche Bank	50.00	-
Deutsche Bank	-	40.00
Deutsche Bank	-	40.00
Deutsche Bank	-	45.00
Total	**485.00**	**390.00**

Repayment terms				
Instalments March 31, 2024	Instalments March 31, 2023	Periodicity	Start date	Maturity date
1	-	On Maturity	1-Nov-23	24-Apr-24
1	-	On Maturity	16-Nov-23	9-May-24
1	-	On Maturity	21-Nov-23	14-May-24
1	-	On Maturity	28-Nov-23	26-Apr-24
1	-	On Maturity	28-Dec-23	26-Apr-24
1	-	On Maturity	28-Dec-23	19-Jun-24
-	1	On Maturity	30-Nov-22	24-May-23
-	1	On Maturity	30-Nov-22	24-May-23
-	1	On Maturity	28-Dec-22	21-Jun-23
-	1	On Maturity	29-Dec-22	22-Jun-23
-	1	On Maturity	29-Dec-22	22-Jun-23
-	1	On Maturity	31-Jan-23	25-Jul-23
-	1	On Maturity	31-Jan-23	14-Jul-23
-	1	On Maturity	28-Feb-23	22-Aug-23
1	-	On Maturity	12-Jan-24	4-Jul-24
1	-	On Maturity	15-Jan-24	5-Jul-24
1	-	On Maturity	12-Mar-24	3-Sep-24
1	-	On Maturity	12-Mar-24	3-Sep-24
1	-	On Maturity	27-Mar-24	18-Sep-24
1	-	On Maturity	15-Mar-24	30-Aug-24
1	-	On Maturity	22-Dec-23	14-Jun-24
1	-	On Maturity	18-Dec-23	16-Apr-24
1	-	On Maturity	9-Nov-23	7-May-24
-	1	On Maturity	23-Dec-22	21-Jun-23
-	1	On Maturity	21-Mar-23	15-Sep-23
-	1	On Maturity	29-Mar-23	26-May-23

$ Unsecured loans repayable on demand taken from banks are covered by a Corporate Guarantee given by Home Credit, N.V (the step up holding company). Interest rate on these loans as on March 31,2024 varies from 9.31% to 10.29% per annum. (March 31, 2023: Interest rate on these loans varies from 9.44% to 10.45% per annum).

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45 Additional Disclosures of Schedule III

i) Quarterly returns or statements of current assets filed by the Company with Banks or financial institutions are in agreement with the books of accounts.

ii) (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

iii) No proceedings have been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iv) The Company has not surrendered or disclosed any transaction during the year and / or previous year, in the tax assessments under the Income Tax Act, 1961 that is not recorded in the books of accounts.

v) The Company has not traded or invested in Crypto currency or Virtual currency anytime during the current and previous year.

vi) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

vii) The title deeds, comprising all the immovable properties which are freehold, are held in the name of the Company as at the balance sheet date.

viii) The Company does not have any transaction during the year or investment, receivable from , payable to or its Shares held by or any other outstanding with Stuck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

ix) All charges or satisfaction are registered with the ROC within the statutory period for the year ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with the ROC beyond the statutory period.

x) Clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, pertaining to restriction on number of layers, is not applicable on the Company for the year ended March 31, 2024 and March 31, 2023 as the Company does not have any investments.

xi) Ratios for the current and previous years are as follows along with reason for variance if more than 25%:

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for variance (if above 25% variance)
Capital to risk-weighted assets Ratio (CRAR)	1,050.32	5,618.07	18.70%	21.86%	-14.48%	Not Applicable
Tier I CRAR	1,050.32	5,618.07	18.70%	21.20%	-11.81%	Not Applicable
Tier II CRAR	-	5,618.07	-	0.66%	-100.00%	Tier II capital has been absorbed by the first credit loss enhancement on securitization
Liquidity Coverage Ratio	183.75	106.68	172.25%	197.16%	-12.63%	Not Applicable

xii) The Company has not revalued any of its property, plant and equipment during the year ended March 31, 2024 and year ended March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

xiii) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the year ended March 31, 2024 and year ended March 31, 2023.

xiv) No loans or advances in the nature of loans have been granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment

xv) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

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46 With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no. G.S.R 365(E) dated March 30, 2016, for financial reporting purposes, the Company has followed the Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). Accordingly, the information given below is disclosed by the Company based on Ind AS financial statements and other records maintained by the Company for the year ended March 31, 2024. For the purpose of these disclosures "Non-performing assets (NPA)" represents Stage 3 loans and "Standard assets" represents "Stage 1" and "Stage 2" as defined in Ind AS financial statements.

Following information is disclosed in terms of the Master Direction-Non Banking Financial Company-Systematically Important, Non deposit taking and Deposit taking Company (Reserve Bank) Directions' 2016 dated September 1, 2016 as amended time to time.

i) Capital funds, risk assets/ exposure and risk asset ratio (CRAR)*

Items	As at March 31, 2024	As at March 31, 2023
CRAR (%)#	18.70%	21.86%
CRAR - Tier I capital (%)	18.70%	21.20%
CRAR - Tier II capital (%)	-	0.66%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

balance of acquisition cost capitalized on loans and borrowings has been adjusted while computing net owned fund for the purpose of capital adequacy ratio.

ii) Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Value of investments		
Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments.		
(a) Opening balance	-	-
(b) Add : Provisions made during the year	-	-
(c) Less : Write-off / write-back of excess provisions during the year	-	-
(d) Closing balance	-	-

iii) Disclosure on Derivatives (Forward Rate Agreement / Interest Rate Swap/Exchange Traded Interest Rate (IR) Derivatives)
The Company has not entered into any derivative contracts during the year and previous year.

iv) Exposure to real estate sector and capital market
The Company does not have any exposure to real estate and capital market as at March 31, 2024 and March 31, 2023.

v) Details of financing of parent company products
There is no financing of parent company's product during the year ended March 31, 2024 and March 31, 2023.

vi) Details of single borrower limit/ group borrower limit exceeded
The Company has not exceeded the prudential exposure limit in respect of single borrower or group borrower .

vii) Unsecured advances
The Company has not made advances against intangible collaterals of the borrowers, which are classified as "Unsecured" in its financial statements.

viii) Net profit or loss for the period, prior period items and changes in accounting policies
There are no prior period items. Further, there are no change in accounting policies also.

ix) Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	As at March 31, 2024	As at March 31, 2023
Impairment allowance towards Stage 3 assets	(110.72)	79.33
Impairment allowance towards Stage 1 and Stage 2 assets	(25.45)	37.28
Impairment allowance towards other financial assets	(0.60)	(2.15)
Provision made towards income tax	-	-
Provisions towards other non-financial assets	-	-
Total	(136.77)	114.46

x) Draw down from reserves
There has been no draw down from reserves during the financial year ended March 31, 2024 and March 31, 2023.

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xi) Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2024 and March 31, 2023

Particulars	Up to 30/ 31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits (March 31, 2024)	-	-	-	-	-	-	-	-	-
Deposits (March 31, 2023)	-	-	-	-	-	-	-	-	-
Advances* (March 31, 2024)	510.91	384.80	350.86	823.23	962.32	1,639.18	863.39	-	5,534.69
Advances* (March 31, 2023)	438.69	325.65	303.13	718.93	927.44	1,595.59	557.79	0.56	*4,867.78*
Investments (March 31, 2024)	-	-	-	-	-	-	-	-	-
Investments (March 31, 2023)	-	-	-	-	-	-	-	-	-
Borrowings** (March 31, 2024)	20.42	55.80	50.35	802.01	2,563.80	288.89	-	-	*3,781.27*
Borrowings** (March 31, 2023)	*18.75*	*36.85*	*24.81*	*89.58*	*403.86*	*2,626.70*	-	-	*3,200.55*
Foreign currency assets (March 31, 2024)	-	-	-	-	-	-	-	-	-
Foreign currency assets (March 31, 2023)	-	*0.44*	-	-	-	-	-	-	*0.44*
Foreign currency liabilities (March 31, 2024)	*6.87*	*9.03*	-	-	-	-	-	-	*15.90*
Foreign currency liabilities (March 31, 2023)	-	*10.86*	-	-	-	-	-	-	*10.86*

*without considering impact of provision and effective interest rate method of recognition
**Excluding interest accrued but not due and without adjusting unamortised origination expenses.

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xii) Concentration of Deposits, Advances, Exposures and Stage 3 assets*

a. Concentration of Advances

Particulars	As at March 31, 2024	As at March 31, 2023
Total advances to twenty largest borrowers	1.00	0.48
Percentage of advances to twenty largest borrowers to total advances of the Company	0.02%	0.01%

b. Concentration of Exposures

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to twenty largest borrowers/ customers	1.00	0.48
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	0.02%	0.01%

c. Concentration of Stage 3 assets

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to top four Stage 3 assets	0.21	0.11

*Before adjustment of unamortised loan origination income/ cost and impairment allowance on loans.

xiii) Ratings assigned by credit rating agencies during the year ended March 31, 2024

Sl. No.	Ratings	Rating Agency	Nature of securities
1	BBB+ /Positive	INDIA RATINGS	Non Convertible Debentures
2	BBB+/ Stable	CARE	Bank Lines
3	BBB+ /Positive	INDIA RATINGS	Bank Lines
4	IND A2+	INDIA RATINGS	Short Term Debt

Ratings assigned by credit rating agencies during the year ended March 31, 2023

Sl. No.	Ratings	Rating Agency	Nature of securities
1	IND BBB+ /Stable	INDIA RATINGS	Non Convertible Debentures
2	BBB+/ Stable	CARE	Bank Lines
3	IND BBB+ /Stable	INDIA RATINGS	Bank Lines
4	IND A2+	INDIA RATINGS	Short Term Debt

47 Sector-wise Stage 3 assets*

Sl. No.	Sector	Percentage of Stage 3 assets to Total Advances in that sector	
		As at March 31, 2024	As at March 31, 2023
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans #	4.64%	8.27%
6	Auto loans	-	29.47%
7	Other personal loans	-	-

* Before adjustment of unamortised income/ cost on loans.
# includes cash loans and consumer durable loans

48 Movement of Stage 3 assets*

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i)	Net Stage 3 assets to Net Advances (%)	0.99%	1.83%
(ii)	Movement of Stage 3 assets (Gross)		
	(a) Opening balance	402.67	313.49
	(b) Additions during the year	855.09	725.71
	(c) Reductions during the year #	1,001.10	636.53
	(d) Closing balance	256.66	402.67
(iii)	Movement of net Stage 3 assets		
	(a) Opening balance	79.21	66.02
	(b) Additions during the year	221.03	211.08
	(c) Reductions during the year #	249.63	197.89
	(d) Closing balance	50.61	79.21
(iv)	Movement of provisions for Stage 3 assets		
	(a) Opening balance	323.46	247.47
	(b) Provision made during the year	634.06	514.63
	(c) Write off/write-back of excess provisions	751.47	438.64
	(d) Closing balance	206.05	323.46

* Before adjustment of unamortised loan acquisition costs and related income.
# Reduction includes write-offs and recoveries. Recoveries represents balancing amount.

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49 Registration obtained from other financial sector regulators

The Company is not registered with any other financial sector regulators.

50 Related party transactions

Please refer note no 36 for related party transactions.

51 Remuneration of directors

During the year ended March 31, 2024, the Company has paid sitting fees of Rs. 0.15 crores (previous year: Rs. 0.13 crores) and professional fee of Rs. 1.24 crores (previous year 1.08 crores) to the independent directors and non- executive directors of the Company, respectively. Apart from that, there was no pecuniary relationship or transaction with independent directors and non-executive directors.

52 Revenue recognition

For revenue recognition, refer accounting policies in note no 3.

53 During the year, certain instances of fraud have been identified as below:

Retail loans amounting to Rs. 0.56 crores (previous year Rs. 0.73 crores) were taken by the customers on the basis of forged documents. Additionally, certain instances of fraud have been reported where there is no loss to the Company.

54 Unhedged foreign currency exposure

The Company's exposure in respect of foreign currency denominated trade payables and payable for purchase of capital goods not hedged as at March 31, 2024 by derivative instruments or otherwise are Euro 1.73 million (Rs. 15.62 crores) [previous year Euro 1.29 million (Rs. 11.59 crores)] and Euro 0.03 million (Rs. 0.28 crores) [previous year Euro Nil (Rs. Nil)] respectively.

The Company's exposure in respect of foreign currency denominated trade receivables not hedged as at March 31, 2024 by derivative instruments or otherwise are Euro Nil (Rs. Nil) [previous year Euro 0.05 million (Rs. 0.44 crores)].

55 Disclosure of customer complaints

Sl. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a)	Number of complaints pending at the beginning of the year	61	-
(b)	Number of complaints received during the year	4,635	5,965
(c)	Number of complaints redressed during the year	4,644	5,904
(d)	Number of complaints pending at the end of the year	52	61

The customer care department of the Company maintains a database of all customer complaints received and addressed. The above mentioned information has been sourced from such database.

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56 **Schedule to the Balance sheet of a Non- Banking Finance Company as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 in terms of Paragraph 31 of the Master Direction:**

	Particulars	As at March 31, 2024		As at March 31, 2023	
	Liabilities side#:				
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	(a) Debentures:				
	Secured	-	-	11.17	-
	Unsecured	-	-		-
	(Other than falling within the meaning of public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loan	194.39	-	105.70	-
	(d) External commercial borrowings	2,440.00		2,615.00	
	(e) Inter corporate loans and borrowings	-	-	-	-
	(f) Commercial paper (net of un-amortised discount on issue)	-	-	-	-
	(g) Other loans				
	- Working capital loans and bank overdraft	503.00	-	325.00	-
	- Associated liabilities in respect of securitization transactions	643.44	-	142.95	-
	Total	**3,780.83**	-	**3,199.82**	-

Interest accrued but not due on borrowings amounting to Rs 4.37 crores (March 31, 2023: Rs 2.08 crores) has not been included as part of borrowings above. The same has been shown under other financial liabilities. Refer note no.19

The figures are after adjusting unamortised origination expenses of Rs. 0.44 crores (previous year Rs. 0.73 crores) and after adjusting unamortised discounting charges amounting to Nil (previous year is Nil).

	Particulars	As at March 31, 2024	As at March 31, 2023
2	**Assets side:**		
	Break-up of loans and advances including bills receivables (other than those included in (3) below):		
	(a) Secured	0.00	0.37
	(b) Unsecured	5,534.69	4,867.41
	Total	**5,534.69**	**4,867.78**
3	Break-up of leased assets and stock on hire and hypothecation loans counting towards other assets counting towards asset finance activities	As at March 31, 2024	As at March 31, 2023
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
(ii)	Stock on hire including hire charges, under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed stock	-	-
(iii)	Other Loans counting towards asset finance activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	-	-
4	**Break-up of investments**	**As at March 31, 2024**	**As at March 31, 2023**
	Current investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted:		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-

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4	Break-up of investments (continued)	As at March 31, 2024	As at March 31, 2023
	Long term investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted:		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	Total	-	-

5	Borrower group wise classification of all assets financed as in (2) and (3) above :						
	Category	**Gross Amount As at March 31, 2024**			**Gross Amount As at March 31, 2023**		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1. Related Parties:						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	0.00	5,534.69	5,534.69	0.37	4,867.41	4,867.78
	Total	**0.00**	**5,534.69**	**5,534.69**	**0.37**	**4,867.41**	**4,867.78**

6	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	Category	**As at March 31, 2024**		**As at March 31, 2023**	
		Market value/ Break up or Fair value or NAV	Book Value (Net of Provisions)	Market value/ Break up or Fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties:				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	-	-	-	-
	Total	-	-	-	-

7	Other Information	As at March 31, 2024	As at March 31, 2023
	(i) Gross Stage 3 assets*		
	(a) Related parties	-	-
	(b) Other than related parties	256.66	402.67
	(ii) Net Stage 3 assets		
	(a) Related parties	-	-
	(b) Other than related parties	50.61	79.21
	(iii) Assets acquired in satisfaction of debts (net of provisions)	-	-

* Before adjustment of unamortised loan acquisition costs and related income.

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Home Credit India Finance Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

57 Disclosures relating to securitisation

57.1 Details of securitization transaction entered

Sr. No.	Particulars	Number/ Amount as at March 31, 2024	Number/ Amount as at March 31, 2023
1	No of SPVs sponsored by the applicable NBFC for securitisation transactions*	8.00	4.00
2	Total amount of securitised assets as per books of the SPVs sponsored	810.39	201.85
3	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet (First loss and Minimum retention requirement)	150.22	50.28
	a) Off-balance sheet exposures		
	First loss		
	Others		
	b) On-balance sheet exposures		
	First loss	101.51	29.91
	Others (Minimum retention requirement)	48.71	20.37
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations	-	-
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Loss	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Loss	-	-
5	Details of securitisation transactions entered during the year		
	Number of securitization transactions entered	7.00	4.00
	No. of accounts	-	-
	Aggregate value (net of provisions) of accounts sold to SC / RC**	976.24	299.06
	Aggregate consideration**	930.90	278.69
	Additional consideration realized in respect of accounts transferred in earlier years	-	-
	Aggregate gain / loss over net book value	-	-

*Only the SPVs relating to outstanding securitisation transactions are reported
**Difference of aggregate value (net of provisions) of accounts sold to SC / RC less minimum retention represents aggregate consideration.
Aggregate value of accounts sold to SC / RC is gross of impairment loss allowance.

The securitised loans disclosed in the above notes do not qualify for de-recognition under Ind AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

57.2 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

57.3 Details of assignment transaction undertaken

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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57.4 **Details of Stage 3 assets purchased**

The Company has not purchased or sold any Stage 3 financial assets during the year ended March 31, 2024 (previous year: Nil)

58 **Schedule as per direction received from RBI vide circular number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020.**

S.no	Particulars	As at March 31, 2024	As at March 31, 2023
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended,	-	-
2	Respective amount where asset classification benefits is extended.	-	-
3	Provisions made during financial year 2020-2021	-	-
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA	NA

Note 1: As per Company's policy, the customer who is delinquent in repayment of a loan, or any amount in respect thereof, as at the date of extending moratorium, shall not be eligible for moratorium unless the entire dues payable till the date of extending moratorium, are paid. Therefore, the benefit of moratorium is not given to the customer who were delinquent as on the date of request for moratorium.

Note 2: There are NIL accounts where asset classification benefit is extended till March 31, 2024. Post moratorium period, the movement of ageing has been at actuals.

Note 3: The Company has not extended asset classification benefit as per IRAC norms, hence no additional provision is required to be created by the Company. Further, the Company is carrying provision more than 5% as at March 31, 2024 on the loans.

59 **(a) Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI vide notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020**

During the year ended March 31, 2021, the Company has restructured loan accounts vide Reserve Bank of India circulars on Resolution framework for COVID-19 related stress and restructuring of advances dated August 6, 2020. The Company has considered these accounts as 'restructured' in accordance with Ind-AS 109, and basis such significant increase in credit risk has recognized incremental provision on such restructured accounts in accordance with its Expected Credit Loss Policy.

Disclosure as per prescribed format for the year ended 31 March 2024

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2023 (A)	Of (A), aggregate debt that slipped into NPA during the year ended 31 March 2024	Of (A) amount written off during the year ended 31 March 2024	Of (A) amount paid by the borrowers during the year ended 31 March 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March 2024
Personal loans	2.17	0.09	0.17	1.14	0.77
Corporate Loans*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2.17	0.09	0.17	1.14	0.77

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As per above guidelines, total restructuring of advance as on March 31, 2024 is Rs. 0.87 crores (March 31, 2023 Rs. 2.57 crores) and provision there on March 31, 2024 is Rs. 0.33 crores (March 31, 2023 Rs. 1.17 crores)

(b) Disclosure pursuant to RBI notification no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May, 2021

Description	Individual Borrowers		Small Business
	Personal Loans	Other loans	
(A) Number of requests received for invoking resolution process under Part A	49,883	294	-
(B) Number of accounts where resolution plan has been implemented under this window	49,883	294	-
(C) Exposure to accounts mentioned at (B) before implementation of plan (As on 30.09.2021)	386.35	0.72	-
(D) of (C), aggregate amount of Debt that was converted into other securities	-	-	-
(E) Additional funding sanction if any, including between invocation of the plan and implementation	-	-	-
(F) Increase in provision on account of the implementation of the resolution plan	34.86	-	-

Exposure to accounts as on 31st March 2024 where resolution plan has been implemented under above notification is Rs 1.38 crores (March 31, 2023: Rs 8.60 crores) & provision is Rs 1.33 crores (March 31, 2023: Rs 6.36 crores)

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(c) Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions,2021 in terms of RBI circular RBI/DOR/2021-22 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

S.No	Particulars	During the year ended March 31, 2024
1	Details of loans not in default that are transferred or acquired	Nil
2	Details of stressed loans transferred or acquired	Nil

60 Schedule as per direction received from RBI vide circular number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

As at March 31, 2024

S.no	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
	(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4)-(6)
1	Performing Assets						
	Standard	Stage 1	5,077.94	112.20	4,965.74	20.31	91.89
		Stage 2	200.09	73.01	127.08	0.80	72.21
	Subtotal		**5,278.03**	**185.21**	**5,092.82**	**21.11**	**164.10**
2	Non-Performing Assets (NPA)						
	Substandard	Stage 3	256.66	206.05	50.61	25.67	180.38
	Doubtful - up to 1 year	Stage 3	-	-	-	-	-
	1 to 3 years	Stage 3	-	-	-	-	-
	More than 3 years	Stage 3	-	-	-	-	-
	Subtotal for doubtful		-	-	-	-	-
	Loss	Stage 3	-	-	-	-	-
	Subtotal for NPA		**256.66**	**206.05**	**50.61**	**25.67**	**180.38**
3	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	25.57	12.48	13.09	-	12.48
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	-	-
	Subtotal		**25.57**	**12.48**	**13.09**	-	**12.48**
	Total	**Stage 1****	5,103.51	124.68	4,978.83	20.31	104.37
		Stage 2	200.09	73.01	127.08	0.80	72.21
		Stage 3	256.66	206.05	50.61	25.67	180.38
		Total	**5,560.26**	**403.74**	**5,156.52**	**46.78**	**356.96**

Note 1: The Company has not extended asset classification benefit as per IRAC norms, hence no additional provision is required to be created by the Company. Further, the Company is carrying provision more than 5% as at March 31, 2024 on the loans.

*Before adjustment of loan acquisition costs and related income to arrive at EIR method for March 31, 2024: Rs. 135.44 crores.

**Including undrawn commitment of Rs. 25.57 crores in gross carrying amount and Rs.12.48 crores as provision against undrawn commitment and uncommitted credit limit, in loss allowance.

Amount of Rs. 12.48 crores includes Rs 12.22 crores pertaining to provision on undrawn uncommitted credit limit, basis the expected utilisation.

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Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in Rupees crores except share data and unless otherwise stated)

As at March 31, 2023							
S.no	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
	(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4)-(6)
1	Performing Assets						
	Standard	Stage 1	4,281.34	139.24	4,142.10	17.13	122.11
		Stage 2	183.77	72.59	111.18	0.74	71.85
	Subtotal		**4,465.11**	**211.83**	**4,253.28**	**17.87**	**193.96**
2	Non-Performing Assets (NPA)						
	Substandard	Stage 3	402.67	323.46	79.21	40.27	283.19
	Doubtful - up to 1 year	Stage 3	-	-	-	-	-
	1 to 3 years	Stage 3	-	-	-	-	-
	More than 3 years	Stage 3	-	-	-	-	-
	Subtotal for doubtful		-	-	-	-	-
	Loss	Stage 3	-	-	-	-	-
	Subtotal for NPA		**402.67**	**323.46**	**79.21**	**40.27**	**283.19**
3	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	43.64	11.31	32.33	-	11.31
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	-	-
	Subtotal		**43.64**	**11.31**	**32.33**	-	**11.31**
	Total	**Stage 1****	4,324.98	150.55	4,174.43	17.13	133.42
		Stage 2	183.77	72.59	111.18	0.74	71.85
		Stage 3	402.67	323.46	79.21	40.27	283.19
		Total	**4,911.42**	**546.60**	**4,364.82**	**58.14**	**488.46**

Note 1: The Company has not extended asset classification benefit as per IRAC norms, hence no additional provision is required to be created by the Company. Further, the Company is carrying provision more than 5% as at March 31, 2023 on the loans.

*Before adjustment of loan acquisition costs and related income to arrive at EIR method for March 31, 2023: Rs. 91.16 crores.

**Including undrawn commitment of Rs. 43.64 crores in gross carrying amount and Rs. 11.31 crores as provision against undrawn commitment and uncommitted credit limit, in loss allowance.

Amount of Rs. 11.31 crores includes Rs 10.97 crores pertaining to provision on undrawn uncommitted credit line, basis the expected utilisation.

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61 Disclosure on liquidity coverage ratio as per direction received from RBI vide circular number RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019.

A) Public disclosure on liquidity risk

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

As at March 31, 2024

Sr. No.	Type of Instruments	Number of significant counterparties	Amount*	% of Total Deposit	% of total Liabilites
1	Deposits	-	-	-	-
2	Borrowings	8	3,668.57	-	86.55%

As at March 31, 2023

Sr. No.	Type of Instruments	Number of significant counterparties	Amount*	% of Total Deposit	% of total Liabilites
1	Deposits	-	-	-	-
2	Borrowings	8	3,100.25	-	86.22%

ii) Top 20 large deposits

No depositors as the Company is a non-deposit taking NBFC.

iii) Top 10 borrowings

As at March 31, 2024

Description	Amount*	% of total borrowings
Total of Top 10 borrowings	3,747.86	99.13%

As at March 31, 2023

Description	Amount*	% of total borrowings
Total of Top 10 borrowings	3,166.75	86.22%

iv) Funding Concentration based on significant Instrument/Product:

Sr. No.	Name of the Instrument/Product	As at March 31, 2024		As at March 31, 2023	
		Amount	% of total Liabilities	Amount	% of total Liabilities
1	External Commercial Borrowings	2,440.00	57.56%	2,615.00	72.72%
2	Bank Borrowings**	548.67	12.94%	325.00	9.04%
3	Non Convertiable Debentures (NCDs)	-	-	11.17	0.31%
4	Securitization	643.44	15.18%	142.95	3.98%
5	Term Loans	148.72	3.51%	105.70	2.94%
	Total	3,780.83	89.19%	3,199.82	88.99%

v) Stock Ratios

As at March 31, 2024

Sr. No.	Name of the instrument/product	Amount*	% of total public funds	% of total Liabilities	% of total assets
1	NCDs (original maturity less than one year)	-	-	-	-
2	Commercial papers	-	-	-	-
3	Other short-term liabilities	594.92	-	14.03%	9.44%

As at March 31, 2023

Sr. No.	Name of the instrument/product	Amount*	% of total public funds	% of total Liabilities	% of total assets
1	NCDs (original maturity less than one year)	-			
2	Commercial papers	-			
3	Other short-term liabilities	936.86	-	26.05%	16.98%

* All these no's are gross numbers without the impact of EIR

** Bank borrowings consists of WCDL and term loans

vi) Institutional set-up for Liquidity Risk Management:

The Company has in place organizational set up as directed in RBI policy to decide the strategy, policies and procedures of the Company to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it. The set up includes the following bodies:

a. Board of Directors shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits as may be decided.

b. Integrated Risk Management Committee (IRMC) shall evaluate the overall risks faced by the Company including liquidity risk.

c. Assets Liability and Management Committee (ALCO) shall ensure adherence to the risk tolerance/limits as set by the Board as well as implement the liquidity risk management strategy of the Company.

d. Assets Liability Management (ALM) Support Group shall analyze, monitor and report the liquidity risk profile to the ALCO.

e. The company also has a Liquidity Contingency Framework in place which serves as a blueprint for meeting the funding requirement at a reasonable cost during the liquidity crisis. The Liquidity Contingency Plan (LCP) defines the internal communication flow during any liquidity triggers and the activation and closure of LCP.

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Disclosure on liquidity coverage ratio as per direction received from RBI vide circular number RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. (contind..)

A) Public disclosure on liquidity risk *(Continued):*

Definition of terms as used in the table above:

a) Significant counterparty
A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities

b) Significant instrument/product
A "significant instrument/product" is defined as a single instrument/product or group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total Liabilities
Total Liabilities include all external liabilities (other than equity)

d) Other short-term liabilites
All short term borrowings other than commercial papers and NCDs with original maturuty of less than 12 months.

e) Public funds
The Company is a non-deposit taking systemically important NBFC, therefore only information related to borrowings have been disclosed above and no information related to deposits is available.

Disclosure on liquidity coverage ratio as per direction received from RBI vide circular number RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. (contind..)

B) As per the RBI guidelines DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 and Master Directions for NBFCs vide RBI/DNBR/2016-17/45 dated February 17, 2020, the LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore shall also maintain the required level of LCR starting December 1, 2020, as per the time-line given below:

From	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	60%	85%	100%

(i) **Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time**
The numerator of LCR is driven by the quantum and composition of High Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows.

(a) Composition of HQLA
HQLAs comprise of Cash and cash equivalents*, excluding any fixed deposit.
* Cash and cash equivalent would mean cash in hand and balances with scheduled commercial banks.

(b) Unsecured and secured wholesale funding
Borrowing maturities falling due in the next 30 days form a major component of cash outflows. WCDL form the major portion of unsecured funding. ECBs, term loans and associated liabilities in respect of securitization transactions form the majority of secured wholesale funding maturities.

(c) Outflows related to derivative exposures and other collateral requirements
During the reporting period, the Company did not have any derivative exposure.

(d) Other contractual funding obligations
Other contractual funding obligations are taken from other financial liabilities that includes payable for securitization borrowing, loan pending disbursments, Trade Payable; and Other non-financial liabilities that includes statutory dues payable shown in the Balance Sheet which are expected to be paid in the next 30 days.

(e) Currently undrawn credit and liquid facilities
Undrawn committed credit lines loans form a part of currently undrawn credit and liquid facilities.

(f) Secured lending
There is no secured lending transaction backed by HQLA during the reporting period and margin lending backed by all other collateral is included in the fully performing exposures.

(g) Inflows from fully performing exposures
Principal inflows from advances with no overdues are taken.

(h) Other inflows
For the LCR calculation, under other inflows, the major components are Trade receivables, balance with tax authorities which includes tax input credit and receivables from collection agencies and channel partners maturing in next 30 days.

(ii) **Intra period changes and changes over time**
The Company endeavors to maintain a healthy level of LCR at all points of time. The LCR table shows the movement of changes in each component over the reporting period. The average LCR moved from 162.13% for the quarter ended March 31, 2023 to 151.50% for the quarter ended March 31, 2024.

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(iii) Concentration of funding sources

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee of the Board (ALCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board. The Company maintains a robust funding profile, which is periodically monitored and reviewed by ALCO.

The Company has a diversified funding profile in the form of Bank term loans, Non-convertible debentures and External Commercial Borrowings which are long-term in nature. Also, the Company has availed Working Capital Demand loan (WCDL) from various Banks. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of investors / bankers who have funded the Company through various funding instruments.

(iv) Derivative exposures and collateral calls

The Company did not indulge in derivative trading activities and hence was not exposed to derivative and collateral call risk during the reporting period.

(v) Currency mismatches

The Company was not exposed to any major currency risk during the reporting period.

Liquidity Coverage Ratio

Sr. No	Particulars		As at June 30, 2023		As at September 30, 2023		As at December 31, 2023		As at March 31, 2024	
		Factor Multiplier (%)	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
	High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	100%	214.05	214.05	176.23	176.23	167.47	167.47	183.75	183.75
	CASH OUTFLOWS									
2	Deposits (for deposit taking companies)	115%	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	115%	30.96	35.60	70.43	80.99	65.00	74.75	125.00	143.75
4	Secured wholesale funding	115%	220.67	253.77	56.92	65.46	59.56	68.49	57.84	66.51
5	Additional requirements, of which									
(i)	Outflows related to derivative exposures and other collateral requirements	115%	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	115%	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	115%	-	-	-	-	-	-	-	-
(iv)	Currently undrawn credit and liquid facilities	115%	55.22	63.51	67.39	77.50	70.55	81.13	72.43	83.30
6	Other contractual funding obligations	115%	92.00	105.80	99.87	114.85	98.20	112.93	115.79	133.17
7	Other contingent funding obligations	115%	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS (A)**		**398.85**	**458.68**	**294.61**	**338.80**	**293.31**	**337.30**	**371.06**	**426.73**
	CASH INFLOWS									
9	Secured lending	75%	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	75%	405.73	304.30	363.81	272.86	388.62	291.46	430.15	322.61
11	Other cash inflows	75%	43.73	32.79	79.39	59.54	21.77	16.33	36.28	27.21
12	**TOTAL CASH INFLOWS (B)**		**449.46**	**337.09**	**443.20**	**332.40**	**410.39**	**307.79**	**466.43**	**349.82**
21	**TOTAL HQLA (C)**		214.05	214.05	176.23	176.23	167.47	167.47	183.75	183.75
22	**TOTAL NET CASH OUTFLOWS D=(A-B)**			121.59		84.70		84.32		106.68
23	**LIQUIDITY COVERAGE RATIO (%) (C/D)**			176.04%		208.07%		198.61%		172.25%
24	**AVERAGE LIQUIDITY COVERAGE RATIO (%)***			148.67%		146.27%		140.45%		151.50%

Notes:

1 The components of LCR is arrived at by taking a stock approach whereby from the month end outstanding of each component (as financial records), the portion expected to be paid in the next 30 days is considered.

2 Interest accrued but not due to be paid for the subsequent month is considered

* Data presented is simple average of 12 months calculated on daily observations over a period of previous 90 days

62 **Expenditure on Corporate Social Responsibility**

Pursuant to section 135 of the Companies Act, 2013 , CSR is applicable on the company but due to non availability of adequate profits in preceding three years, the company is not required to do CSR expenditure.

63 **Leases**

The Company has entered into leasing arrangements for premises, computers and vehicles. Majority of the leases are cancellable by the Company. ROU has been included after the line 'Property, Plant and Equipment' and Lease Liability has been included after 'Borrowings' in the Balance Sheet.

I Lease disclosures under Ind-AS 116 for the year ended March 31, 2024

i) Amounts recognised in Balance Sheet

S.No.	Particulars	March 31, 2024	March 31, 2023
a)	Right-of-use assets (net)		
	(i) Leasehold Buildings	23.47	40.47
	(ii) Computers	-	0.64
	(iii) Vehicles	0.92	1.97
	Total Right-of-use assets (net)	**24.39**	**43.08**
b)	Lease Liabilities		
	Current	14.06	17.26
	Non Current	10.30	23.85
	Total lease liabilities	**24.36**	**41.11**
c)	Additions to right-of-use assets		
	(i) Leasehold Buildings	1.09	66.24
	(ii) Computers	0.15	-
	(iii) Vehicles	0.39	1.65
	Total	**1.63**	**67.89**

ii) Amounts recognised in Statement of profit and loss

S.No.	Particulars	March 31, 2024	Marc 31, 2023
a)	Depreciation charge for right-of-use assets		
	(i) Leasehold Buildings	17.48	20.15
	(ii) Computers	0.79	1.05
	(iii) Vehicles	0.86	1.19
	Total Depreciation charge for right-of-use assets	**19.13**	**22.39**
b)	Interest expense (included in finance cost)	4.17	8.83
c)	Expense related to short term leases	1.23	2.30

iii) Cash Flows

S.No.	Particulars	March 31, 2024	March 31, 2023
a)	Total cash outflow of leases	21.26	26.57

iv) Maturity analysis of undiscounted lease liability

S.No.	Particulars	March 31, 2024	March 31, 2023
a)	Not later than 1 year	16.17	21.52
b)	Later than 1 year and not later than five years	12.20	26.19
c)	Later than 5 years	-	1.59

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Home Credit India Finance Private Limited HOME CREDIT Haryana

64 (A) Disclosure of Restructured Accounts other than the disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI vide notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 and disclosure pursuant to RBI notification no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May, 2021.

S. No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others				
	Asset Classification Details		A	B	C	D	Total	A	B	C	D	Total	A	B	C	D	Total
			#	#	#	#		#	#	#	#		#	#	#	#	
1	Restructured accounts as on April 1, 2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	3,937	488	-	-	4,425
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	7.95	2.25	-	-	10.20
		Provision thereon	-	-	-	-	-	-	-	-	-	-	4.74	1.90	-	-	6.64
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2	-	-	-	2
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	105	(105)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.21	(0.21)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.17	(0.17)	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(82)	82	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.47)	0.47	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.29)	0.29	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(177)	(278)	-	-	(455)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.11)	(1.95)	-	-	(3.06)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.70)	(1.64)	-	-	(2.34)
7	Adjustment for Payments	Amount outstanding	-	-	-	-	-	-	-	-	-	-	(4.57)	(0.21)	-	-	(4.78)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(2.49)	(0.04)	-	-	(2.53)
8	Restructured Accounts as on March 31, 2024	No. of borrowers	-	-	-	-	-	-	-	-	-	-	3,785	187	-	-	3,972
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2.02	0.35	-	-	2.37
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.44	0.34	-	-	1.78

A: Standard assets B: Sub-standard assets C: Doubtful assets D: Loss assets

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S. No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others				
	Asset Classification Details		A	B	C	D	Total	A	B	C	D	Total	A	B	C	D	Total
			#	#	#	#		#	#	#	#		#	#	#	#	
1	Restructured accounts as on April 1, 2022	No. of borrowers	-	-	-	-	-	-	-	-	-	-	4,770	-	-	-	4,770
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	21.61	-	-	-	21.61
		Provision thereon	-	-	-	-	-	-	-	-	-	-	17.16	-	-	-	17.16
2	Fresh restructuring during the year	No. of borrowers				-	-	-	-	-	-	-	22	1	-	-	23
		Amount outstanding				-	-	-	-	-	-	-	0.11	0.01	-	-	0.12
		Provision thereon				-	-	-	-	-	-	-	0.06	0.01	-	-	0.07
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(487)	487	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(2.78)	2.78	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(2.21)	2.21	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(368)	-	-	-	(368)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(2.84)	-	-	-	(2.84)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(2.26)	-	-	-	(2.26)
7	Adjustment for Payments	Amount outstanding	-	-	-	-	-	-	-	-	-	-	(8.15)	(0.54)	-	-	(8.69)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(8.01)	(0.32)	-	-	(8.33)
8	Restructured Accounts as on March 31, 2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	3,937	488	-	-	4,425
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	7.95	2.25	-	-	10.20
		Provision thereon	-	-	-	-	-	-	-	-	-	-	4.74	1.90	-	-	6.64

A: Standard assets B: Sub-standard assets C: Doubtful assets D: Loss assets

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Home Credit India Finance Private Limited HOME CREDIT Haryana

64 (B) Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23-Disclosures in financial statements- Notes to accounts of NBFCs dated April 19, 2022

Section I

A) Exposure

1. The Company does not have any exposure to real estate sector as at March 31, 2024 and March 31, 2023.

2. The Company does not have any exposure to capital market as at March 31, 2024 and March 31, 2023.

3. Sectoral Exposure

Sectors	March 31, 2024			March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crores)	Gross NPAs (₹ crores)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crores)	Gross NPAs (₹ crores)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans						
i. Two wheeler loans	0.00	-	-	0.37	0.11	29%
ii. Consumer durable loans	1,175.70	46.32	4%	818.64	78.70	10%
iii. Cash loans*	4,384.56	210.34	5%	4,092.41	323.86	8%
Total of Personal Loans (i+ii+...+Others)	5,560.26	256.66	5%	4,911.42	402.67	8%
5. Others	-	-	-	-	-	-

* Includes off balance sheet exposure of Rs. 25.57 crores (March 31, 2022 Rs. 43.64 crores) where the contracts has been signed with the customers but the amount has not been disbursed as on balance sheet date.

4. The Company does not have any inter-group exposures as at March 31, 2024 and March 31, 2023.

5. For unhedged foreign currency exposure, refer note 54

B) For related party disclosure, refer note 36

C) Disclosure of complaints

a) Summary information on complaints received by the Company from customers and from the offices of Ombudsman

S.no	Particular	March 31, 2024	March 31, 2023
	Complaints received by the Company from its customers		
1	Number of complaints pending at beginning of the year	61	-
2	Number of complaints received during the year	4,635	5,965
3	Number of complaints disposed during the year	4,644	5,904
3.1	Out of 3, number of complaints rejected by the NBFC	2,479	1,786
4	Number of complaints pending at the end of the year	52	61
	Maintainable complaints received by the Company from Office of Ombudsman		
5	Number of maintainable complaints received by the Company from Office of Ombudsman	842	841
5.1	Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	827	825
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	15	16
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2024					
Difficulty in operation of accounts	9	2,761	-12%	37	11
Non-observance of fair practices code	21	148	-88%	6	4
Recovery Agents	1	192	-33%	5	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	1	206	-43%	-	-
Staff behaviour	-	5	0%	1	-
Miss-selling	-	543	596%	-	-
Others	29	760	-14%	3	-
Year ended March 31, 2023					
Difficulty in operation of accounts	-	3,120	86%	9	66
Non-observance of fair practices code	-	1,211	1853%	21	15
Recovery Agents	-	287	15%	1	5
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	361	-3%	1	9
Miss-selling	-	78	73%	-	4
Staff behaviour	-	5	-89%	-	0
Others	-	903	95%	29	58

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Home Credit India Finance Private Limited HOME CREDIT Haryana

Section II

I. Corporate Governance

a. Composition of the Board and details of meeting held:

S. 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 ships in other Companies	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation*	Sitting Fee	Commission/ Professional fees	
1	Ondrej Kubik	August 28, 2018	Whole Time Director/ Executive Director	08194580	7	7	Nil		N.A	N.A	Nil
2	Esha Pruthi	November 24, 2023	Whole Time Director/ Executive Director	10392980	7	2	Nil		N.A	N.A	Nil
3	Rakesh Kapoor	January 16, 2020	Independent Director	00015358	7	7	2		0.07	N.A	Nil
4	Jean Lafontaine	May 22, 2020	Non-Executive Director	08740353	7	6	Nil		N.A	N.A	Nil
5	Sarpreet Singh Benipal	April 20, 2021	Non-Executive Director	08430748	7	6	1		N.A	1.24	Nil
6	Anirban Majumder	May 22, 2020	Whole Time Director/ Executive Director	08741217	7	6	Nil		N.A	N.A	Nil
7	Jagdish Prasad	February 11, 2022	Independent Director	01653669	7	7	Nil		0.08	N.A	Nil
8	Pavel Rozehnal	August 30, 2013	Non-Executive Director	06683247	7	2	12		N.A	N.A	Nil
9	Jean Pascal Pierre A Duvieusart	May 25, 2023	Non-Executive Director	10167605	7	5	2		N.A	N.A	Nil

* Salary and other compensation to Whole Time Directors INR 29.07 crores.

Details of change in composition of the Board during the current and previous financial year:

S. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
			F.Y 23-24	
1	Sarpreet Singh Benipal	Non-Executive Director	Re-appointment as Non-Executive Director by Board	April 20, 2023
2	Anirban Majumder	Whole Time Director/ Executive Director	Re-appointment as Whole-time Director by Board subject to shareholders approval	May 22, 2023
3	Jean Pascal Pierre A Duvieusart	Non-Executive Director	Appointment as Additional Non-Executive Director by Board subject to shareholders approval	May 25, 2023
4	Sarpreet Singh Benipal	Non-Executive Director	Re-appointment approval by shareholders in AGM	September 29, 2023
5	Anirban Majumder	Whole Time Director/ Executive Director	Re-appointment approval by shareholders in AGM	September 29, 2023
6	Jean Pascal Pierre A Duvieusart	Non-Executive Director	Appointment Regularization by shareholders in AGM	September 29, 2023
7	Vijay Dhingra	Whole Time Director/ Executive Director	Resignation	October 13, 2023
8	Esha Pruthi	Whole Time Director/ Executive Director	Appointment as Whole- Time Director by Board subject to shareholders approval	November 24, 2023

			F.Y 22-23	
1	Ondrej Kubik	Whole Time Director/ Executive Director	Re-appointment Regularization by shareholders in AGM	September 30, 2022
2	Rakesh Kapoor	Independent Director	Re-appointment Regularization by shareholders in AGM	September 30, 2022
3	Vijay Dhingra	Whole Time Director/ Executive Director	Re-appointment Regularization by shareholders in AGM	September 30, 2022
4	Jagdish Prasad	Independent Director	Appointment Regularization by shareholders in AGM	September 30, 2022

S.N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

64 (B): Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23-Disclosures in financial statements- Notes to accounts of NBFCs dated April 19, 2022 (contind..)

b. Committees of the Board and their composition

(i) Audit Committee:

Composition of the Audit Committee and details of meeting held for the year ended March 31, 2024:

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. Ondrej Kubik	October 16, 2018	Whole-time Director/ Executive Director	4	4	Nil
2	Mr. Pavel Rozehnal	November 12, 2021	Non- Executive Director	4	-	Nil
3	Mr. Jean Lafontaine	November 12, 2021	Non- Executive Director	4	4	Nil
4	Mr. Rakesh Kapoor	March 06, 2020	Independent Director	4	4	Nil
5	Mr. Jagdish Prasad	February 11, 2022	Independent Director	4	4	Nil

(ii) Nomination and Remuneration Committee

Composition of the Nomination and Remuneration Committee and details of meeting held for the year ended March 31, 2024:

S. 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. Pavel Rozehnal	June 25, 2020	Non- Executive Director	1	1	Nil
2	Mr. Jean Lafontaine	June 25, 2020	Non- Executive Director	1	1	Nil
3	Mr. Rakesh Kapoor	February 16, 2020	Independent Director	1	1	Nil
4	Mr. Jagdish Prasad	September 20, 2022	Independent Director	1	1	Nil

c. General Body Meetings

S. No.	Type of Meeting (Annual/ Extraordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	September 29, 2023 Gurugram, Haryana	i. Re-appointment of Mr. Sarpreet Singh Benipal (DIN- 08430748) as a Non-Executive Director of the Company. ii. Re-appointment of Mr. Anirban Majumder (DIN-08741217) as a Whole-Time Director of the Company. iii. Regularize the appointment of Mr. Jean Pascal Pierre A. Duvieusart (DIN- 10167605) as a Non-Executive Director of the Company.
2	Extra Ordinary General Meeting	-	-

2 No items of exceptional nature in income and expenditure are identified.

3 There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2024 and March 31, 2023.

4 The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2023, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

S.N. DHAWAN & CO. LLP Gurugram Chartered Accountants

Home Credit India Finance Private Limited HOME CREDIT Haryana

65 **Disclosure pursuant to RBI notification DNBS.CO.PD.no.356/03.10.01/2013-14 dated September 16, 2013 pertaining to gold loans.**
No gold loans have been given during the year ended March 31, 2024 and March 31, 2023.

66 **Disclosure of penalties imposed by RBI and other regulators**
No penalty has been imposed by any regulator during the year ended March 31, 2024 (previous year: Nil).

67 **Details of overseas assets**
There are no overseas assets of the Company.

68 **Off- balance sheet SPVs sponsored**
There are no off-balance sheet SPVs sponsored by the Company.

69 Previous year figures, wherever necessary, have been regrouped/reclassified to conform to current year classification/disclosures.

As per our report of even date attached

For S.N. DHAWAN & CO LLP
Chartered Accountants
Firm Registration Number: 000050N/N500045

[redacted]

Rahul Singhal
Partner
Membership No : 096570

Place: Gurugram
Date: May 29, 2024

For and on behalf of the Board of Directors of
Home Credit India Finance Private Limited

[redacted]

Ondrej Kubik
Director/ Chief Executive Officer
DIN: 08194580

Place: Gurugram
Date: May 29, 2024

Esha Pruthi
Director
DIN: 10392980

Place: Gurugram
Date: May 29, 2024

[redacted]

Anirban Majumder
Chief Financial Officer

Place: Gurugram
Date: May 29, 2024

Neha Gupta
Company Secretary

Place: Gurugram
Date: May 29, 2024