S.R. DINODIA & Co. LLP
CHARTERED ACCOUNTANTS

K-39 Connaught Place, New Delhi-110001 INDIA
Ph. : +91-(0)11-4370 3300

## Independent Auditor's Report on the Special Purpose Interim Financial Statements for the period ended June 30, 2026

To the Board of Directors of **Home Credit India Finance Private Limited**

### Opinion

We have audited the accompanying Special Purpose Interim Financial Statements of **Home Credit India Finance Private Limited** ("the Company"), which comprise the Special Purpose Interim Balance Sheet as at June 30, 2026, the Special Purpose Interim Statement of Profit and Loss (including other comprehensive income), the Special Purpose Interim Statement of Changes in Equity, the Special Purpose Interim Statement of Cash Flows for the period then ended and other explanatory information thereon (together hereinafter referred to as "the statement").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Interim Financial Statements give a true and fair view of the state of affairs of the Company as at June 30, 2026 and of its results of the operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in India.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Interim Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.2 to the Special Purpose Interim Financial Statements, which describes the basis of accounting. The Special Purpose Interim Financial Statements are prepared to assist the Company's Board of Directors in the process of proposed restructuring within the group. As a result, the Special Purpose Interim Financial Statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

### Other Matter

As described in Note 2.2 of the Special Purpose Interim Financial Statements, the comparative figures for the Statement of Profit & Loss, Statement of Cash Flows & Statement of Changes in Equity along with explanatory notes thereon are the reviewed figures based on Unaudited Special Purpose Condensed Interim Financial Statements for the three months period ended June 30, 2025.

### Management's Responsibility

Management is responsible for the preparation of these Special Purpose Interim Financial Statements in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind-AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time, other accounting principles generally accepted in India and disclosure in accordance with the Company's reporting requirements. This includes the design, implementation and maintenance of internal control relevant to the preparation of Special Purpose Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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



**Auditor's Responsibility**

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.

***For* S.R. Dinodia & Co. LLP.**
*Chartered Accountants*,
Firm's Registration Number 001478N/N500005




**(Sandeep Dinodia)**
*Partner*
Membership Number 083689
**UDIN: 26083689AWXWSY6930**

Place of Signature: Gurugram
Date: 05.08.2026

# Home Credit India Finance Private Limited

## Special Purpose Interim Balance Sheet as at June 30, 2026

**(All amounts are in ₹ crores, except share data and unless otherwise stated)**

| | Particulars | Notes | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|---|---|
| | **Assets** | | | |
| 1 | **Financial assets** | | | |
| | (a) Cash and cash equivalents | 4 | 1,356.59 | 685.81 |
| | (b) Bank balance other than cash and cash equivalents | 5 | 28.32 | 28.32 |
| | (c) Trade receivables | 6 | 45.21 | 28.73 |
| | (d) Loans | 7 | 6,456.40 | 5,850.87 |
| | (e) Other financial assets | 8 | 42.39 | 62.78 |
| | | | **7,928.91** | **6,656.51** |
| 2 | **Non-financial assets** | | | |
| | (a) Current tax assets (net) | 9 | 11.87 | 11.87 |
| | (b) Deferred tax assets (net) | 10 (a) | 267.27 | 252.64 |
| | (c) Property, plant and equipment | 11 (a) | 36.15 | 34.90 |
| | (d) Capital work-in-progress | 11 (b) | 1.99 | - |
| | (e) Right-of-use assets | 12 | 38.69 | 40.02 |
| | (f) Other intangible assets | 13 | 32.94 | 46.95 |
| | (g) Other non-financial assets | 14 | 49.25 | 64.49 |
| | | | **438.16** | **450.87** |
| | **Total assets** | | **8,367.07** | **7,107.38** |
| | **Liabilities and equity** | | | |
| | **Liabilities** | | | |
| 1 | **Financial liabilities** | | | |
| | (a) Payables | 15 | | |
| | (I) Trade payables | | | |
| | - Total outstanding dues of micro enterprises and small enterprises | | 19.99 | 19.00 |
| | - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 126.21 | 123.30 |
| | (II) Other payables | | | |
| | - Total outstanding dues of micro enterprises and small enterprises | | 1.05 | 0.98 |
| | - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1.88 | - |
| | (b) Debt securities | 16 | 149.35 | - |
| | (c) Borrowings (other than debt securities) | 17 | 4,713.64 | 3,893.74 |
| | (d) Lease liabilities | 18 | 39.90 | 40.75 |
| | (e) Other financial liabilities | 19 | 112.20 | 129.66 |
| | | | **5,164.22** | **4,207.43** |
| 2 | **Non-financial liabilities** | | | |
| | (a) Current tax liabilities (net) | 9 | 18.05 | - |
| | (b) Provisions | 20 | 194.75 | 213.74 |
| | (c) Other non-financial liabilities | 21 | 32.24 | 31.86 |
| | | | **245.04** | **245.60** |
| | **Total liabilities** | | **5,409.26** | **4,453.03** |
| 3 | **Equity** | | | |
| | (a) Equity share capital | 22 (a) | 1,620.33 | 1,615.98 |
| | (b) Other equity | 22 (b) | 1,337.48 | 1,038.37 |
| | **Total equity** | | **2,957.81** | **2,654.35** |
| | **Total liabilities and equity** | | **8,367.07** | **7,107.38** |
| | Material accounting policy information | 3 | | |
| | Notes to the special purpose interim financial statements | 1 to 32 | | |

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

As per our report of even date attached

**For S.R. Dinodia & Co. LLP**
*Chartered Accountants*
Firm Registration Number: 001478N/N500005

**Sandeep Dinodia**
*Partner*
Membership No:083689

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

**K Gopala Desikan**
*Director*
DIN: 00067107

**Kunnawalkam Elayavalli Ranganathan**
*Director*
DIN: 00058990

**Vivek Singh**
*Chief Executive Officer*

**Anirban Majumder**
*Chief Financial Officer*

**Neha Gupta**
*Company Secretary*
M.No. A28625

Place:
Date: 5 AUG 2026

## Home Credit India Finance Private Limited

### Special Purpose Interim Statement of Profit and Loss for the period ended June 30, 2026

(All amounts are in ₹ crores, except share data and unless otherwise stated)

| | Particulars | Notes | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|---|---|
| I | **Revenue from operations** | | | |
| | (i) Interest income | 23 | 503.21 | 413.21 |
| | (ii) Fees and commission income | 24 | 109.06 | 78.91 |
| | (iii) Net gain on fair value changes | 25 | 7.43 | 1.34 |
| | **Total revenue from operations** | | **619.70** | **493.46** |
| II | Other income | 26 | 0.81 | 2.00 |
| III | **Total income (I+II)** | | **620.51** | **495.46** |
| IV | **Expenses** | | | |
| | (i) Finance costs | 27 | 81.27 | 90.99 |
| | (ii) Impairment on financial instruments | 28 | 143.14 | 173.89 |
| | (iii) Employee benefits expenses | 29 | 142.91 | 79.98 |
| | (iv) Depreciation and amortization expenses | 30 | 26.32 | 16.54 |
| | (v) Other expenses | 31 | 105.01 | 113.53 |
| | **Total expenses** | | **498.65** | **474.93** |
| V | **Profit before tax (III-IV)** | | **121.86** | **20.53** |
| VI | **Tax expense:** | 10 (b) | | |
| | (i) Current tax | | 45.26 | 12.47 |
| | (ii) Deferred tax charge/ (benefit) (net) | | (14.63) | (6.96) |
| | **Total tax expense** | | **30.63** | **5.51** |
| VII | **Profit for the period (V-VI)** | | **91.23** | **15.02** |
| VIII | **Other Comprehensive Income** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | - Remeasurement (losses)/ gains on defined benefit plans | | - | - |
| | - Income tax impact on above | | - | - |
| | **B. Items that will be reclassified to profit or loss and taxes thereon** | | - | - |
| | **Other Comprehensive Income/(loss) for the period, net of tax** | | - | - |
| IX | **Total Comprehensive Income for the period, net of tax (VII+VIII)** | | **91.23** | **15.02** |
| X | **Earnings per equity share (Face value of ₹ 10 per share) (Not annualised)** | | | |
| | Basic (₹) | | 0.56 | 0.13 |
| | Diluted (₹) | | 0.56 | 0.13 |
| | Material accounting policy information | 3 | | |
| | Notes to the special purpose interim financial statements | 1 to 32 | | |

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

As per our report of even date attached

**For S.R. Dinodia & Co. LLP**
*Chartered Accountants*
Firm Registration Number: 001478N/N500005

**Sandeep Dinodia**
*Partner*
Membership No: 083689

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

**K Gopala Desikan**
*Director*
DIN: 00067107

**Kunnawalkam Elayavalli Ranganathan**
*Director*
DIN: 00058990

**Vivek Singh**
*Chief Executive Officer*

**Anirban Majumder**
*Chief Financial Officer*

**Neha Gupta**
*Company Secretary*
M.No. A28625

Place:
Date: - 5 AUG 2026

## Home Credit India Finance Private Limited

### Special Purpose Interim Statement of Changes in Equity for the period ended June 30, 2026

**(All amounts are in ₹ crores, except share data and unless otherwise stated)**

**A. Equity share capital**

| Particulars | Number of shares | Amount |
|---|---|---|
| Equity share of ₹ 10 each, issued, subscribed and fully paid | | |
| **As at April 1, 2026** | **1,615,979,321** | **1,615.98** |
| Issued during the period | 4,349,717 | 4.35 |
| **As at June 30, 2026** | **1,620,329,038** | **1,620.33** |

| Particulars | Number of shares | Amount |
|---|---|---|
| Equity share of ₹ 10 each, issued, subscribed and fully paid | | |
| **As at April 1, 2025** | **1,131,805,789** | **1,131.81** |
| Issued during the period | 116,731,518 | 116.73 |
| **As at June 30, 2025** | **1,248,537,307** | **1,248.54** |

**B. Other equity**

| As at June 30, 2026 | Share application money pending allotment | 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 1, 2026** | **-** | **141.07** | **3,404.75** | **(2,506.89)** | **(0.56)** | **1,038.37** |
| Profit for the period | - | - | - | 91.23 | - | 91.23 |
| Share application money received pending allotment | 202.23 | - | - | - | - | 202.23 |
| Securities premium received | - | - | 5.65 | - | - | 5.65 |
| **As at June 30, 2026** | **202.23** | **141.07** | **3,410.40** | **(2,415.66)** | **(0.56)** | **1,337.48** |

| As at June 30, 2025 | Share application money pending allotment | 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 1, 2025** | **-** | **114.62** | **2,949.29** | **(2,612.68)** | **2.24** | **453.47** |
| Profit for the period | - | - | - | 15.02 | - | 15.02 |
| Securities premium received | - | - | 33.27 | - | - | 33.27 |
| **As at June 30, 2025** | **-** | **114.62** | **2,982.56** | **(2,597.66)** | **2.24** | **501.76** |

* The Company has not transferred the amount from retained earnings to statutory reserves for the period ended June 30, 2026 and June 30, 2025 as the same is transferred at the year end.

| | |
|---|---|
| Material accounting policy information | 3 |
| Notes to the special purpose interim financial statements | 1 to 32 |

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

As per our report of even date attached

**For S.R. Dinodia & Co. LLP**
*Chartered Accountants*
Firm Registration Number: 001478N/N500005

**Sandeep Dinodia**
*Partner*
Membership No: 083689

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

**K Gopala Desikan**
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DIN: 00067107

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DIN: 00058990

**Vivek Singh**
*Chief Executive Officer*

**Anirban Majumder**
*Chief Financial Office*

**Neha Gupta**
*Company Secretary*
M.No. A28625

Place:
Date: - 5 AUG 2026

# Home Credit India Finance Private Limited

## Special Purpose Interim Statement of Cash Flows for the period ended June 30, 2026

**(All amounts are in ₹ crores, except share data and unless otherwise stated)**

| Particulars | | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|---|
| A. | **Cash flow from operating activities** | | |
| | **Profit before taxes** | 121.86 | 20.53 |
| | *Add/(less) adjustments:* | | |
| | Depreciation and amortisation expense | 26.32 | 16.54 |
| | Impairment on financial instruments (including write-offs) | 195.46 | 222.38 |
| | Interest expense on leases | 1.04 | 0.86 |
| | Amortisation of deferred finance cost | 0.12 | 0.14 |
| | Liabilities written back | (0.14) | (0.14) |
| | Interest on income tax refund | - | (0.44) |
| | Loss/(Profit) on sale of property, plant and equipment (net) | - | (0.81) |
| | Gain on lease modification | (0.01) | (0.04) |
| | Interest Income on security deposits | (0.36) | (0.43) |
| | **Operating profit before working capital changes** | **344.29** | **258.59** |
| | **Working Capital Adjustments:** | | |
| | (Increase) in loans | (797.86) | (385.46) |
| | (Increase)/ Decrease in trade receivables | (19.40) | 0.99 |
| | Increase in trade payables | 3.90 | 30.16 |
| | Decrease in other financial assets | 20.24 | 3.69 |
| | Increase in other financial liabilities | 5.97 | 2.20 |
| | Increase/(Decrease) in provisions | (18.99) | 24.34 |
| | Increase/(Decrease) in other non-financial liabilities | 0.37 | (1.31) |
| | (Increase)/Decrease in other non-financial assets | 15.22 | (0.83) |
| | Decrease in bank balance other than cash and cash equivalents | - | 25.91 |
| | **Cash (used in)/ generated from operations before taxes** | **(446.26)** | **(41.72)** |
| | Income taxes paid (net of refunds) | (27.21) | 1.27 |
| | **Net cash (used in)/generated from operating activities (A)** | **(473.47)** | **(40.45)** |
| B. | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment, Capital work-in-progress, other intangible assets and intangible assets under development | (8.78) | (15.50) |
| | Proceeds from sale of property, plant and equipment | - | 0.81 |
| | **Net cash (used in)/ generated from investing activities (B)** | **(8.78)** | **(14.69)** |
| C. | **Cash flow from financing activities** | | |
| | Debt securities issued | 147.51 | - |
| | Borrowings other than debt securities taken | 1,294.74 | 357.79 |
| | Borrowings other than debt securities repaid | (496.41) | (517.96) |
| | Proceeds from issue of share capital (including securities premium) | 10.00 | 150.00 |
| | Share application money received pending allotment | 202.23 | - |
| | Repayment of lease liabilities | (5.04) | (5.61) |
| | **Net cash (used in) / generated from financing activities (C)** | **1,153.03** | **(15.78)** |
| D. | **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **670.78** | **(70.92)** |
| | Cash and cash equivalents at the beginning of the period in the statement of cash flows | 685.81 | 369.85 |
| | Cash and cash equivalents at the end of the period in the statement of cash flows | **1,356.59** | **298.93** |

Home Credit India Finance Private Limited HOME CREDIT Haryana

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

# Home Credit India Finance Private Limited

## Special Purpose Interim Statement of Cash Flows for the period ended June 30, 2026

**(All amounts are in ₹ crores, except share data and unless otherwise stated)**

| Particulars | As at June 30, 2026 | As at June 30, 2025 |
|---|---|---|
| **Components of cash and cash equivalents in the statement of cash flows** | | |
| **Cash and cash equivalents (refer note 4)** | | |
| Cash in hand | - | 0.00 |
| Balances with banks | | |
| - In current accounts | 641.59 | 298.93 |
| - Deposits with banks (original maturity of three months or less) | 715.00 | - |
| | 1,356.59 | 298.93 |

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

As per our report of even date attached

**For S.R. Dinodia & Co. LLP**
*Chartered Accountants*
Firm Registration Number: 001478N/N500005

**Sandeep Dinodia**
*Partner*
Membership No: 083689

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

**K Gopala Desikan**
*Director*
DIN: 00067107

**Kunnawalkam Elayavalli Ranganathan**
*Director*
DIN: 00058990

Place:
Date: - 5 AUG 2026

**Vivek Singh**
Chief Executive Officer

**Anirban Majumder**
*Chief Financial Officer*

**Neha Gupta**
*Company Secretary*
M.No. A28625

## 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 Special Purpose Interim Financial Statements ('Financial Statements') for the period ended June 30, 2026 have been prepared by the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard - 34 ("Ind AS - 34"), "Interim Financial Reporting" notified under Section 133 of the Companies Act, 2013 (the 'Act') as amended, read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, and notes to the Special Purpose Interim Financial Statements have been disclosed in accordance with the Company's reporting requirements. The special purpose interim financial statements have been approved by the Board of Directors in their meeting held on August 5, 2026.

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.

These special purpose interim financial statements have been prepared in relation to the proposed restructuring within the group, and the Balance Sheet, the Statement of Change in Equity, the Statement of Profit and Loss and the explanatory notes 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, as required for this purpose. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The comparative figures for the period ended June 30, 2025 have been reviewed by the auditors.

### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹, INR, Rs. or Rupees), 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.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Home Credit India Finance Private Limited HOME CREDIT Haryana

***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.

*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.

*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.

*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:

- 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

Home Credit India Finance Private Limited HOME CREDIT Haryana

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

- 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.

*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.

*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.

*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.

**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).

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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.

## 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:

- 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 FVTOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI 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 FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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***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.

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.

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*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 FVTOCI*

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 FVTOCI*

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 the event of default by a borrower that continues beyond the specified period, the Company initiates recovery proceedings in accordance with the terms of the applicable loan agreements, its internal policies and applicable laws. Such recovery proceedings may include obtaining interim reliefs or restraining/ protective orders from the Court of competent jurisdiction or Arbitral Tribunals, as the case may be, taking repossession of or seeking attachment of or enforcing secured assets, and disposal of such assets through sale, auction or other permissible means for recovery of the outstanding dues. Upon repossession, attachment or enforcement of security interest over the secured asset, the Company may undertake valuation and other procedures as required under applicable laws and its internal policies prior to disposal of such secured asset. Sale proceeds realized from disposal of such assets are appropriated against the borrower's outstanding dues in accordance with the Company's internal appropriation logic/policy. Any surplus amounts are refunded to the borrower, while recovery proceedings continue for any shortfall amounts.

The Company generally does not use such repossessed or attached assets for its internal operations. As a result of this practice, such assets are not recorded on the balance sheet as it does not meet the recognition criteria in applicable accounting standards and consequently the company also does not de-recognise 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.

*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.

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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 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 FVTOCI, 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 (720 days in case of Loan Against Property). 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.

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### 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.

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 |
| 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 period 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 of 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

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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 and trademark, are amortised over the estimated useful life of 3 years and 4 years, respectively, 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 period 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

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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.

*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 and is netted off from Impairment on financial instruments, 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

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Government securities as at the Balance Sheet date, having maturity period approximating to the terms of related obligations.

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:

In respect of Fixed Term Contract (FTC) employees, gratuity has been contractually provided as part of the total Cost to Company (CTC). Accordingly, gratuity is accrued and payable for the actual period of service completed under the contract, including contracts of one year or more, subject to the terms of employment and applicable law.

*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 periods 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 period in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the period and any adjustment to the tax payable in respect of previous periods. 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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*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

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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.
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.

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### 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 period. 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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| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **4 Cash and cash equivalents** | | |
| Balances with banks | | |
| - in current accounts | 641.59 | 185.81 |
| - Deposits with banks (original maturity of three months or less) | 715.00 | 500.00 |
| | **1,356.59** | **685.81** |

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **5 Bank balance other than cash and cash equivalents** | | |
| Fixed deposit with banks | 28.41 | 13.85 |
| Other bank deposits (refer notes below) | 0.18 | 14.74 |
| | **28.59** | **28.59** |
| Less : Impairment loss allowance | 0.27 | 0.27 |
| | **28.32** | **28.32** |

Notes:
(i) ₹ 0.02 crores (March 31, 2026: ₹ 0.02 crores ) fixed deposit included on which lien marked with banks for registration with VAT authorities.
(ii) ₹ 0.16 crores (March 31, 2026: ₹ 0.16 crores) fixed deposit included on which lien marked against overdraft.
(iv) Nil (March 31, 2026: ₹ 14.56 crores) fixed deposit include on which lien marked against securitisation transactions.

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **6 Trade receivables** | | |
| Trade receivables (unsecured) considered good | 34.20 | 20.85 |
| Less: Impairment loss allowance | 5.13 | 3.13 |
| **Sub-total - (A)** | **29.07** | **17.72** |
| Trade receivables (unsecured) which have significant increase in credit risk | - | - |
| Less: Impairment loss allowance | - | - |
| **Sub-total - (B)** | **-** | **-** |
| Trade receivables (unsecured) - credit impaired | 1.29 | 1.29 |
| Less: Impairment loss allowance | 1.29 | 1.29 |
| **Sub-total - (C)** | **-** | **-** |
| Unbilled revenue | 19.07 | 13.03 |
| Less: Impairment loss allowance | 2.93 | 2.02 |
| **Sub-total - (D)** | **16.14** | **11.01** |
| **Total (A+B+C+D)** | **45.21** | **28.73** |

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| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **7 Loans** | | |
| **(A) Loans at Amortised cost** | | |
| **Term loans** | | |
| (i) Personal loans | 4,329.80 | 4,252.23 |
| (ii) Consumer durable loans | 2,550.20 | 2,116.16 |
| (iii) Two wheeler loans | 227.47 | 106.50 |
| (iv) Loan against property | 39.09 | 8.10 |
| **Total (A) - Gross** | **7,146.56** | **6,482.99** |
| Less: impairment loss allowance | 523.04 | 490.62 |
| Less: unamortised income & expenses | 167.12 | 141.50 |
| **Total (A) - Net** | **6,456.40** | **5,850.87** |
| **(B) Secured/ Unsecured** | | |
| (i) Secured by tangible assets | 266.56 | 114.60 |
| (ii) Unsecured | 6,880.00 | 6,368.39 |
| **Total (B) - Gross** | **7,146.56** | **6,482.99** |
| Less: impairment loss allowance | 523.04 | 490.62 |
| Less: unamortised income & expenses | 167.12 | 141.50 |
| **Total (B) - Net** | **6,456.40** | **5,850.87** |
| **(C) Loans in India** | | |
| (i) Public sector | - | - |
| (ii) Others | 7,146.56 | 6,482.99 |
| **Total (C) - Gross** | **7,146.56** | **6,482.99** |
| Less: impairment loss allowance | 523.04 | 490.62 |
| Less: unamortised income & expenses | 167.12 | 141.50 |
| **Total (C) - Net** | **6,456.40** | **5,850.87** |

Note: Impairment Loss Allowance includes ₹ 20.44 crores (March 31, 2026: ₹ 17.93 crores) pertaining to provision on undrawn uncommitted credit limit.

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **8 Other financial assets** | | |
| Receivable from payment gateway providers | 13.48 | 14.18 |
| Security deposits | 13.20 | 12.10 |
| Receivables from channel partners | 1.55 | 1.42 |
| Recoverable from employees | 0.55 | 0.59 |
| Interest accrued but not due on fixed deposits | 3.11 | 2.43 |
| Other receivables* | 13.07 | 34.46 |
| | **44.96** | **65.18** |
| Less: Impairment loss allowance | 2.57 | 2.40 |
| | **42.39** | **62.78** |

* Includes assets amounting to ₹ 12.26 crores (March 31, 2026: ₹ 34.00 crores) provided against securitisation transaction.

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **9 Current tax assets** | | |
| **Current tax assets (net)** | | |
| Advance tax and deduction at source* [net of provision for tax (including interest) of ₹ 135.85 crores (March 31, 2026: ₹ 135.85 crores)] | 11.87 | 11.87 |
| | **11.87** | **11.87** |

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

| | | |
|---|---|---|
| **(b) Current tax liabilities (net)** | | |
| Current tax liabilities [Net of tax deduction at source and advance tax of ₹ 27.21 crores (March 31, 2026: Nil)] | 18.05 | - |
| | **18.05** | **-** |

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## 10 Deferred tax assets (net) and tax expense

### (a) Movement in deferred tax on temporary differences:

| | As at April 1, 2025 | Recognised in profit or loss during FY 2025-26 | Recognised in OCI during FY 2025-26 | As at March 31, 2026 | Recognised in profit or loss during the period ended June 30, 2026 | Recognised in OCI during the period ended June 30, 2026 | As at June 30, 2026 |
|---|---|---|---|---|---|---|---|
| **Deferred tax assets:** | | | | | | | |
| a) Provisions for employee benefits | 11.24 | (0.71) | 0.94 | 11.47 | 2.05 | - | 13.52 |
| b) Property, plant and equipment & Other intangible assets | 29.31 | 4.68 | - | 33.99 | 1.10 | - | 35.09 |
| c) Impairment loss allowance on loans | 104.36 | 13.88 | - | 118.24 | 10.07 | - | 128.31 |
| d) Effect of effective interest rate on interest income | 33.53 | 1.99 | - | 35.52 | 6.42 | - | 41.94 |
| e) Provision for incentives to customers | 13.34 | 16.68 | | 30.02 | (3.52) | | 26.50 |
| f) Other temporary differences | 30.11 | 3.36 | - | 33.47 | (1.82) | - | 31.65 |
| | **221.89** | **39.88** | **0.94** | **262.71** | **14.30** | **-** | **277.01** |
| **Deferred tax liabilities:** | | | | | | | |
| a) Other temporary differences | (8.66) | (1.41) | - | (10.07) | 0.33 | - | (9.74) |
| | **(8.66)** | **(1.41)** | **-** | **(10.07)** | **0.33** | **-** | **(9.74)** |
| **Net deferred tax assets/ (liabilities)** | **213.23** | **38.47** | **0.94** | **252.64** | **14.63** | **-** | **267.27** |

The Company has reassessed the deferred tax recognized as at June 30, 2026 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.

**Temporary differences getting consumed in next 5 years -** The company expects that the temporary differences like impairment loss allowance on loans, 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 period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| **(b) Amounts recognised in statement of profit and loss** | | |
| **Particulars** | | |
| **(i) Current tax** | | |
| Current year | 45.26 | 12.47 |
| Tax related to earlier years | - | - |
| **(ii) Deferred tax** | | |
| Attributable to- | | |
| Origination and reversal of temporary differences | (14.63) | (6.96) |
| **Tax expense recognised in Statement of profit and loss** | **30.63** | **5.51** |

**(c) Reconciliation of effective tax expense**

| **Particulars** | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| Profit before tax | 121.86 | 20.53 |
| **Total** | **121.86** | **20.53** |
| Tax using the company's domestic tax rate of 25.17% | 30.67 | 5.17 |
| **Effect of:** | | |
| Non-deductible expenses | (0.04) | 0.34 |
| **Effective tax expense** | **30.63** | **5.51** |

The applicable Indian corporate statutory tax rate for the period ended June 30, 2026 and year ended March 31, 2026 is 25.17%

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### 11 (a) Property, plant and equipment

| Particulars | Leasehold improvements | Land and building | Furniture and fixtures # | Computer and data processing units | Office equipments | Total |
|---|---|---|---|---|---|---|
| **Gross block** | | | | | | |
| As at April 01, 2025 | 62.53 | 0.22 | 3.24 | 160.74 | 20.76 | **247.49** |
| Additions | 1.87 | - | 1.30 | 15.15 | 0.91 | **19.23** |
| Disposals | - | - | (1.36) | (10.77) | (3.82) | **(15.95)** |
| **As at March 31, 2026** | **64.40** | **0.22** | **3.18** | **165.12** | **17.85** | **250.77** |
| As at April 01, 2026 | 64.40 | 0.22 | 3.18 | 165.12 | 17.85 | **250.77** |
| Additions | 0.16 | - | 0.06 | 4.90 | 0.10 | **5.22** |
| Disposals | - | - | - | - | - | **-** |
| **As at June 30, 2026** | **64.56** | **0.22** | **3.24** | **170.02** | **17.95** | **255.99** |
| **Accumulated depreciation** | | | | | | |
| As at April 01, 2025 | 62.53 | 0.05 | 2.76 | 133.46 | 20.76 | **219.56** |
| For the year | 0.30 | 0.01 | 0.51 | 11.38 | 0.04 | **12.24** |
| Disposals | - | - | (1.36) | (10.75) | (3.82) | **(15.93)** |
| **As at March 31, 2026** | **62.83** | **0.06** | **1.91** | **134.09** | **16.98** | **215.87** |
| As at April 01, 2026 | 62.83 | 0.06 | 1.91 | 134.09 | 16.98 | **215.87** |
| For the period | 0.21 | 0.00 | 0.04 | 3.67 | 0.05 | **3.97** |
| Disposals | - | - | - | - | - | **-** |
| **As at June 30, 2026** | **63.04** | **0.06** | **1.95** | **137.76** | **17.03** | **219.84** |
| **Net block** | | | | | | |
| **As at March 31, 2026** | **1.57** | **0.16** | **1.27** | **31.03** | **0.87** | **34.90** |
| **As at June 30, 2026** | **1.52** | **0.16** | **1.29** | **32.26** | **0.92** | **36.15** |

#During the previous year, the Company has revised the expected useful life of Furniture and Fixtures which has resulted in decrease in previous year's depreciation expense by INR 0.15 Crores.

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **11 (b) Capital work-in-progress** | 1.99 | - |

**Movement of Capital work-in-progress**

| Particulars | June 30, 2026 | March 31, 2026 |
|---|---|---|
| Opening Balance | - | - |
| Additions during the period / year | 1.99 | - |
| Capitalised during the period / year | - | - |
| **Closing Balance** | **1.99** | **-** |

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## 12 Right-of-use assets

| Particulars | Leasehold Buildings | Vehicles | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at April 01, 2025** | 76.15 | 3.61 | 79.76 |
| Additions | 27.38 | 0.95 | 28.33 |
| Disposals | (36.98) | (1.99) | (38.97) |
| **As at March 31, 2026** | **66.55** | **2.57** | **69.12** |
| **As at April 01, 2026** | 66.55 | 2.57 | 69.12 |
| Additions | 2.96 | 0.62 | 3.58 |
| Disposals | - | (0.18) | (0.18) |
| **As at June 30, 2026** | **69.51** | **3.01** | **72.52** |
| **Accumulated depreciation** | | | |
| **As at April 01, 2025** | 45.90 | 1.81 | 47.71 |
| For the year | 18.02 | 0.91 | 18.93 |
| Disposals | (35.81) | (1.73) | (37.54) |
| **As at March 31, 2026** | **28.11** | **0.99** | **29.10** |
| **As at April 01, 2026** | 28.11 | 0.99 | 29.10 |
| For the period | 4.60 | 0.22 | 4.82 |
| Disposals | - | (0.09) | (0.09) |
| **As at June 30, 2026** | **32.71** | **1.12** | **33.83** |
| **Net block** | | | |
| **As at March 31, 2026** | **38.44** | **1.58** | **40.02** |
| **As at June 30, 2026** | **36.80** | **1.89** | **38.69** |

## 13 Other intangible assets

**Movement of Intangible assets under development:**

| Particulars | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Opening Balance | - | 13.02 |
| Additions during the period / year | 3.52 | 36.42 |
| Capitalised during the period / year | (3.52) | (49.44) |
| **Closing Balance** | - | - |

| Particulars | Software | Trademark | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at April 01, 2025** | 376.52 | 36.14 | **412.66** |
| Additions | 49.44 | - | **49.44** |
| Disposals | - | - | - |
| **As at March 31, 2026** | **425.96** | **36.14** | **462.10** |
| **As at April 01, 2026** | 425.96 | 36.14 | **462.10** |
| Additions | 3.52 | - | **3.52** |
| Disposals | - | - | - |
| **As at June 30, 2026** | **429.48** | **36.14** | **465.62** |
| **Accumulated amortisation** | | | |
| **As at April 01, 2025** | 314.55 | 1.46 | **316.01** |
| For the year# | 90.11 | 9.03 | **99.14** |
| Disposals | - | - | - |
| **As at March 31, 2026** | **404.66** | **10.49** | **415.15** |
| **As at April 01, 2026** | 404.66 | 10.49 | 415.15 |
| For the period | 15.28 | 2.25 | 17.53 |
| Disposals | - | - | - |
| **As at June 30, 2026** | **419.94** | **12.74** | **432.68** |
| **Net block** | | | |
| **As at March 31, 2026** | **21.30** | **25.65** | **46.95** |
| **As at June 30, 2026** | **9.54** | **23.40** | **32.94** |

#During the previous year, the Company has revised the expected useful life of certain intangible assets which has resulted in increase in previous year's amortisation expense by INR 62.18 Crores.

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| | | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|---|
| 14 | **Other non-financial assets** | | |
| | Balance with tax authorities | 7.79 | 11.68 |
| | Advances to employees | 0.17 | 0.11 |
| | Prepaid expenses | 38.98 | 49.20 |
| | Advance paid to suppliers | 2.31 | 3.50 |
| | | **49.25** | **64.49** |

| | | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|---|
| 15 | **Payables** | | |
| (I) | **Trade payables** | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 19.99 | 19.00 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 126.21 | 123.30 |
| (II) | **Other payables** | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 1.05 | 0.98 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1.88 | - |
| | | **149.13** | **143.28** |

| | | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|---|
| 16 | **Debt securities** | | |
| | **At Amortised cost (in India)** | | |
| | **Unsecured** | | |
| | Commercial papers | 149.35 | - |
| | | **149.35** | **-** |

| | | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|---|
| 17 | **Borrowings (other than debt securities)** | | |
| | **At Amortised cost** | | |
| | **Secured** | | |
| | Term loans | | |
| | - From banks | 4,513.64 | 3,858.84 |
| | Associated liabilities in respect of securitization transaction | - | 34.90 |
| | **Unsecured** | | |
| | Loans repayable on demand | | |
| | - Working capital demand loans from banks | 200.00 | - |
| | **Total** | **4,713.64** | **3,893.74** |
| | Borrowings (other than debt securities) in India | 4,713.64 | 3,893.74 |
| | Borrowings (other than debt securities) outside India | - | - |
| | **Total** | **4,713.64** | **3,893.74** |

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| 18 Lease Liabilities | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Lease liabilities | 39.90 | 40.75 |
| | 39.90 | 40.75 |

| 19 Other financial liabilities | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Interest accrued but not due on borrowings | 0.70 | 1.26 |
| Employee benefits payable | 4.29 | 2.62 |
| Payable towards securitisation / assignment transactions | 3.11 | 24.85 |
| Loans pending disbursement | 4.96 | 4.75 |
| Other payables | 99.14 | 96.18 |
| | 112.20 | 129.66 |

| 20 Provisions | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Provision for employee benefits | | |
| Provision for gratuity | 25.51 | 22.73 |
| Provision for compensated absences | 12.40 | 11.56 |
| Provision for bonus | 13.55 | 33.77 |
| Provision for incentives to customers | 105.29 | 119.28 |
| Provision for contingent liabilities (taxes) | 36.68 | 25.10 |
| Others | 1.32 | 1.30 |
| | 194.75 | 213.74 |

| 21 Other non-financial liabilities | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Statutory dues payable | 31.70 | 31.54 |
| Other liabilities | 0.54 | 0.32 |
| | 32.24 | 31.86 |

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22(a) **Equity share capital**

| Particulars | As at June 30, 2026 | | As at March 31, 2026 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Authorised:** | | | | |
| Equity shares of ₹ 10 each | 2,100,000,000 | 2,100.00 | 2,100,000,000 | 2,100.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of ₹ 10 each | 1,620,329,038 | 1,620.33 | 1,615,979,321 | 1,615.98 |

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

| Particulars | For the period ended June 30, 2026 | | For the year ended March 31, 2026 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Equity shares of ₹ 10 each** | | | | |
| Opening balance | 1,615,979,321 | 1,615.98 | 1,131,805,789 | 1,131.81 |
| Issued during the period/ year (fully paid up) | 4,349,717 | 4.35 | 484,173,532 | 484.17 |
| **Outstanding at the end of the period/ year** | **1,620,329,038** | **1,620.33** | **1,615,979,321** | **1,615.98** |

b) Terms/ rights, preference and restrictions attached to equity shares: The company has only one class of equity shares having a par value of ₹ 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 June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| **Equity shares of ₹ 10 each** | | |
| 1,29,90,90,066 (March 31, 2026: 1,29,90,90,066) shares held by TVS Holdings Limited | 1,299.09 | 1,299.09 |
| Percentage of holding (%) | 80.17% | 80.39% |

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

| Name of shareholder | Number of shares | % of shareholding |
|---|---|---|
| **As at June 30, 2026** | | |
| TVS Holdings Limited, the holding company | 1,299,090,066 | 80.17% |
| PI Opportunities Fund-II | 172,956,166 | 10.67% |
| STPL Trading and Services Private Limited | 130,883,937 | 8.08% |
| **Total** | **1,602,930,169** | **98.92%** |
| **As at March 31, 2026** | | |
| TVS Holdings Limited, the holding company | 1,299,090,066 | 80.39% |
| PI Opportunities Fund-II | 172,956,166 | 10.70% |
| STPL Trading and Services Private Limited | 130,883,937 | 8.10% |
| **Total** | **1,602,930,169** | **99.19%** |

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

**As at June 30, 2026**

| Particulars | Shares held by promoters at the beginning of the period | | Shares held by promoters at the end of the period | | % change during the period |
|---|---|---|---|---|---|
| Promoter name | No of shares | % of total shares | No of shares | % of total shares | |
| TVS Holdings Limited, the holding company | 1,299,090,066 | 80.39% | 1,299,090,066 | 80.17% | -0.22% |
| STPL Trading and Services Private Limited | 130,883,937 | 8.10% | 130,883,937 | 8.08% | -0.02% |
| **Total** | **1,429,974,003** | **88.49%** | **1,429,974,003** | **88.25%** | **-0.24%** |

**As at March 31, 2026**

| 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 | |
| TVS Holdings Limited, the holding company | 917,268,691 | 81.04% | 1,299,090,066 | 80.39% | -0.65% |
| STPL Trading and Services Private Limited | 92,415,253 | 8.17% | 130,883,937 | 8.10% | -0.07% |
| **Total** | **1,009,683,944** | **89.21%** | **1,429,974,003** | **88.49%** | **-0.72%** |

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

g) During the year 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.

h) During the financial year ended March 31, 2025, the erstwhile shareholders have transferred their 100% shareholding in the company to the new shareholders, post receipt of approval from RBI vide letter dated November 29, 2024. In the said letter, the RBI has directed the acquiring company to ensure the consolidation of NBFCs in the resulting structure/group, within 30 months from the date of approval.

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**22 (b) Other equity**

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Statutory reserve (as per Section 45-IC of the RBI Act, 1934) | 141.07 | 141.07 |
| Securities premium | 3,410.40 | 3,404.75 |
| Retained earnings | (2,415.66) | (2,506.89) |
| Share application money received pending allotment | 202.23 | - |
| Other comprehensive income | (0.56) | (0.56) |
| | **1,337.48** | **1,038.37** |

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

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Opening balance | 141.07 | 114.62 |
| Add: Amount transferred during the period/ year | - | 26.45 |
| **Closing balance** | **141.07** | **141.07** |

**b) Securities premium**

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Opening balance | 3,404.75 | 2,949.29 |
| Add: Securities Premium received during the period/ year | 5.65 | 455.83 |
| Less: Share issue expenses | - | (0.37) |
| **Closing balance** | **3,410.40** | **3,404.75** |

**c) Retained earnings**

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Opening balance | (2,506.89) | (2,612.68) |
| Add: Profit/ (loss) for the period/ year | 91.23 | 132.24 |
| Less: Transfer to statutory reserve | - | (26.45) |
| **Closing balance** | **(2,415.66)** | **(2,506.89)** |

**d) Share application money received pending allotment**

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Opening balance | - | - |
| Add: Share application money received pending allotment | 202.23 | - |
| Less: Shares issued | - | - |
| **Closing balance** | **202.23** | **-** |

**e) Other Comprehensive Income**

| | As at June 30, 2026 | As at March 31, 2026 |
|---|---|---|
| Opening balance | (0.56) | 2.24 |
| Add: Income/(Loss) for the period/ year | - | (2.80) |
| **Closing balance** | **(0.56)** | **(0.56)** |

**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 period'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, 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 years.

**Share application money received pending allotment**
Share application money received pending allotment is used to record the amounts received for issue of shares which are pending for allotment.

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### 23 Interest income

| | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| **At Amortised cost** | | |
| Interest on loans* | 498.48 | 412.19 |
| Interest on bank deposits# | 4.73 | 1.02 |
| | **503.21** | **413.21** |

* Includes subvention income of ₹ 77.91 crores (June 30, 2025: ₹ 49.50 crores).
\# Includes interest on deposits held in the name of third party as provided against securitisation transactions.

### 24 Fees and commission income

| | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| Service fees | 81.18 | 61.41 |
| Sales commission | 27.88 | 17.50 |
| | **109.06** | **78.91** |

### 25 Net gain on fair value changes

| | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| **Net gain/ (loss) on financial instruments at fair value through profit or loss** | | |
| - Mutual Funds | 7.43 | 1.34 |
| | **7.43** | **1.34** |

### 26 Other income

| | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| Profit on sale of property, plant and equipment (net) | - | 0.81 |
| Gain on foreign currency transactions | 0.29 | - |
| Gain on lease modification | 0.01 | 0.04 |
| Miscellaneous income | 0.51 | 1.15 |
| | **0.81** | **2.00** |

### 27 Finance costs

| | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| **Interest expenses on financial liabilities measured at amortised cost** | | |
| Interest on borrowings (other than debt securities) | 78.29 | 88.69 |
| Interest on debt securities | 1.85 | - |
| Interest expense on leases | 1.04 | 0.86 |
| Other borrowing costs | 0.09 | 1.44 |
| | **81.27** | **90.99** |

### 28 Impairment on financial instruments

| | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| **On financial instruments measured at amortized cost** | | |
| Impairment loss allowance on loans (refer note 1 below) | 32.83 | 7.43 |
| Loss on settlement and loan closure | 12.16 | 13.86 |
| Bad debts written off (refer note 2 below) | 147.34 | 202.07 |
| Impairment loss allowance on other financial assets | 3.08 | (1.11) |
| Other financial assets written off | 0.05 | 0.13 |
| **Sub total** | **195.46** | **222.38** |
| Bad debts (recovered) | (52.32) | (48.49) |
| | **143.14** | **173.89** |

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**Notes:**

1) Impairment loss allowance on stage 3 income amounting to ₹ (0.41) crores (June 30, 2025: ₹ (0.39) crores) netted off with interest income.
2) The contractual amount outstanding of financial assets written off over the periods including ₹ 147.34 crores for the period ended June 30, 2026 (June 30, 2025: ₹ 202.07 crores) are subject to enforcement activity.

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| 29 Employee benefits expenses | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| Salaries and wages | 125.59 | 72.52 |
| Contribution to provident and other funds | 8.25 | 3.63 |
| Gratuity | 3.19 | 1.46 |
| Compensated absences | 2.44 | 1.12 |
| Staff welfare | 3.44 | 1.25 |
| | **142.91** | **79.98** |

| 30 Depreciation and amortization expenses | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| Depreciation on property, plant and equipment | 3.97 | 2.68 |
| Depreciation on right-of-use assets | 4.82 | 4.92 |
| Amortization of other intangible assets | 17.53 | 8.94 |
| | **26.32** | **16.54** |

| 31 Other expenses | For the period ended June 30, 2026 | For the period ended June 30, 2025 |
|---|---|---|
| Information technology maintenance fees | 37.38 | 46.08 |
| Rent | 0.46 | 0.57 |
| Travelling and accommodation | 1.26 | 0.91 |
| Incentive | 1.45 | 1.52 |
| Repairs and maintenance | 3.68 | 5.11 |
| Communication | 10.79 | 5.55 |
| Management service fees | 0.45 | 2.11 |
| Legal and professional | 40.50 | 43.99 |
| Electricity and water | 1.36 | 1.43 |
| Rates and taxes | 1.97 | (0.30) |
| Corporate social responsibility (CSR) expenditure | 0.67 | 0.56 |
| Business promotion | 1.50 | 1.93 |
| Recruitment expenses | 0.59 | 0.14 |
| Payment processing and account maintenance | 2.53 | 2.89 |
| Printing and stationery | 0.02 | 0.03 |
| Insurance | 0.09 | 0.16 |
| Loss on foreign currency transactions (net) | - | 0.28 |
| Miscellaneous | 0.31 | 0.57 |
| | **105.01** | **113.53** |

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**32 Contingent liabilities**

(a) The pending tax litigations comprises claims against the company pertaining to proceedings pending with tax authorities amounting to ₹ 10.20 crores (March 31, 2026: ₹ 10.20 crores).

(b) The suits filed & legal notices against company in the ordinary course of business as on June 30, 2026 amounting ₹ 2.82 crores (March 31, 2026: ₹ 2.79 crores.)

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.

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

**K Gopala Desikan**
*Director*
DIN: 00067107

**Kunnawalkam Elayavalli Ranganathan**
*Director*
DIN: 00058990

Home Credit India Finance Private Limited HOME CREDIT Haryana

**Vivek Singh**
*Chief Executive Officer*

**Anirban Majumder**
*Chief Financial Officer*

**Neha Gupta**
*Company Secretary*
M.No. A28625

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