A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

F-7, Lajpat Nagar-III, New Delhi-110024

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
KRAZYBEE SERVICES PRIVATE LIMITED

Report on the audit of the Financial Results

Opinion

1. We have audited the accompanying quarterly financial results of **KrazyBee Services Private Limited** (the company) for the quarter ended on March 31, 2024 and the year to date results for the period from April 01, 2023 to March 31, 2024 attached herewith, being submitted by the company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. In our opinion and to the best of our information and according to the explanations given to us, these financial results:

i. are presented in accordance with the requirements of Regulations in this regard; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended March 31, 2024 as well as the year to date results for the period from April 01, 2023 to March 31, 2024.

Basis for Opinion

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

Management's Responsibilities for the Financial Results

4. These quarterly financial results as well as the year to date financial results have been prepared on the basis of Annual Financial Statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement for the quarter and year ended March 31, 2024 that give a true and fair view of the net profit and comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under

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section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

6. The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the financial results 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 this financial results.

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

9. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty

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

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

10. Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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

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

Other Matters

13. The Statement includes the results for the Quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.

For ASC & Associates
Chartered Accountants
FRN: 011803N

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

CA Denesh Singh
Partner
Membership No.: 097345
UDIN: 24097345BKHGX14900

Place of Signature: New Delhi
Date: May 29, 2024

Statement of Assets and Liabilities

(Rs. in lakhs)

Sl. No.	Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
	ASSETS		
1	**Financial assets**		
(a)	Cash and cash equivalents	21,510.17	28,194.14
(b)	Bank balance other than (a) above	7,347.26	4,844.87
(c)	Trade receivables	416.27	2,666.40
(d)	Loans	4,56,693.19	2,31,831.62
(e)	Investments	-	13,193.16
(f)	Other financial assets	5,307.66	6,023.68
		4,91,274.55	2,86,753.87
2	**Non-financial assets**		
(a)	Current tax assets (net)	994.20	1,351.38
(b)	Deferred tax Assets (Net)	6,962.89	2,417.75
(c)	Property, plant and equipment	318.08	73.68
(d)	Right of use assets	1,637.24	319.84
(e)	Intangible assets under development	51.07	-
(f)	Other intangible assets	9.85	4.78
(g)	Other non-financial assets	2,845.22	1,801.42
		12,818.55	5,968.85
	Total assets	5,04,093.10	2,92,722.72
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
(a)	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	1,401.67	195.42
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11,446.55	1,884.21
(b)	Debt securities	1,20,184.10	72,050.90
(c)	Borrowings (other than debt securities)	1,53,787.36	57,308.37
(d)	Other financial liabilities	7,720.12	662.66
		2,94,539.80	1,32,101.56
2	**Non-financial liabilities**		
(a)	Provisions	776.43	236.72
(b)	Other non-financial liabilities	3,742.93	1,330.47
		4,519.36	1,567.19
3	**EQUITY**		
(a)	Equity share capital	112.73	111.79
(b)	Instruments entirely equity in nature	86,015.88	70,136.82
(c)	Other equity	1,18,905.33	88,805.36
		2,05,033.94	1,59,053.97
	Total Liabilities and Equity	5,04,093.10	2,92,722.72

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KRAZYBEE SERVICES PVT. LTD.

KRAZYBEE SERVICES PRIVATE LIMITED

CIN: U65100KA2016PTC086990

Registered office: 3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore - 560017

Tel. No. 080-41308395

Website: www.kbnbfc.in ; Email : reachus@kbnbfc.in

Audited Financial Results for the quarter and year ended March 31, 2024

(Rs. In lakhs)

Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2024 (Audited)	December 31, 2023 (Reviewed)	March 31, 2023 (Audited)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Revenue from operations					
	Interest income	39,879.32	33,973.27	18,600.41	1,22,583.41	47,774.98
	Fees and commission income	6,091.22	4,083.55	6,805.16	16,878.72	17,070.38
	Net gain on fair value changes	34.48	94.99	201.45	463.58	451.60
	Other operating income	-	-	-	-	6,403.83
	Total Revenue from operations	46,005.02	38,151.81	25,607.02	1,39,925.71	71,700.79
2	Other income	106.44	0.01	66.90	107.01	67.11
3	Total income (1 + 2)	46,111.46	38,151.82	25,673.92	1,40,032.72	71,767.90
	Expenses					
	Finance costs	7,593.04	6,514.56	4,333.42	23,510.14	16,454.64
	Fees and commission expense	2,597.53	2,051.70	7,934.97	11,107.50	14,652.80
	Impairment on financial instruments	15,682.20	9,722.44	5,470.16	43,188.23	24,853.22
	Employee benefits expenses	5,732.28	6,416.94	950.72	18,834.64	3,736.74
	Depreciation and amortization expense	140.94	90.74	47.81	364.67	165.15
	Other expenses	5,878.51	4,459.03	1,200.93	16,188.87	3,155.58
4	Total Expenses	37,624.50	29,255.41	19,938.01	1,13,194.05	63,018.13
5	Profit before tax for the period (3 - 4)	8,486.96	8,896.41	5,735.91	26,838.67	8,749.77
	Tax expense:					
	(1) Current tax	3,899.68	2,795.13	117.48	11,229.53	2,247.31
	(2) Deferred tax	(1,738.58)	(664.47)	1,339.17	(4,544.64)	(89.74)
	(3) Tax for earlier years	(0.00)	117.96	0.00	117.96	83.35
6	Total tax expense	2,161.10	2,248.62	1,456.65	6,802.85	2,240.92
7	Profit after tax for the period (5 - 6)	6,325.86	6,647.79	4,279.26	20,035.82	6,508.85
8	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	(17.04)	5.03	(35.68)	(1.96)	(18.77)
	(i) Income tax relating to items that will not be reclassified to profit or loss	4.29	(1.27)	8.98	0.49	4.72
	Total other comprehensive income/(loss), net of tax	(12.75)	3.76	(26.70)	(1.47)	(14.05)
9	Total comprehensive income for the period/year (7 + 8)	6,313.11	6,651.55	4,252.56	20,034.35	6,494.80
10	Earnings per share (not annualised) [face value of Rs.10 each]					
	Basic (Rs.)	561.14	592.86	380.81	1,787.12	579.22
	Diluted (Rs.)	415.77	439.97	291.33	1,325.21	532.55

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KRAZYBEE SERVICES PVT. LTD.

Statement of Cash Flows

(Rs. In lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities:		
Profit before tax	**26,838.67**	**8,749.77**
Adjustments for:		
Interest income	(1,22,091.16)	(47,275.83)
Depreciation and amortization expense	364.67	165.15
Interest income from investments	(492.25)	(499.15)
Realised gain on sale of investments	(463.58)	(423.79)
Unrealised gain on sale of investments	-	(27.81)
Impairment on financial instruments	43,188.23	24,853.22
Share based payment expense	6,062.97	241.49
Finance cost	23,403.66	15,352.56
Interest income on security deposits	(11.30)	(5.83)
Interest on lease liability	106.48	37.09
Cash inflow from interest on loans	1,17,530.42	50,001.92
Cash outflow towards finance cost	(23,001.61)	(14,405.93)
Cash generated from operations before working capital changes	**71,435.20**	**36,762.86**
Working capital changes:		
Decrease in bank balances other than cash and cash equivalents	-	35.91
(Increase) in loans	(2,62,282.92)	(1,47,951.83)
Decrease in trade receivables	2,250.13	6,874.15
Decrease / (Increase) in other financial assets	727.32	(1,470.18)
(Increase) in other non-financial assets	(1,117.06)	(1,492.77)
Increase in trade payables	10,768.59	1,358.87
Increase in provisions	537.75	104.87
Increase in other financial liabilities	5,768.96	274.51
Increase in other non-financial liabilities	1,206.32	155.81
Cash (used in) operations	**(1,70,705.71)**	**(1,05,347.80)**
Income tax paid (net of refunds)	(10,990.31)	(3,828.48)
Net cash flows (used in) operating activities (A)	**(1,81,696.02)**	**(1,09,176.28)**
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	(384.19)	(41.46)
Sale of property, plant and equipment and intangible assets	0.21	0.81
Purchase of investment in mutual funds	(3,47,900.00)	(2,66,443.00)
Proceeds from liquidation of investment in mutual fund	3,61,556.73	2,59,899.42
Net investments in fixed deposits	(2,486.00)	(3,661.82)
Interest received on investments	475.86	463.24
Net cash flow (used in) investing activities (B)	**11,262.61**	**(9,782.81)**
Cash flow from financing activities:		
Issue of CCPS (including securities premium & net of share issue expenses)	20,974.17	92,390.85
Proceeds from issue of shares and security premium	2,263.04	-
Buy back of equity shares (including related income tax)	-	(724.11)
Debt securities issued	1,34,495.00	86,855.00
Debt securities issued repaid	(86,287.57)	(42,477.54)
Borrowings other than debt securities raised	4,24,591.07	1,68,701.24
Borrowings other than debt securities repaid	(3,28,588.36)	(1,65,036.14)
Dividends paid (including related income tax)	(3,354.56)	-
Repayment of lease liabilities	(343.35)	(172.19)
Net cash flow generated from financing activities (C)	**1,63,749.44**	**1,39,537.11**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(6,683.97)**	**20,578.02**
Cash and cash equivalents at the beginning of the period	28,194.14	7,616.12
Cash and cash equivalents at the end of the period*	**21,510.17**	**28,194.14**

*Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered & highly liquid bank balances.

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KRAZY BEE SERVICES PVT. LTD.

Notes:

1 The Company is a Non-deposit taking Systemically Important Non-banking Finance Company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from May 25, 2017 with Registration No. N-02.00281. The Company is engaged in the business of consumer lending. The business of the Company falls within a single primary segment viz., 'Financial Services' and hence, the disclosure requirement of Ind AS 108 - "Operating Segments" is not applicable.

2 The audited financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on May 29, 2024.

3 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

4 In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, an audit of the financial results for the year ended March 31, 2024 have been carried out by the Statutory Auditors of the Company.

5 Earnings per share for the quarters ended March 31, 2024, December 31, 2023 and March 31, 2023 have not been annualized.

6 Other equity includes Statutory Reserve as per Section 45-IC of the Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and capital redemption reserve.

7 The information pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure A.

8 During the Year ended March 31, 2024, the Company has issued 9,361 equity shares of face value Rs.10 each at an issue price of Rs. 24,175.13/- aggregating to Rs. 2,263.04 lakhs to Finnov Private Limited on a preferential allotment basis.

9 During the year, the Company has issued 88,217 Series D 0.001% Non-Cumulative Compulsorily Convertible Preference Shares aggregating to Rs. 21,326.57 lakhs on a private placement basis.

10 The Board of Directors at its meeting held on October 27, 2023, have declared an interim dividend of Rs. 300 per equity share and Rs. 0.18 per Compulsorily Convertible Preference Share (CCPS).

11 During the financial year 2023-24, Mr. Madhusudan Ekambaram & Mr. Karthikeyan Krishnaswamy were categorized as Non-Promoters of the Company pursuant to resolution passed by Board of Director at its meeting held on 09th February 2024 and resolution passed by Shareholders of the Company at the Extra-Ordinary General Meeting held on13th February 2024. The Company has made relevant filings with regulatory authorities.

12 All outstanding non-convertible debt securities (other than Market Linked Debentures) are secured by way of an exclusive charge on identified receivables of the Company with security cover ranging between 1.0 and 1.20 times of the outstanding amount on such securities at any point in time. For Market Linked Debentures, the security cover available is 1.1 times of the outstanding amount of such securities at any point in time. Disclosures pursuant to Regulation 54 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended from time to time) on security cover are given in Annexure I.

13 Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021 and as amended from time to time, the Company has listed its Commercial Papers on the Bombay Stock Exchange (BSE).

14 During the year ended March 31, 2024, the Company has securitized a part of its loan receivables.
(a) Disclosures pursuant to RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, dated September 24, 2021 (as amended from time to time) are as follows:

Count of loan accounts assigned (#)	13,558
Amount of loan accounts assigned (Rs in Crores)	188.71
Weighted Average maturity (in months)	15.96 to 17.78
Weighted Average holding period (in months)	6.28
Retention of beneficial economic interest (%)	20.00%
Coverage of tangible security	105% & 106%
Rating of the securitization transaction	CARE A+ (SO)

(b) The Company has neither acquired nor transferred any loans (not in default) through assignment.
(c) The Company has neither acquired nor transferred any stressed loans.
(d) 1 out of 3 transactions had a replenishment structure. For the first 6 months the loans of upto Rs. 6,023 lakhs will have to be replaced basis the collection from the consideration pool.

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KRAZYBEE SERVICES PVT. LTD

15 During the FY 2022-23, as a part of a industry wide investigation carried by an investigation agency ("Agency") on the digital lending applications and the financial-institutions lending on such applications, cash and bank balances of Rs. 3,305.31 lakhs and Rs. 1,606.53 lakhs of balances pending settlement from intermediaries of the Company have been frozen. The Company has fully cooperated with the Agency and based on the advice taken from a reputed law firm, the Company is confident that it has not violated any law. Further, as advised by the reputed law firm it has approached the High Court for getting the investigation closed and the amounts unblocked and has successfully received stay from the Hon'ble High Court of Telangana that no coercive action may be taken against the Company. Accordingly, as per the Management's assessment, no provisions are required to be created in the Financial Statements.

16 The Company has received a pre-show cause notice vide which tax liability cumulatively amounting to Rs. 7,565.32 lakhs has allegedly been ascertained with respect to applicability of Goods and Service Tax (GST) on "Deficiency Service Income" received by the Company. The Company has taken legal opinions from a reputed Senior Advocate and also an advice from a reputed Chartered Accountant firm expert on GST matters on the said matter. In each of the opinions, the Senior Advocate and the independent Chartered Accountant firm are of the view that GST is not required to be paid on the Deficiency Service Income booked by the Company. Accordingly, the Company has replied to the notice in Part B of Form GST DRC-01A and not admitted the liability. Subsequently, the Company received a Show Cause Notice against the response submitted by the Company. The Company is in the process of filing reply to the notice within the said timelines.

In light of the legal opinion received from the Senior Advocate, the views received from the Chartered Accountant firm, as per the Management's assessment, there is no need to create any provisions in the financial statement.

17 The impact of changes, if any, arising on enactment of the Code on Social Security, 2020 will be assessed by the Company after the effective date of the same and the rules thereunder are notified.

18 The figures for the last quarter of the current and previous Financial Year are the balancing figures between audited figures in respect of the full Financial Year and the publised year to date figures up to the end of the third quarter of the current and previous Financial Year which were subjected to limited review by Statutory Auditors.

19 Figures pertaining to the previous period have been rearranged/ regrouped, wherever considered necessary, to make them comparable with those of the current period.

For and on behalf of the Board of Directors

KRAZYBEE SERVICES PVT. LTD

Vivek Veda
Director
DIN: 07560229

Place: Bangalore
Date: May 29, 2024

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NEW DELHI
Chartered Accountants

Annexure A

Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended March 31, 2024 are as under:

Particulars	For the quarter ended March 31, 2024	For the year ended March 31, 2024
1. Debt-equity ratio	1.34	1.34
2. Outstanding redeemable preference shares	Nil	Nil
3. Capital redemption reserve (Rs. in Lakhs)*	0.59	0.59
4. Debenture redemption reserve*	Not Applicable	Not Applicable
5. Net worth (Rs. in Lakhs)	2,04,638.62	2,04,638.62
6. Net profit after tax (Rs. in Lakhs)	6,325.86	20,035.82
7. Earnings per share (not annualised) [face value of Rs.10 each]		
a) Basic (Rs.)	561.14	1,787.12
b) Diluted (Rs.)	415.77	1,325.21
8. Total debts to Total assets ratio	54.35%	54.35%
9. Net profit margin %	13.72%	14.31%
10. Sector specific equivalent ratios		
a) Gross Non-Performing Assets %	2.29%	2.29%
b) Net Non-Performing Assets %	0.66%	0.66%
c) Provision coverage ratio	71.72%	71.72%

*Debenture redemption reserve is not required to be maintained in respect of privately placed debentures in accordance with the Companies (Share Capital and Debenture) Rules, 2014. The Company has created Capital redemption reserve on buy back of equity shares from its Security premium reserve. The amount in Capital redemption reserve is equal to nominal amount of equity shares bought-back.

Note:

Debt service coverage ratio, interest service coverage ratio, current ratio, long term debt to working capital, bad debts to accounts receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin ratio are not relevant as the Company is engaged in financing activities.

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KRAZYBEE SERVICES PVT. LTD *

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

F-7, Lajpat Nagar-III, New Delhi-110024

Phones : 29835500-01, 41715991

ascassociates92@gmail.com

Independent Auditor's Report on Asset Cover as at March 31, 2024 under Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to the Stock Exchanges and Debenture Trustees (the "Debenture Trustees")

To

The Board of Directors

Krazybee Services Private Limited

1. This Report is issued in accordance with the terms of our engagement letter with Krazybee Services Private Limited ("the Company").

2. We ASC & Associates, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Asset Cover' for the listed non-convertible debt securities as at March 31, 2024 (the "Statement") which has been prepared by the Company from the audited financial results and other relevant records and documents maintained by the Company as at March 31, 2024 pursuant to the requirements of the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "SEBI Regulations"), and has been initialled by us for identification purpose only.

This Report is required by the Company for the purpose of submission with the Debenture Trustees of the Company and to BSE Limited ("Stock Exchange") to ensure compliance with the SEBI Regulations and SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 ("the circular") in respect of its listed non-convertible debt securities as at March 31, 2024 ("Debentures"). The Company has entered into agreement(s) with the Debenture Trustee ("Debenture Trust Deed") in respect of such Debentures, as indicated in the Statement.

Management Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular, SEBI Regulations, Companies Act, 2013 and other applicable laws and regulations, as applicable.

5. The Management is also responsible to ensure that Assets Cover Ratio as on March 31, 2024 is in compliance with SEBI circular no. SEBI/HO/MIRSD/MIRSD_ CRADT/CIR/P/2022/67 dated May 19, 2022 with the minimum asset cover requirement of hundred percent as per the SEBI Regulations as given in Annexure I attached to this certificate.

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Auditor's Responsibility

6. Our responsibility, for the purpose of this certificate is to verify the particulars contained in the Statement, on the basis of the reviewed financial statements and other relevant records and documents maintained by the Company and to certify asset cover ratio is minimum hundred percent as per the minimum requirement stated in SEBI Regulations.

7. We have audited the financial results for the quarter and year ended March 31, 2024, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated May 29, 2024. Our review of these financial results for the quarter and year ended March 31, 2024 was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI") respectively.

8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

10. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.

11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 6 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:

(a) Obtained and read the Debenture Trust Deed and the Information Memorandum in respect of the secured Debentures and noted the asset cover percentage required to be maintained by the Company in respect of such Debentures, as Indicated in Annexure I of the Statement;

(b) Traced and agreed the principal amount of the Debentures outstanding as on March 31, 2024 to the audited financial results of the Company audited books of account maintained by the Company as at March 31, 2024;

(c) Obtained and read the particulars of asset cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deed and the Information Memorandum;

(d) Traced the value of assets indicated in Annexure I of the Statement to the audited financial statements of the Company and audited books of account maintained by the Company as on March 31, 2024;

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(e) Obtained the list of security created in the register of charges maintained by the Company and Form No. CHG-9 filed with Ministry of Corporate Affairs. Traced the value of charge created against assets to the asset cover;

(f) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of asset cover in respect of the Debentures;

(g) Examined and verified that the Company has complied with all the covenants in respect of its Listed, Secured, Redeemable, Non-Convertible Debentures and Market Linked Debentures wherever applicable;

(h) Examined and verified the arithmetical accuracy of the computation of asset cover indicated in Annexure I of the Statement.

Conclusion

12. Based on the procedures performed by us, as referred to in paragraph 11 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the Company has not maintained hundred percent asset cover or asset cover as per the terms of the Information Memorandum and Debenture Trust deed.

Restriction on Use

13. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Stock Exchanges and Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this certificate for events and circumstances occurring after the date of this report.

For ASC & Associates
Chartered Accountants
Firm Registration No. 011863N

ASC & ASSOCIATES NEW DELHI Chartered Accountants

CA Denesh Singh
Partner
Membership No: 097345
UDIN: 24097345BKHGXJ2509
Date: May 29, 2024
Place: New Delhi

Annexure I

Rs. In Lakhs

Column A	Column B	Column C [i]	Column [Dii]	Column [Eiii]	Column F[iv]	Column G[v]	Column H[vi]	Column I [vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in column "F")		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+ N)
												Relating to Column F		
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment		-	-		-	-	318.08	-	318.08	-	-	-	-	-
Capital Work-in- Progress		-	-		-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-		-	-	1,637.24	-	1,637.24	-	-	-	-	-
Goodwill		-	-		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-		-	-	9.85	-	9.85	-	-	-	-	-
Intangible Assets under Development		-	-		-	-	51.07	-	51.07	-	-	-	-	-
Investments		-	-		-	-	-	-	-	-	-	-	-	-
Loans (Refer note 2 & 3)	Book debt receivables	70,701.28	1,84,815.34		-	-	2,26,844.52	-	4,82,361.14	-	70,701.28	-	-	70,701.28
Inventories		-	-		-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-		-	-	416.27	-	416.27	-	-	-	-	-
Cash and Cash Equivalents		-	-		-	-	21,510.17	-	21,510.17	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents (Refer note 1)		-	3,697.69		-	-	3,649.57	-	7,347.26	-	-	-	-	-
Others		-	-		-	-	16,109.97	-	16,109.97	-	-	-	-	-
Total		70,701.28	1,88,513.03		-	-	2,70,546.74	-	5,29,761.05	-	70,701.28	-	-	70,701.28
LIABILITIES														
Debt securities to which this certificate pertains	Non-convertible/Market linked debentures	62,937.42	-		-	-	-	-	62,937.42	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		-	-		-	-	-	-	-	-	-	-	-	-
Other Debt		-	-		-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-		-	-	-	-	-	-	-	-	-	-
Borrowings		-	74,010.17		-	-	-	-	74,010.17	-	-	-	-	-
Bank		-	43,065.86		-	-	19,459.39	-	62,525.25	-	-	-	-	-
Debt Securities		-	42,075.26		-	-	15,171.41	-	57,246.67	-	-	-	-	-
Others		-	-		-	-	-	-	-	-	-	-	-	-
Others (Securitization liabilities)			17,251.95		-	-	-	-	17,251.95	-	-	-	-	-
Trade payables		-	-		-	-	12,848.22	-	12,848.22	-	-	-	-	-
Lease Liabilities		-	-		-	-	1,627.10	-	1,627.10	-	-	-	-	-
Provisions		-	-		-	-	776.43	-	776.43	-	-	-	-	-
Others		-	-		-	-	9,835.95	-	9,835.95	-	-	-	-	-
Total		62,937.42	1,76,403.24	-	-	-	59,718.50	-	2,99,059.16	-	-	-	-	-
Cover on Book Value		1.12	1.07		0.00	0.00								
Cover on Market Value														
		Exclusive Security Cover Ratio	1.08		Pari-Passu Security Cover Ratio	0.00								

Notes:

1. Column H of "Bank Balances other than Cash and Cash Equivalents" includes assets of Rs. 2,671.48 lakhs which have been provided as security other than for borrowing/debt purposes of the Company.
2. The Company's receivable balance is a part of non-trading book where loans are in nature of held to maturity and created with the purpose of collecting principal and interest. Therefore company has considered the carrying value (before netting off impairment) for the purpose of this certificate.
3. Column H of "Loans" includes assets of Rs. 18,871.32 lakhs which have been securitized.
4. We confirm that the company has complied with the covenants mentioned in the disclosure documents of the Secured Redeemable Non-Convertible and Market linked debentures for the period ended March 31, 2024.

ASCO & ASSOCIATES Chartered Accountants NEW DELHI

MAHASEER SERVICES PVT. LTD.

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

F-7, Lajpat Nagar-III, New Delhi-110024

Phones : 29835500-01 , 41715991

ascassociates92@gmail.com

Independent Auditors' Report on the Ind AS Financial Statements

To the Members of KrazyBee Services Private Limited

Opinion

1. We have audited the accompanying Ind AS financial statements of KrazyBee Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statement").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at Mareb 31, 2023, its profit including other comprehensive income, its cash flows and the changes In equity for the year ended on that date.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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Key audit matters	How our audit addressed the key audit matter
Impairment of loans and advances to customers Charge: Rs 24,853.22 Lacs for the year ended March 31, 2023 Provision: Rs 9,842.69 Lacs at March 31, 2023	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instrument, allowance for loan loss is determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater level of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: a. Data inputs- The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. b. Model estimations- Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. c. Economic scenarios- Ind AS 109 requires the Company to measure ECLs on an unbiased forward- looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.	Our audit procedures included the following: a. Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance process. b. Assessed the design and implementation of controls in respect of the Company's impairment loss process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. c. Testing of review controls over measurement of impairment allowances and disclosures in financial statements. d. Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standard and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. e. Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied. f. Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. g. Model calculations testing through re-performance where possible. h. Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance on the

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Key audit matters	How our audit addressed the key audit matter
d. Qualitative adjustments- In the absence of time tested historical data for certain loan products, management has used surrogate industry estimates or derived inputs using regulatory guidance. Management believes that these estimates though address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.	financial statements are appropriate and sufficient.

Information other than the financial statements and auditors' report thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

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

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AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of direetors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibiiity for the Audit of the Ind AS Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

    From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

12. As required by section 143 (3) of the Act, we report that:

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

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

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

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

    (e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act;

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

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

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i. The Company does not have any pending litigations which would impact its financial position subject to Note no. 44 of financial statements;

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

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

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

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

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

v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **ASC & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 101863N

ASC & ASSOCIATES Chartered Accountants NEW DELHI

Denesh Singh
Partner
Membership Number: 097345
Place of Signature: New Delhi
Date: May 29, 2023
UDIN: 23097345BGZDPK1405

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)
F-7, Lajpat Nagar-III, New Delhi-110024
Phones : 29835500-01 , 41715991
ascassociates92@gmail.com

Annexure 1 referred to in paragraph 11 to the Audit report of KrazyBee Services Private limited on even date

Re: KrazyBee Services Private Limited ('the Company')

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

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year in accordance with the regular programme of verifying them in phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii)(a) The Company's principal business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(a) is not applicable.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

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(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) The company's principal business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods & service tax, cess, employees' state Insurance and other statutory dues applicable to it. The Company is regular in depositing with Provident fund except there are few cases in which company has not deposited the employee and employer provident fund as company is not able to generate the UAN of the employee. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, there are no dues of income-tax, goods & service tax, cess, provident fund and employees' state insurance which have not been deposited on account of any dispute. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) According to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has utilized the monies raised during the year by way of initial public offer / further public offer (including debt instruments) in the nature of Debentures for the purposes for which they were raised.

(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.

(xi)(a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) According to the information and explanations given by the management, the Company has not conducted any Non-banking financial activities without a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

ASC & ASSOCIATES NEW DELHI Chartered Accountants

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31(c) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31(c) to the financial statements.

(xxi) There is no subsidiary or associate of the Company, Accordingly, the requirement to report on clause 3(xxi) of the Order is not applieable to the Holding Company.

For **ASC & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 011863N

ASC & ASSOCIATES NEW DELHI Chartered Accountants

Denesh Singh
Partner
Membership Number: 097345
Place of Signature: New Delhi
Date: May 29, 2023
UDIN: 23097345BGZDPK1405

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

F-7, Lajpat Nagar-III, New Delhi-110024

Phones : 29835500-01 , 41715991

ascassociates92@gmail.com

Annexure '2' to the Independent Auditor's Report of even date on the Ind AS Financial Statements of KrazyBee Services Private Limited

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

1. We have audited the internal financial controls with reference to these Ind AS financial statements of KrazyBee Services Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

ASC & ASSOCIATES NEW DELHI Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

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

Opinion

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

For **ASC & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 011863N

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

Denesh Singh
Partner
Membership Number: 097345
Place of Signature: New Delhi
Date: May 29, 2023
UDIN: 23097345BGZDPK1405

KRAZYBEE SERVICES PRIVATE LIMITED

Balance Sheet

(All amounts are in Rs. Lakhs, unless otherwise stated)

S.No	Particulars	Note	As at March 31, 2023	As at March 31, 2022
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3(I)	28,179.96	7,616.12
(b)	Bank balance other than (a) above	3(II)	4,805.21	1,179.30
(c)	Trade receivables	4	2,666.40	9,540.55
(d)	Loans	5	2,31,831.62	1,11,496.77
(e)	Investments	6	13,193.16	6,197.98
(f)	Other financial assets	7	5,670.55	4,551.42
	Sub-Total - Financial Assets		2,86,346.90	1,40,582.14
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	8	1,351.38	654.45
(b)	Deferred tax assets (net)	9	2,417.75	2,323.29
(c)	Property, plant and equipment	10	73.68	60.35
(d)	Right of use asset		319.84	165.04
(e)	Intangible assets	11	4.78	2.75
(f)	Other non-financial assets	12	2,202.88	319.39
	Sub-Total - Non-Financial Assets		6,370.31	3,525.27
	Total assets		2,92,717.21	1,44,107.41
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Trade payables	13		
	(i) total outstanding dues of micro enterprises and small enterprises		195.42	40.70
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,884.21	680.06
(b)	Debt securities	14	66,114.94	26,799.76
(c)	Borrowings (other than debt securities)	15	63,244.33	53,570.33
(d)	Other financial liabilities	16	662.66	241.20
	Sub-Total - Financial Liabilities		1,32,101.56	81,332.05
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	17	-	800.89
(b)	Provisions	18	236.72	113.08
(c)	Other non-financial liabilities	19	1,324.96	1,210.45
	Sub-Total - Non-Financial Liabilities		1,561.68	2,124.42
(3)	**EQUITY**			
(a)	Equity share capital	20(a)	111.79	112.38
(b)	Instruments entirely equity in nature	20(b)	70,136.82	-
(c)	Other equity	21	88,805.36	60,538.56
	Sub-Total - Equity		1,59,053.97	60,650.94
	Total liabilities and equity		2,92,717.21	1,44,107.41

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

ASC & ASSOCIATES NEW DELHI Chartered Accountants

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2023

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2023

Karthikeyan **Krishnaswamy**
Director
DIN: 07449376
Place: Bengaluru
Date: May 29, 2023

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2023

UDIN: 23097345BGZDPK1405

KRAZYBEE SERVICES PRIVATE LIMITED

Statement of profit and loss

(All amounts are in Rs. Lakhs, unless otherwise stated)

S.No	Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from operations			
(i)	Interest income	22	47,774.98	17,500.34
(ii)	Fees and commission income	23	23,474.21	15,969.40
(iii)	Net gain/(loss) on fair value changes	24	451.60	189.71
1	**Total revenue from operations**		71,700.79	33,659.45
2	Other income	25	207.11	27.92
3	**Total income (1+2)**		71,907.90	33,687.37
	Expenses			
(i)	Finance costs	26	16,425.09	7,532.88
(ii)	Fees and commission expense	27	14,373.25	1,679.41
(iii)	Impairment on financial instruments	28	24,853.22	16,183.78
(iv)	Employee benefits expenses	29	3,680.02	2,562.77
(v)	Depreciation and amortization expense	30	165.15	267.43
(vi)	Other expenses	31	3,661.40	1,322.57
4	**Total expenses**		63,158.13	29,548.84
5	**Profit before tax (3-4)**		8,749.77	4,138.53
	Tax expense:	32		
	(1) Current tax		2,247.31	2,056.35
	(2) Deferred tax (credit) / charge		(89.74)	(859.67)
	(3) Tax in respect of earlier years		83.35	62.91
6	**Total tax expense**		2,240.92	1,259.59
7	**Profit for the year (5-6)**		6,508.85	2,878.94
8	**Other comprehensive income**			
	(i) Items that will net be reclassified to profit or loss		(18.77)	22.55
	Gain/(Loss) on remeasurement of defined benefit plans			
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.72	(5.68)
	Other comprehensive income		(14.05)	16.87
9	**Total comprehensive income for the year (7+8)**		6,494.80	2,895.81
10	**Earnings per equity share**			
	Basic (Rs.)		579.22	261.43
	Diluted (Rs.)		532.55	261.43

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2023

Madhusudan Ekamberam
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2023

Karthikeyan Krishnaswamy
Director
DIN: 07449376
Place: Bengaluru
Date: May 29, 2023

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2023

UDIN: 23097345BGZDPK1405

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of Cash Flows
(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities:		
Profit before tax	8,749.77	4,138.53
Adjustments for:		
Interest income	(47,275.83)	(17,196.23)
Depreciation and amortization expense	165.15	267.43
Interest income from investments	(499.15)	(304.11)
Net gain on sale of investments	(451.60)	(206.96)
Impairment on financial instruments	24,853.22	16,183.78
Share based payment expense	241.49	316.30
Finance cost	15,352.56	7,131.10
Unrealized foreign exchange loss	-	359.11
Interest income on security deposits	(5.83)	(7.44)
Interest on lease liability	37.09	42.67
Cash inflow from interest on loans	50,001.92	17,137.14
Cash outflow towards finance cost	(14,405.93)	(6,331.27)
Cash generated from operations before working capital changes	36,762.86	21,530.05
Working capital changes:		
(Increase) in loans	(1,47,951.82)	(62,809.89)
(Increase) / Decrease in trade receivables	6,874.15	(9,540.55)
(Increase) / Decrease in other financial assets	(1,063.21)	3,929.92
(Increase) in other non-financial assets	(1,896.09)	(255.21)
Increase / (Decrease) in trade payables	1,358.87	(868.92)
Increase in provisions	104.87	57.55
Increase in other financial liabilities	274.51	12.90
Increase in other non-financial liabilities	152.16	131.08
Cash (used in) operations	(1,05,383.70)	(47,813.07)
Income tax paid (net of refunds)	(3,828.48)	(2,031.16)
Net cash flows (used in) operating activities (A)	(1,09,212.18)	(49,844.23)
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	(40.66)	(2.99)
(Purchase) of mutual funds (net)	(6,543.58)	(2,479.77)
Net investments in fixed deposits	(3,625.91)	(807.58)
Interest received on investments	449.06	315.27
Net cash flow (used in) investing activities (B)	(9,761.09)	(2,975.07)
Cash flow from financing activities:		
Net proceeds from issue of CCPS	92,390.85	-
Buy back of equity shares (including related income tax)	(724.11)	-
Debt securities issued (net)	38,441.50	14,395.74
Borrowings other than debt securities raised (net)	9,601.06	21,548.43
Payment towards lease liabilities	(172.19)	(231.73)
Net cash flow generated from financing activities (C)	1,39,537.11	35,712.44
Net increase / (decrease) in cash and cash equivalents (A + B + C)	20,563.84	(17,106.86)
Cash and cash equivalents at the beginning of the year	7,616.12	24,722.98
Cash and cash equivalents at the end of the year*	28,179.96	7,616.12

**Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered & highly liquid bank balances.*

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

ASC & ASSOCIATES NEW DELHI Chartered Accountants

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2023

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2023

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Director
DIN: 07449376
Place: Bengaluru
Date: May 29, 2023

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2023

UDIN: 23097345BGIZDPK1405

KRAZYBEE SERVICES PRIVATE LIMITED

Statement of changes in equity

(All amounts are in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
(A) Equity share capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Balance at the beginning of the year	11,23,852	112.38	10,70,233	107.02
Add: Issued during the year	-	-	53,619	5.36
Less: Buyback of equity shares	5,899	0.59	-	-
Balance at the end of the year	11,17,953	111.79	11,23,852	112.38
(B) Instruments entirely equity in nature				
0.001% Non-cumulative Compulsorily Convertible Preference Shares (CCPS) of Rs. 18,000 each issued, subscribed and fully paid				
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year	3,89,649	70,136.82	-	-
Balance at the end of the year	3,89,649	70,136.82	-	-

(C) Other equity

For the year ended March 31, 2023

Particulars	Reserve and surplus				Other reserves	Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit liability	
Balance as at March 31, 2022	1,937.56	50,364.67	626.90	7,599.53	-	9.90	60,538.56
Profit for the year	-	-	-	6,508.85		-	6,508.85
Other comprehensive income (net of tax)	-	-	-	-	-	(14.05)	(14.05)
Total comprehensive income	1,937.56	50,364.67	626.90	14,108.38	-	(4.15)	67,033.36
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	1,301.77	-	-	(1,301.77)	-	-	-
Transfer to Capital Redemption reserve	-	(0.59)	-	-	0.59	-	-
Transactions with owners in their capacity as owners:							
Issue of CCPS, net of transaction cost	-	22,254.03	-	-	-	-	22,254.03
Buy back of equity shares*		(723.52)	-	-	-	-	(723.52)
Employee stock option expense	-	-	241.49	-	-	-	241.49
Balance as at March 31, 2023	3,239.33	71,894.59	868.39	12,806.61	0.59	(4.15)	88,805.36

Including tax on buy-back of Rs. 136.70 lakhs.

KRAZYBEE SERVICES PVT. LTD. Bangalore

ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of changes in equity
(All amounts are in Rs. Lakhs, unless otherwise stated)

For the year ended March 31, 2022

Particulars	Reserve and surplus				Other reserves	Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Capital Redemption	Remeasurement of defined benefit liability	
Balance as at March 31, 2021	1,361.77	46,681.04	310.60	5,296.38	-	(6.97)	53,642.82
Profit for the year	-	-	-	2,878.94		-	2,878.94
Other comprehensive income (net of tax)	-	-	-	-		16.87	16.87
Total comprehensive income	1,361.77	46,681.04	310.60	8,175.32	-	9.90	56,538.63
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	575.79	-	-	(575.79)		-	-
Transactions with owners in their capacity as owners:							
Premium on issue of shares	-	3,683.63	-	-		-	3,683.63
Employee stock option expense	-	-	316.30	-		-	316.30
Balance as at March 31, 2022	1,937.56	50,364.67	626.90	7,599.53	-	9.90	60,538.56

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

ASC & ASSOCIATES NEW DELHI Chartered Accountants

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2023
UDIN: 23097345BGZDPK1405

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2023

Karthikeyan **Krishnaswamy**
Director
DIN: 07449376
Place: Bengaluru
Date: May 29, 2023

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2023

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

1 General information

Krazybee Services Private Limited (the "Company") is a private limited company domiciled in India and was incorporated on March 16, 2016, under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at 3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore, Karnataka - 560017. The Company is a non-banking finance company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from May 25, 2017, with Registration No. N-02.00281. The Company is engaged in the business of consumer lending. The Company is a non-deposit taking NBFC and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), notification for implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 ('RBI notification for implementation of Ind AS') and other applicable RBI circulars/notifications.

The Company is regulated by the Reserve Bank of India ('RBI'). RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its Financial Statements.

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. Accounting policies have been consistently applied to all the years presented.

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on May 29, 2023.

(a) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
ii) Share based payment transactions

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 2.17 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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

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2.2 Property, plant and equipment (contd.)

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years

Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other income'/'Other expenses'.

Depreciation methods, useful lives end residual values are reviewed periodically at each financial year end and adjusted prospectively, as aporopriate.

2.3 Other intangible assets

intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer software	3 years

intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization perind and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year and at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of histerical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

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

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

All assets end liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measutement as a whole:

Level 1 – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

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2.5 Fair value measurement (contd.)

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

2.6 Revenue recognition

(a) Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired , the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

The effective interest rate method:

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

The EIR and therefore, the amortised cost of the asset is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges) if expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

(b) Other revenue from operations:

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable.

Fees that are not an integral part of the effective interest rate of a financial instrument are also accounted for in accordance with Ind AS 115. This includes loan syndication fees received by the Company for arranging a loan and retaining a part of it at the same effective interest rate for comparable risk as other co-lending partners.

(i) Services fees:

The Company receives service fees towards rendering of services to its customers and recognizes revenue on satisfactory completion of these services. Fees on value added services and products are recognised on rendering of services and products to the customer.

(ii) Delayed payment charges:

Delayed payment charges (penal interest and the like) levied on customers for delay in repayments/non payment of contractual cash flows is recognised on realisation.

(iii) Fees and commission income:

Income from processing fees chargeable to the platforms on the basis of disbursements made is recognized on the completion of loan processing activity.

(iv) Business support services:

Income from business support services is recognized on a accrual basis over the term of the agreement.

2.7 Dividend income

Income from shares and mutual fund units shall be taken into account on accrual basis when Company's right to receive payment is established.

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2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determided using tax rates (and laws) that have been enacted or substantially enacted by the end of the year end are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differencos and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. it establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

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.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.9 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contrect. A contract is, or contains, a lease if the contrect conveys tha right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU asset is depreciated using the straight line method from the date of initial application over the shorter of useful life of ROU asset or lease term. ROU asset are tested for impairment whenever there is any indication that their carrying amount may net be recoverable. Impairment loss, if any will be recognized in the statement of profit or loss.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value loss costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rato thet reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use thet are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimato of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriato, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provition for decommissioning costs. Decommissioning costs are previded at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of prefit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriato. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-torm deposits net of bank overdraft.

2.13 Financial instruments

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

(a) Financial assets

(i) (a) Date of recognition

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

(i) (b) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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(i) (c) Day 1 profit and loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in not gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows ropresent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). interest income from these financial assets is included in other income using the effective interest rato method.

Fair value through prefit or less (FVTPL): Assets that de not meet the critoria for amortized cost or FVOCI are measured at fair value through profit or loss. intorest income from these financial assets is included in other income.

Reclassification within classes of financial assets

A change in the business madel would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting perled there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-menth ECL is used to provide for impairment loss. if the credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible dofault events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including propaymont, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual torm of the financial instrument.

Given the short term nature of the loans, the Company does not discount the cash flows receivable on the financial assets.

The cash flows from collatoral will be considered, only if a loan is guaranteed by a third party as part of its contractual terms with the customers and it carry an allowance for expected credit loss based on the combined credit risk i.e., by reflecting the effect of the guaranted in the measurement of losses expected on dofault. A key criteria of what does not constitute part of contractual terms is that if a loan is guaranteed but the guarantee would not pass to the new holder if the loan is transferred. The third party guarantees which does not form part of the contractual terms with the custemers are treated as contingent asset and recognized separately as reimborsement income only when it is virtually certain that recovery will be made.

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impairment of financial assets (contd.)

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In the Balance Sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

The Company has used probability weights for various economic scenarios based on management's as well as professional judgement. The probability weights is roviewed periedically and amended based on tha forward-looking information as available from time to time. Any change to the probability weights is approved by the Risk Management function of the Company.

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting dato. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) 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 financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset'is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(v) Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write eff is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously writtan off are credited to the income statement.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classificatien, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated emhedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities at amortized cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract-with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a not basis or realize the asset and settle tha liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the and of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides fer gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vesred employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Componsated absences: Accumulated compansated absences, which are expected to be availed or encasned within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year and.

Accumulated compansated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

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2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.17 Significant accounting judgments, estimates and assumptions

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

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 34.

(d) Useful life and expected residual value of assets

Depreciation and amortisation is 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. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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(e) Leases

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

(ii) Judgements

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely payments of principal and interest (SPPI)and the business model test . The Company determines the business model at a level that reflects how Company's 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.

(b) 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 required in establishing fair values. Judgemonts 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.

(c) 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 preduct 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.

(d) Impairment of financial asset

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 internal credit greding model, which assigns PDs to the individual grades
- 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 LTECL basis and the qualitative assessment
- The segmentation of financial assets when thoir ECL is assessed on a collective besis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of defaults, Exposure at dofaults and Loss given defaults
- 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.

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(e) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environmont that, by nature, has a heightenad element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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 judgement is required to conclude on these estimates.

2.18 Operating segments

The operating segments are reported in a manner consistent with the internal reporting provided by the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is engaged in the business of consumer lending in india which is contidered to be the only reportable segment.

2.19 Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:
i. changes during the period in operating receivables and payables transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
iii. all other items for which the cash effects are investing or financing cash flows.
Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.20 Dividend payable

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

2.21 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to meximise collection and minimise the risk of dofault. A loan forbearance is granted in cases where altheugh the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revisod terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in torms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

2.22 Derivative financial instrument and hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hodge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hodged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effactiveness of changes in the hadging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly offective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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2.22 Derivative financial instrument and hedge accounting (contd.)

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash flow hedge:

A cash flow bedge is a hodge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognited asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss.on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).
The ineffective pertion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the ferecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a bedging instrument expires, is sold, terminated, exercised, or when a hodge no longer meets the criteria for bedge accounting, any cumulative gain or loss that has been recognisod in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immodiately transferred to the statement of profit and loss.

The Company did not have any fair value bedges.

2.23 De-recognition of property, plant and equipment and intangible assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. An intangible asset is derecognisod on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.24 Share based payment transaction

The stock options of the Parent Company is granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognisod as expense is based on the estimate of the number of options for which the related service vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service vesting conditions at the vesting date. If a grant lapses aftor the vesting period, the cumulative discount recognised as an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

2.25 Financial guarantees

As issuer of financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amartisation.
Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

As beneficiary of financial guarantees

The Company avails financial guarantees from its parent and fellow subsidiaries towards borrowings availed from various lenders.The fair value of the consideration has been expensed eff as per Ind AS.

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Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

		March 31, 2023	March 31, 2022
3 (i) Cash and cash equivalents			
Balances with banks in current accounts		12,374.19	7,616.12
Balances with banks in escrow accounts		4,405.77	-
Fixed deposits with original maturity of less than three months		11,400.00	-
Total	(I)	**28,179.96**	**7,616.12**
(ii) Bank balances other than cash and cash equivalents			
Balances with Banks in fixed deposit accounts with original maturity of more than three months		4,805.21	1,179.30
Total bank balances other than cash and cash equivalents	(II)	4,805.21	1,179.30
Total cash and bank balances	(I+II)	32,985.17	8,795.42

Notes:

(a) Fixed deposits aggregating to Rs. 2,100 (March 31, 2022: Rs. 300) placed with Banks have a lien for term loan facilities availed by the Company.

(b) Fixed deposits aggregating to Rs. 11.2 (March 31, 2022: Rs. 11.2) placed with Banks have a lien for a credit card facility availed by the Company.

(c) Fixed deposits aggregating to Rs. 1,500 (March 31, 2022: Rs. 1,500) placed with Banks have a lien for the overdraft facility availed by the Company.

(d) Fixed deposits aggregating to Rs. 355.48 (March 31, 2022: Rs. Nil) are provided as collateral for Securitized Liabilities of the Company.

(e) Fixed deposits aggregating to Rs. 25 (March 31, 2022: Rs. Nil) placed with Banks have a lien for Bank Guarantees provided by the Company.

(f) Fixed deposits aggregating to Rs. 625 (March 31, 2022: Rs. Nil) placed with Banks have a lien for working capital loans availed by the Company.

(g) Balance with banks in current accounts is net of overdraft balances.

(h) The overdraft facility availed by the Company has been secured by way of a Lien from a fellow subsidiary, Finnovation Tech Solutions Private Limited.

(i) Balance with banks in escrow accounts do not include balances of the Company's colending partners as these funds are in the nature of float balances for daily disbursements as well as collections from end-customers pending settlement to colending partners.

(j) Also refer Note 44 to these Financial Statements.

4 Trade receivables		
Considered good -Secured	-	-
Considered good -Unsecured	2,666.40	9,540.55
	2,666.40	9,540.55
Less: Allowance for impairment loss	-	-
Total trade receivables	**2,666.40**	**9,540.55**
Trade receivables include debts due by:		
i) Private company in which director is a director or a member (Refer Note 37)	234.63	6,688.09
ii) Trade receivables include (Refer Note 37)		
Receivables from Finnovatien Tech Solutions Private Limited	234.63	6,688.09
Receivables from Kartbee Technologies Private Limited	2,431.77	2,852.46

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4 **Trade receivables (contd.)**

Trade Receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	234.63	-	2,431.77	-	-	2,666.40
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	5,967.55	3,573.00	-	-	-	9,540.55
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

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Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

	March 31, 2023	March 31, 2022
5 Loans		
Unsecured, considered good (carried at amortised cost)		
Loan to customer	2,41,674.31	1,21,281.95
Less: Impairment loss allowance (Refer Note 40)	(9,842.69)	(9,785.18)
Total	**2,31,831.62**	**1,11,496.77**
(A)		
(i) Term loans	2,41,674.31	1,21,281.95
(ii) Others	-	-
Less: Impairment loss allowance (Refer Note 40)	(9,842.69)	(9,785.18)
Total (A)	**2,31,831.62**	**1,11,496.77**
(B)		
(i) Secured by tangible assets	-	-
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government guarantee	-	-
(iv) Unsecured	2,41,674.31	1,21,281.95
Less: Impairment loss allowance (Refer Note 40)	(9,842.69)	(9,785.18)
Total (B)	**2,31,831.62**	**1,11,496.77**
(C)		
Loans outside India	-	-
Loans in India		
(i) Public sector	-	-
(ii) Others		
(a) Retail	2,41,674.31	1,21,281.95
(a) Corporate	-	-
Less: Impairment loss allowance (Refer Note 40)	(9,842.69)	(9,785.18)
Total (C)	**2,31,831.62**	**1,11,496.77**
6 Investments		
Investments carried at fair value through profit or loss		
Liquid mutual funds, quoted	13,193.16	6,197.98
Total	**13,193.16**	**6,197.98**
Liquid mutual funds, quoted		
DSP Overnight Fund - Growth 3,71,182.68 units of Rs. 1,200.65 each (March 31, 2022: 4,08,987.55 units of Rs. 1,138.38 each)	4,456.60	4,655.83
Nippon Overnight Fund - Growth 5,07,043.23 units of Rs. 120.36 each (March 31, 2022: 9,05,226.23 units of Rs. 114.12 each)	610.30	1,033.04
Baroda BNP Paribas Over Night Fund - Growth 3,50,399.07 units of Rs. 1,177.26 each (March 31, 2022: 45,680.60 units of Rs. 1,114.51 each)	4,125.09	509.11
SBI Overnight Fund Direct Growth 1,09,643.72 units of Rs. 3,649.25 each (March 31, 2022: Rs. Nil)	4,001.17	-
All the above investments are in India.		
7 Other financial assets		
Security deposit	112.47	96.58
Receivables from intermediaries*	4,882.18	4,440.71
Other Advances	500.00	-
Others receivables	175.90	14.13
Total	**5,670.55**	**4,551.42**

*Note (a): The amount represents balance of loans repaid by borrowers, which as at the balance sheet date is pending settlement by the intermediary e-wallet/platform/payment gateways to the Company and is generally settled on a Transaction plus one/two (T+1/T+2) banking days basis.

*Note (b): Also refer Note 44 to these Financial Statements.

8 Current tax assets (net)		
Advance income tax	1,351.38	654.45
Total	**1,351.38**	**654.45**
9 Deferred tax assets (net)		
Deferred tax assets	2,417.75	2,323.29
Total	**2,417.75**	**2,323.29**

Note: Refer Note 32 for the reconciliation of income tax expenses for the year.

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10 Property, plant and equipment - tangible assets

	Gross block				Depreciation				Net block
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	On deductions	As at March 31, 2023	As at March 31, 2022
Owned assets									
Furniture and fixtures	36.55	1.38	-	37.93	8.96	3.62	-	12.58	25.35
Office equipment's	26.43	3.72	2.39	27.76	12.41	5.70	1.58	16.53	11.23
Computers	186.13	32.79	-	218.92	167.39	14.43	-	181.82	37.10
Total	249.11	37.89	2.39	284.61	188.76	23.75	1.58	210.93	73.68

	Gross block				Depreciation				Net block
	As at April 1, 2021	Additions	Deductions	Up to March 31, 2022	As at April 1, 2021	For the year	On deductions	Up to March 31, 2022	As at March 31, 2022
Owned assets									
Furniture and fixtures	36.55	-	-	36.55	5.36	3.60	-	8.96	27.59
Office equipment's	23.44	2.99	-	26.43	7.83	4.58	-	12.41	14.02
Computers	186.13	-	-	186.13	119.03	48.36	-	167.39	18.74
Total	246.12	2.99	-	249.11	132.22	56.54	-	188.76	60.35

11 Intangible assets

	Gross block				Amortization				Net block
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	On deductions	As at March 31, 2023	As at March 31, 2023
Computer software	34.25	3.58	-	37.83	31.50	1.55	-	33.05	4.78
Total	34.25	3.58	-	37.83	31.50	1.55	-	33.05	4.78

	Gross block				Amortization				Net block
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	For the year	On deductions	As at March 31, 2022	As at March 31, 2022
Computer software	34.25	-	-	34.25	20.86	10.64	-	31.50	2.75
Total	34.25	-	-	34.25	20.86	10.64	-	31.50	2.75

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	March 31, 2023	March 31, 2022
12 Other non-financial assets		
Prepaid expenses	138.61	50.56
Advance to suppliers	26.55	34.53
Debt prepayments	1,002.41	234.30
Capital advances	6.00	-
GST input tax credit	122.34	-
Others	906.97	-
Total	**2,202.88**	**319.39**

13 Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	195.42	40.70
(b) Total outstanding dues creditors other than micro enterprises and small enterprises	1,884.21	680.06
Total	**2,079.63**	**720.76**

Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	195.42	-	-	-	195.42
(ii) Others	1,861.33	21.57	1.31	-	1,884.21
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	40.70	-	-	-	40.70
(ii) Others	677.51	0.60	1.95	-	680.06
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	March 31, 2023	March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	195.42	40.70
Interest	3.85	0.64
Total		
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but witheut adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.85	0.64
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	3.85	0.64

Trade payables include (Refer Note 37):		
Payable to Finnovation Tech Solutions Private Limited	374.60	186.88
Payable to Kartbee Technologies Private Limited	-	55.13

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KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

	March 31, 2023	March 31, 2022
14 Debt securities		
At amortized cost		
Secured		
Privately placed redeemable non-convertible debentures	66,114.94	26,799.76
Total	66,114.94	26,799.76

*All the Debt securities are in India

Notes:

i. Terms of repayment of privately placed redeemable non-convertible debentures

Year ended	Terms of debt	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2023	Interest rate: 11.40% to 15% Repayment terms: Bullet repayments of various frequencies, equated monthly installments & monthly repayments of principal and interest (total 69 installments)	53,384.75	12,730.19	-	66,114.94
March 31, 2022	Interest rate: 11.95% to 15% Repayment terms: Bullet repayments of various frequencies & equated monthly installments of principal and interest (total 66 installments)	19,252.51	7,547.25	-	26,799.76

ii All the above non-convertible debentures are secured by way of hypothecation of the loan receivables of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of the debentures.

iii Rs. 38,790.97 of the non-convertible debentures are guaranteed by a fellow subsidiary, Finnovation Tech Solutions Private Limited.

	March 31, 2023	March 31, 2022
15 Borrowings (other than debt securities)		
At amortized cost, secured		
Term loans		
i. From Banks	10,698.73	6,583.80
ii. From others	38,210.51	33,112.27
Working capital loans	7,926.46	2,503.19
External commercial borrowings	-	11,371.07
Securitization liabilities	472.67	-
Commercial Papers	5,935.96	-
Total	63,244.33	53,570.33
Borrowings in India	63,244.33	42,199.26
Borrowings outside India	-	11,371.07

Notes:

i. Terms of repayment of term loans:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2023	Interest rate: 9.05% to 14.85% Repayment terms: Bullet repayments of various frequencies, equated monthly installments & monthly repayments of principal and interest (total of 207 installments)	54,497.41	2,338.29		56,835.70
March 31, 2022	Interest rate: 9.70% to 13.50% Repayment terms: Bullet repayments of various frequencies, equated monthly installments & monthly repayments of principal and interest (total of 129 installments)	40,575.33	1,623.93	-	42,199.26

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15 Borrowings (other than debt securities) (contd.)

ii. Terms of repayment of external commercial borrowings:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2023	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	-	-	-	-
March 31, 2022	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	11,371.07	-	-	11,371.07

iii. Terms of repayment of commercial papers:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2023	Interest rate: 12.25% Repayment terms: Bullet repayment	5,935.96	-	-	5,935.96

iv. Terms of repayment of securitisation liabilities:

Tenure (from the date of the balance sheet)	Rate of Interest	Repayment Details	Amount
0 to 2 Month	11.00%	Equated Monthly Installments (total of 2 installments)	472.67

v. Nature of Security:

i. Term loans are secured with a Fixed Deposit of Rs. 355.48 and hypothecation of specific loan receivables of the Company.

ii. The borrowings have not been guaranteed by directors or others.

iii. The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

iii. All the above term loans are secured by hypothecation of portfolio of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of the loan.

iv. Rs. 39,610.29 of the term loans and working capital loan are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

v. There are no defaults as on balance sheet date in repayment of any dues of any term loans, external commercial borrowings, commercial papers and securitization liabilities.

vi. The Company has been sanctioned working capital limits of Rs. 10,500 from banks on the basis of security of current assets of the Company. The Company has also filed all the monthly/quarterly statements/returns with the banks as per the terms and conditions of the facility agreement.

	March 31, 2023	March 31, 2022
16 Other financial liabilities		
Employee benefits payable	52.45	45.00
Director fees payable	-	1.50
Lease liability	338.60	191.65
Others	271.61	3.05
Total	662.66	241.20
***Others include**		
Payable to related party - Finnovation Tech Solutions Private Limited	136.04	-
17 Current tax liabilities (net)		
Current tax liabilities	-	800.89
Total	-	800.89
18 Provisions		
Provision for gratuity	137.93	55.87
Provision for compensated absences	98.79	57.21
Total	236.72	113.08
19 Other non-financial liabilities		
Statutory dues	375.61	223.44
Interest received but not due	949.35	987.01
Total	1,324.96	1,210.45

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20(a) Equity share capital

The Company has only one class of equity share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

	March 31, 2023	March 31, 2022
Authorized		
30,00,000 equity shares of Rs. 10 each (March 31, 2022: 15,00,000 equity shares of Rs. 10 each)	300.00	150.00

20(b) Instruments entirely equity in nature

The Company has only one class of preference share capital having a per value of Rs. 18,000 per share, referred to herein as preference shares.

Authorized		
5,60,000, 0.001% Non-cumulative compulsorily convertible preference shares (CCPS) of Rs. 18,000 each	1,00,800.00	-
	1,01,100.00	150.00
Issued, subscribed and paid up share capital		
11,17,953 equity shares of Rs. 10 each (March 31, 2022: 11,23,852 equity shares of Rs. 10 each)	111.80	112.38
3,89,649 0.001% Non-cumulative compulsorily convertible preference shares of Rs. 18,000 each (March 31, 2022: Nil)	70,136.82	-
Total	70,248.62	112.38

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Outstanding at the beginning of the year	11,23,852	112.38	10,70,233	107.02
Add: Issued during the year	-	-	53,619	5.36
Less: Buy back of equity shares	5,899	0.59	-	-
Outstanding at the end of the year	11,17,953	111.79	11,23,852	112.38
Compulsorily Convertible Preference Shares				
At the beginning of the year	-	-	-	-
Add: Issued during the year	3,89,649	70,136.82	-	
Outstanding at the end of the year	3,89,649	70,136.82	-	-

(b) Rights, preferences and restrictions attached to shares

Equity shares:
The Company has only one class of equity shares having per value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will he in proportion to the number of equity shares held by the shareholders.

Compulsorily Convertible Preference Shares:

Terms of Series D Compulsorily Convertible Preference Shares ("Series D CCPS")

1. Voting: Each holder of Series D CCPS shall be entitled to exercise voting rights in respect to the respective shares held by it on an "As if Converted Basis".

2. Dividend: Each Series D CCPS carries a preferential non-cumulative dividend of 0.001% per annum. The Dividends in respect of the Series D CCPS shall be declared by the Board of Directors from funds or reserves that are legally available and paid on a pari-passu basis with all other Preference Shares, prior, and in preference, te any declaration or payment of dividends in favour of any other class of share of the Company including, without limitation, the Equity Shares. In a case where dividends on any other class of shares of the Company are higher than the Series D CCPS dividend rate, such higher rate of dividends shall also he paid to the Series D CCPS holders.

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20 Equity share capital (contd.):

3. Conversion: Each Series D CCPS shall convert into Equity shares on a 1:1 basis. The Series D CCPS can be converted at the option of the holder of the Series D CCPS by serving a prior written notice to the Company. The Series D CCP will mandatorily convert in Equity Shares on the earlier of (i) 20 years from the date of allotment and (ii) Date preceding the Qualified Initial Public Offering of the Company.

4. Valuation Protection: The Series D CCPS holders are entitled to a valuation protection over the subscription price.

5. Liquidation Preference: The Series D CCPS carry a liquidation preference in preference to holders of Equity shares of the Company in the following manner (a) the relevant subscription price in respect of each Series D Preference Share plus any declared but unpaid dividends; and (b) in the event that there are insufficient proceeds to pay the entire preferential amount then the entire available proceeds shall be distributed among the holders of the Series D CCPS in proportion to the full amounts to which they would be entitled if there were sufficient proceeds to pay the entire preferential amount in respect of each Series D CCPS held.

	March 31, 2023	March 31, 2022
(c) Shares held by holding company (Number of shares)		
Finnov Private Limited	11,17,952	11,17,952

(d) Details of shares held by shareholders holding more then 5% of the aggregate shares in the Company:

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity Shares of Rs. 10 each fully paid up				
Finnov Private Limited	11,17,952	100.00%	11,17,952	99.48%
Compulsorily Convertible Preference Shares of Rs. 10 each fully paid				
Wiseanya Limited	2,03,507	52.23%	-	-
Pi Opportunities Fund I	66,350	17.03%	-	-
India business Excellence Fund IV	53,418	13.71%	-	-
MUFG Bank Ltd.	24,202	6.21%	-	-
NewQuest Asia Fund IV (Singapore) Pte. Ltd.	22,492	5.77%	-	-
Mirae Asset Late Stage Opportunities Fund	19,680	5.05%	-	-
Total	3,89,649	100.00%	-	-

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company (contd.):
As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) There are no shares reserved for issue under options or contracts and commitments.

(g) The Board of Directors at its meeting held on March 15, 2023, approved a proposal to buy-back upto 5,899 equity shares of the Company for an aggregate amount not exceeding Rs. 587.40 lakhs, being less than 10% of total number of paid up equity share capital at Rs. 9,957.69 per equity share. A Letter of Offer was made to all eligible shareholders. The Company extinguished the equity shares on March 24, 2023 and created a capital redemption reserve to the extent of share capital extinguished.

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20 Equity share capital (contd.):
(h) Details of shareholding of promoters in the Company:

Name of the promoter	March 31, 2023		
	Number of shares	% of holding in the class	% Change during the year
Finnov Private Limited	11,17,952	100.00%	0.52%
Madhusudan Ekambaram*	1	0.00%	(0.52%)
Karthikeyan Krishnaswamy*	-	0.00%	(0.00%)

Name of the promoter	March 31, 2022		
	Number of shares	% of holding in the class	% Change during the year
Finnov Private Limited	11,17,952	99.48%	0.03%
Madhusndan Ekambaram	5,890	0.52%	(0.03%)
Karthikeyan Krishnaswamy	10	0.00%	(0.00%)

** The % of holding in the class is lower than the decimals disclosed by the Company.*

	March 31, 2023	March 31, 2022
21 Other equity		
(a) Statutory reserve u/s 45-IC of the RBI Act, 1934		
Opening balance	1,937.55	1,361.76
Add: Transferred during the year	1,301.77	575.79
Closing balance	**3,239.32**	**1,937.55**
(b) Securities premium account		
Opening balance	50,364.67	46,681.04
Add: Received during the year on issue of CCPS	22,254.03	3,683.63
Add: Buy-back of equity shares	(723.52)	-
Closing balance	**71,895.18**	**50,364.67**
(c) Share options outstanding account		
Opening balance	626.90	310.60
Add: Transferred during the year	241.49	316.30
Less: Transfer to equity	-	-
Closing balance	**868.39**	**626.90**
(d) Retained earnings		
Opening balance	7,609.43	5,289.41
Add: Net Profit for the year	6,508.85	2,878.94
Add: Other comprehensive income	(14.05)	16.87
Add: Transfer to statutory reserves	(1,301.77)	(575.79)
Closing balance	**12,802.46**	**7,609.43**
Total reserves and surplus	**88,805.35**	**60,538.55**

Nature and purpose of reserves:

(a) Statutory reserve u/s 45-IC of the RBI Act, 1934
The Company creates a reserve in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount equal to or more than twenty percent of its net profit for the year, before declaration of the dividend.

(b) Securities premium account
The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. The balance is utilized in accordance with the provisions of the Companies Act, 2013.

(c) Share options outstanding account
The Company provide share based payment scheme to its employees. The shares of the parent company were granted to the employees under the scheme. The share options outstanding account represents amount recognized over the vesting period and payments made towards such options.

(d) Retained earnings
Retained earnings represents the surplus in Profit and Loss Account. The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses on defined benefit plans.

(e) Capital Redemption Reserve
As per Companies Act, 2013, Capital Redemption Reserve is created when the Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to Capital Redemption Reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

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	Year ended March 31, 2023	Year ended March 31, 2022
22 Interest income		
At amortized cost		
Interest on loans	47,270.00	17,187.98
Interest on deposits with Banks	499.15	304.11
Other interest income	5.83	8.25
Total	47,774.98	17,500.34
23 Fees and commission income		
Fees from platform	1,898.36	2,715.57
Service Fees	15,172.02	-
Recovery of deficiency	6,403.83	13,253.83
Total	23,474.21	15,969.40
Also refer Note 38 for additional disclosures.		
24 Net gain/(loss) on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	451.60	206.96
- remeasurement gain/(loss)	-	(17.25)
Total	451.60	189.71
Fair value changes:		
- realised	423.79	107.48
- unrealised	27.81	82.23
Total	451.60	189.71
25 Other income		
Income from business support services	140.00	-
Interest on Income Tax Refund	65.46	-
Miscellaneous income	1.65	27.92
Total	207.11	27.92
26 Finance costs		
On financial liabilities measured at amortized cost		
Interest on borrowings	8,474.85	4,062.25
Interest on debt securities	6,862.67	2,844.75
Interest on lease liability	37.09	42.67
Interest on shortfall of advance tax	15.04	224.10
Applicable net (gain) / loss on foreign currency transactions and translation	1,035.44	359.11
Total	16,425.09	7,532.88
(i) Expenditure in foreign currency		
Interest expenses	536.73	641.50
27 Fees and commission expense		
Commission to platforms	12,867.25	818.13
Commission to payment gateways	68.41	22.75
Credit assessment charges	1,437.59	838.53
Total	14,373.25	1,679.41

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	Year ended March 31, 2023	Year ended March 31, 2022
28 Impairment on financial instruments		
On financial instruments measured at amortised cost		
Loans	24,853.22	16,183.78
Total	**24,853.22**	**16,183.78**
29 Employee benefit expenses		
Salaries and wages	3,170.54	2,073.52
Gratuity expense	63.30	30.07
Leave benefits expense	50.17	32.92
Contribution to provident and other funds	134.65	106.19
Share based payments to employees	241.49	306.93
Staff welfare expenses	19.87	13.14
Total	**3,680.02**	**2,562.77**
30 Depreciation and amortization expense		
on tangible assets	23.75	56.54
on right of use asset	139.85	200.25
on intangible assets	1.55	10.64
Total depreciation and amortization expense	**165.15**	**267.43**
31 Other expenses		
a) Rent, rates and taxes	588.20	218.85
Director's fees, allowances and expenses	18.90	14.40
Auditor's fees and expenses	14.26	12.08
Legal and Professional charges	203.88	129.96
Loss on sale of fixed asset	0.35	-
Business support services	186.25	-
Bank charges	62.06	12.81
Technical expenses	1,775.52	469.11
Sales promotion expenses	167.89	-
Collection charges	234.49	182.10
Office expenses	284.62	211.36
Expenditure towards Corporate Social Responsibility (CSR) activities	103.66	70.10
Other expenditure	21.32	1.80
Total	**3,661.40**	**1,322.57**

Note : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)

b) As auditor:		
For statutory audit	13.50	12.00
For certificates	0.76	0.08
Total	**14.26**	**12.08**

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c) Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities identified by the Company and monitored by CSR Committee.

	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount required to be spent	95.26	70.09
Excess/(Shortfall) amount spent in previous financial year carried forward	-	-
Amount spent during the year		
i. construction/acquisition of any asset		
- under contrul of the Company for future use	-	-
- not under control of the Company for future use	-	-
ii. On purpose other than (i) above	103.66	70.10
iii. Excess/(Shortfall) at the end of the year	8.40	-
iv. Reason for shortfall	Not applicable	Not applicable
iv. Nature of CSR activities		
Education & Medical	-	35.10
Medical	20.00	20.00
Assistance and relief in Emergency Situations fund	8.66	15.00
Education	40.00	-
Project of gurukul based educational institute at sunpura: Jharcha: odesar: shahada: bhamer in India	20.00	-
Women empowerment	5.00	-
Skill development and capacity building training	4.00	-
Promotion of education	2.00	-
Food distribution & cloths distribution	4.00	-
Total	103.66	70.10

32 Income tax

(A) Deferred tax relates to the following:

Deferred tax assets		
On provision for employee benefits	54.86	34.13
On income taxable u/s 43D	-	-
On ESOP expenses	-	-
On expected credit loss	2,358.93	2,354.51
On leases	4.72	6.70
On depreciation and amortisation	7.19	8.75
On others	-	29.84
	2,425.70	2,433.93
Deferred tax liabilities		
On depreciation and amortisation	-	-
On borrowings	-	84.68
On others	7.00	20.28
	7.00	104.96
Deferred tax asset, net (excluding OCI)	2,418.70	2,328.97

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(B) Reconciliation of deferred tax assets/(liabilities) (net):	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance at the beginning of the year	2,323.29	1,469.30
Tax liability recognized in Statement of Profit and Loss:		
On borrowings	84.68	(30.88)
On others	(29.83)	(17.41)
Tax asset recognized in Statement of Profit and Loss:		
On provision for employee benefits	20.72	14.49
On property plant and equipment	(1.56)	9.77
On income taxable u/s 43D	-	(74.23)
On others	11.31	11.74
On ESOP expenses	-	(78.18)
On expected credit loss	4.42	1,024.37
Total deferred tax assets/(liabilities) (net excluding OCI)	89.74	859.67
Tax liability recognized in OCI:		
On re-measurements gain/(losses) of post-employment benefit obligations	4.72	(5.68)
Closing balance at the end of the year	2,417.75	2,323.29

(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
Tax asset/(liability)	54.85	(48.29)
Amounts recognised in Statement of Profit and Loss account	34.89	907.96
	89.74	859.67

(D) Income tax expense		
- Current tax	2,247.31	2,056.35
- Adjustments in respect of current income tax of previous year	83.35	62.91
- Deferred tax (credit)/ charge	(89.74)	(859.67)
Income tax expense reported in the statement of profit or loss	2,240.92	1,259.59

(E) Income tax charged to OCI		
Net loss/(gain) on remeasurements of defined benefit plans	4.72	(5.68)
Income tax charged to OCI	4.72	(5.68)

(F) Reconciliation of tax charge		
Profit before tax	8,749.77	4,138.53
Applicable income tax rate	25.17%	25.17%
Income tax expense	2,202.14	1,041.59
Tax effects of:		
Taxes pertaining to earlier periods	-	62.91
Non-deductible expenses under the income Tax Act, 1961	40.61	74.53
Others	(1.83)	80.56
Income tax expense	2,240.92	1,259.59

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33 Earnings per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
Net profit attributable to equity holders	6,508.85	2,878.94
Weighted average number of equity shares for basic EPS	11,23,723	11,01,229
Weighted average number of equity shares for diluted EPS	12,22,204	11,01,229
Basic earnings per share (Rs.)	579.22	261.43
Diluted earnings per share (Rs.)	532.55	261.43

34 Employee benefits

(A) Defined contribution plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 29)	134.65	106.19

(B) Other plans provisions

a) Defined benefit plan: Gratuity payable to employees	137.93	55.87
b) Other long term benefits: Compensated absences for Employees	98.79	57.21

Defined benefit plan: Gratuity plan

The amounts recognized in the balance sheet and the movement in the net defined benefit obligation over the year, and the assumptions used are as follows:

i) Actuarial assumptions

Discount rate (per annum)	7.20%	5.15%
Rate of increase in salary	10.00%	10.00%
Rate of attrition	30.00%	30.00%

ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	**55.87**	**48.43**
Interest cost	2.87	2.70
Current service cost	60.42	27.37
Benefit directly paid by employer	-	(0.08)
Actuarial (gain)/ loss on obligations	18.77	(22.55)
Present value of obligation at the end of the year*	**137.93**	**55.87**

*included in provision for employee benefits

iii) Expense recognized in the Statement of Profit and Loss

Current service cost	60.42	27.37
Interest cost	2.87	2.70
Total expense recognized in the Statement Profit and Loss*	**63.29**	**30.07**

*Included in Employee benefits expense (Refer Note 29). Actuarial gain of Rs. 18.77 (March 31, 2022: Acturial loss of Rs. 22.55) is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet:

Present value of unfunded obligation as at the end of the year	137.93	55.87
Unfunded net (asset) / liability recognized in Balance Sheet*	**137.93**	**55.87**

*included in provision for employee benefits

v) Expected contribution to the fund in the next year

Gratuity

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34 Employee benefits (contd.)

	March 31, 2023	March 31, 2022
vi) A quantitative sensitivity analysis for significant assumptions is as shown below:		
Impact on defined benefit obligation:		
Change in Discount rate:		
1% increase	(4.34)	(2.18)
1% decrease	4.65	2.34
Change in Rate of Salary increase:		
1% increase	4.35	2.20
1% decrease	(4.19)	(2.09)
Change in Rate of Employee Turnover:		
1% increase	(2.29)	(1.52)
1% decrease	2.36	1.58
vii) Maturity profile of defined benefit obligation		
Year		
1st Following Year	15.33	3.87
2nd Following Year	28.80	4.83
3rd Following Year	26.22	11.93
4th Following Year	22.58	10.73
5th Following Year	20.53	9.02
Sum of Years 6 To 10	49.86	21.93
Sum of Years 11 and above	17.36	7.92

35 Employee Stock Option Scheme (ESOP)

The Parent Company's Board approved ESOP 2016 & ESOP plan 2020 for granting Employee Stock Options in form of equity shares linked to the complution of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors of parent Company. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

The following table illustrates the number and weighted average exercise prices (WAEP) of, end movements in, share options during the year.

	March 31, 2023		March 31, 2022	
Particulars	**Number**	**WAEP (INR)**	**Numher**	**WAEP (INR)**
Options outstanding at beginning of year	53,18,867	-	35,81,886	-
Add:				
Options granted during the year	47,271	-	3,43,905	-
Option transferred	-	-	13,96,498	-
Loss:				
Options exercised during the year	-	-	1,945	-
Options Lapsed during the year	-	-	1,477	-
Options outstanding at the end of year	53,66,138	-	53,18,867	-
Option exercitable at the end of year	-	-	-	-

In accordance with the above mentioned ESOP Scheme, Rs. 241.49 (March 31, 2022: Rs. 306.93) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended March 31, 2023 as Employee Stock Option Scheme Compensation.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs te the [Option pricing model] used for the years ended:

	March 31, 2023	March 31, 2022
Weighted average fair value of the options at the grant dates (INR)	1.45	1.40
Dividend yield (%)	0%	0%
Risk free interest rate (%)	5.71%	4.82% - 5.71%
Expected life of share options (years)	0.39	2.92
Expected volatility (%)	63.81%	60.37% - 67.24%
Weighted average share price (INR)	1.45	1.40

36 Leases

The Company has certain lease arrangements for premises. These lease arrangements range for a period between 12 and 36 months, which include both cancellable and non-cancellable leases. The leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Operating leases where the Company is a lessee:

(ia) Details of right-of-use assets are as follows:

Particulars	Category of ROU asset	
		Premises
	March 31, 2023	March 31, 2022
Opening Balance at the start of the year	165.04	86.95
Additions	294.65	278.34
Amortization (refer Note 30)	139.85	200.25
Closing balance at the end of the year	319.84	165.04

(ib) Lease liabilities

Particulars	Category of Lease Liability	
		Premises
Opening Balance at the start of the year	191.65	92.97
Additions	282.05	287.74
Lease payments	(172.19)	(231.73)
Interest on lease liabilities (refer Note 26)	37.09	42.67
Closing balance at the end of the year	338.60	191.65

(ii) Maturity analysis of lease liabilities

Particulars		
Upto one year	156.10	103.47
More than one year upto 5 years	182.50	88.18
Total	338.60	191.65

(iii) Amounts recognised in Statement of Profit and Loss account

Particulars		
Interest on lease liabilities (refer Note 26)	37.09	42.67

(iv) Amounts recognised in Statement of Cash Flows

Particulars		
Total cash outflow for leases	172.19	231.73

37 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company
Finnov Private Limited, Singapore

Other related parties

(a) Fellow subsidiary
Finnovation Tech Solutions Private Limited
Kartbee Technologies Private Limited

(b) Key Management Personnel (KMP)
Madhusudan Ekambaram, Directer
Karthikeyan Krishnaswamy, Director
Vivek Veda, Director

(c) Relatives of KMP
Nutan Soudagar (spouse of Madhusudan Ekambaram)
Anil Veda (father of Vivek Veda)
Vibha Veda (mother of Vivek Veda)
Vani Jain (wife of Vivek Veda)

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KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

37 Related Party Disclosures (contd.)

	March 31, 2023	March 31, 2022
(B) Details of transactions with related party in the ordinary course of business for the year ended:		
(i) Particulars		
A) Transactions during the year:		
Sale of services		
Finnovation Tech Solutions Private Limited	8,902.03	13,132.09
Kartbee Technologies Private Limited	(376.04)	2,831.89
Business support Service (income)		
Finnovation Tech Solutions Private Limited	140.00	-
Purchase of services		
Finnovation Tech Solutions Private Limited (Refer note (d))	20,057.95	809.09
Kartbee Technologies Private Limited	(16.48)	9.04
Business support Service (expenses)		
Finnovation Tech Solutions Private Limited	186.25	-
Reimbursement of expenses		
Vivek Veda	4.70	2.17
Share based payment expenses		
Finnov Private Limited	241.49	306.93
Remuneration to directors		
Vivek Veda	143.00	81.70
Non-executive/Independent Director sitting fees		
Abhishek Singvi	6.60	4.50
Adesh Gupta	7.20	5.70
Gopalakrishna Gurrappa	5.10	4.20
Share issued during the year (refer Note 23(a) and 23(b))		
Finnov Private Limited	-	5.36
Securities premium on the shares issued	-	3,683.63
Buy-back of equity shares		
Madhusudan Ekambaram	586.41	-
Karthikeyan Krishnaswamy	1.00	-
Corporate gurantee fees		
Finnovation Tech Solutions Private Limited	225.30	-
Finance cost		
Finnov Private Limited	536.73	641.49
Madhusudan Ekambaram	8.98	13.11
Nutan Soudagar	8.04	6.89
Anil Veda	1.08	-
Vani Jain	5.99	8.74
Vibha Veda	2.17	2.77
Vivek Veda	2.17	2.77
Issue of non-convertible debentures		
Madhusudan Ekambaram	-	90.00
Nutan Soudagar	70.00	70.00
Anil Veda	10.00	-
Vani Jain	-	60.00
Vibha Veda	20.00	-
Vivek Veda	20.00	-
Redemption of non-convertible debentures		
Madhusudan Ekambaram	90.00	90.00
Nutan Soudagar	70.00	40.00
Vani Jain	60.00	60.00
Vivek Veda	20.00	-
Vibha Veda	20.00	-

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37 Related Party Disclosures (contd.)

	March 31, 2023	March 31, 2022
B) Balances as at year end:		
Receivables		
Finnovation Tech Solutions Private Limited	234.63	6,501.21
Kartbee Technologies Private Limited	2,431.77	2,797.33
Payables		
Finnovation Tech Solutions Private Limited	374.60	186.88
Kartbee Technologies Private Limited	-	55.13
Finnov Private Limited	0.02	0.02
Vivek Veda	0.09	-
Director fees	-	1.50
Other Payable		
Finnovation Tech Solutions Private Limited	136.04	-
Borrowings		
Finnov Private Limited	-	11,371.07
Non-convertible debentures (including accrued interest):		
Madhusudan Ekambaram	-	90.39
Nutan Soudagar	70.33	70.31
Anil Veda	10.03	60.26
Vibha Veda	20.07	20.23
Vivek Veda	20.07	20.23

(c) Terms and conditions of transactions with related parties:
The transactions with related parties are made on terms equivalent te those that prevail in arm's length transactions.

(d) Rs. 8,029.95 is in the nature of transaction costs which are included in the "Effective Interest Rate" of the loan receivables of the Company. Accordingly, the same have been classified under "Interest Income" in Note 22 and of this amount, Rs. 4,596.48 has been recognized as income during the year.

(e) Finnovation Tech Solutions Private Limited, a fellow subsidiary has issued Corporate Guarantee's aggregating to Rs. 78,090.58 (March 31, 2022: Rs. 49,598.87) in favour of the Company for its business requirements.

(f) The Bank overdraft availed by the Company aggregating to Rs. 1,983.73 (March 31, 2022: Rs. 1,500) has been secured by way of liens on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

38 Revenue from contracts with customers

	March 31, 2023	March 31, 2022
Types of services:		
Fees from platform	1,898.36	2,715.57
Service Fees	15,172.02	-
Recovery of deficiency	6,403.83	13,253.83
Total	**23,474.21**	**15,969.40**
Geographical markets:		
In India	23,474.21	15,969.40
Outside India	-	-
Total	**23,474.21**	**15,969.40**
Timing of revenue recognition:		
Services transferred at a point in time	-	-
Services transferred over time	23,474.21	15,969.40
Total	**23,474.21**	**15,969.40**
Contract balances:		
Fees, commission and other receivables	-	-
Total	-	-

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39 Segment reporting

The Company's operations predominantly relate to providing consumer lending. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Additionally, the Company operates only in India, hence, no separate segment information has been furnished herewith.

40 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

It is the risk that the value of on and off-balance sheet positions of the Company will be adversely affected by movements in market rates or prices such as interest rates, currency exchange rates or credit spreads resulting in a loss to earnings and capital. Market risk is monitored by assessments of fluctuation in the equity price, unhedged foreign exchange exposures, interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. This risk is managed by the Company's treasury team under the guidance of the Asset-Liability Committee.

(i) Interest rate risk

The policy of the Company is to minimise interest rate cash flow risk exposures on leng-term loans and borrowings and is exposed to changes in market interest rates on borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	March 31, 2023	March 31, 2022
Variable rate borrowings	53,573.56	50,211.90

Interest rate sensitivity

The following table demonstrates the sensitivity to a change in interest rates on External Commercial Borrowings:

	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2023		
Rs.	+50	267.87
Rs.	-50	(267.87)
March 31, 2022		
Rs.	+50	251.06
Rs.	-50	(251.06)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowing.

Foreign currency risk exposure:

The exposure to foreign currency risk at the end of the reporting period, translated to Rs. at closing rate, is as follows:

	March 31, 2023	March 31, 2022
Financial liabilities (in USD Million)	-	15.00
External Commercial Borrowing	-	11,371.07
Net exposure to foreign currency risk (liabilities)	-	11,371.07

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company does not have exposure to any other foreign currencies.

	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2023		
INR	+100	-
INR	-100	-
March 31, 2022		
INR	+100	113.71
INR	-100	(113.71)

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40 Financial risk management objectives and policies (contd):

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's loans to customers, trade receivables, other financial assets, investments in mutual funds & corporate bonds, cash and deposits held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing credit risk is to prevent or reduce losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their fluancial position, past experience and other factors.

(i) Credit risk management

Credit risk management policy of the Company provides guidelines for identification, assessment, management, monitoring and control of credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue for a period exceeding 30 days. A default on financial assets occurs when the counterparty fails to make contractual payments for a period of 90 days or more. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. The Company evaluates credit risk of the portfolio at a borrower level and not individual facility levels in accordance with the RBI regulations.

Managing credit risk is the most important part of overall risk management function. The Company's credit risk function is headed by the Risk Head who is responsible for the key policies & processes for managing credit risk, which include formulating credit policies & risk rating frameworks, guiding the Company's appetite for credit risk exposures, undertaking independent reviews, making objective assessments of credit risk, monitoring performance & product mix and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, robust risk policies & control frameworks, implementing & continually re-evaluating the Company's risk appetite and ensuring there is adequate monitoring of credit risks, credit costs & risk mitigation.

Credit risk is measured as the amount at risk due to repayment dofault of a customer or counterparty to the Company. Various metrics such as installment default rate, overdue position, EMI moratorium, restructuring, collection efficiency, credit bureau information, proprietary scorecards, non-performing loans etc. are used as leading indicators to assess credit risk.

The Company remains in high vigilance mode and continues te adapt credit policy / underwriting standards in line with emerging risk metrics across the different business portfolios; and constantly monitors various external market indicators, including a watch over the spread of COVID-19 infection and coverage of vaccination across its geographic spread.

Macro Economic Variables:

The Company adjusts the expected credit loss model parameters for forward looking information, macro-economic variables and economic forecasts which have a reasonable correlation with the collection performance and portfolio risk. These include economic indicators such as inflation rates, unemployment index, GDP growth rates, etc. The Company recalibrates the model periodically as and when portfolios mature by:

1. using the available incremental and recent information, except where these informations do not represent the future outcome; and
2. assessing changes to its statistical techniques for a granular estimation of ECL.

Accordingly, the incremental information of the portfolio for certain period of the pandemic have not been considered in the model due to the distortion caused by the pandemic induced lockdown resulting in very low economic activity, unforeseen distortion of customers' financial position and volatile repayment behaviour, leading to RBI announcing installment moratoriums and resolutions. These distortions do not represent the current portfolio at risk & collection performance and have been considered as outliers.

The Company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans to customers	Life timo expected credit loss
High credit risk	Loans te customers	Life time expected credit loss

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40 Financial risk management objectives and policies (contd):

	March 31, 2023	March 31, 2022
Financial assets that expose the entity to credit risk:		
Low credit risk		
Cash and cash equivalents	28,179.96	7,616.12
Bank balances other than above	4,805.21	1,179.30
Trade receivables	2,666.40	9,540.55
Loans to customers*	2,30,611.90	1,13,676.67
Investments	13,193.16	6,197.98
Other financial assets	5,670.55	4,551.42
Moderate credit risk		
Loans to customers*	5,524.79	4,214.74
High credit risk		
Loans to customers*	5,537.62	3,390.54

* Represents gross values of the financial assets

Cash & cash equivalents and Bank deposits

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

Investments

For investments in mutual funds, the Company transacts with asset management companies having strong track record and invests in liquid fonds and short torm funds where the underlying investments are predominantly placed in government and treasury securities and highly rated corporate bonds. Investments in corpoiate bonds are made with companies having strong credit ratings.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become overdue and dofault is considered to have occurred when amounts receivable become 90 days past due.

Trade receivables

Trade receivables represents trade receivables from fintech platforms as well as receivables for services rendered to platforms.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits, receivables from intermediaries and others miscellaneous receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(ii) Expected credit losses for financial assets other than loans:

The Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low/negligible.
- For investments in mutual funds and Corporate bonds - Credit risk is considered low/negligible because the Company deals with high quality assets and instruments with strong credit ratings.
- For Trade receivables - Credit risk is considered low becouse these balances are with group companies with strong financial resources and the balances are held for shorter periods.
- For security depasits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk natore. Additionally, these balances are held in escrow for onward disbursements as well as collections from customers pending settlement.

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40 Financial risk management objectives and policies (contd):

(iii) Expected credit loss for loans

Credit default risk

Considering the nature of advances given - small ticket size, short term and retail - the Company believes that the quantitative criteria for setting the definition of default is appropriate and sufficient. The management has imbibed the qualitative aspect in the categorization of the asset portfolio (i.e. first time borrowers and repeat borrowers as well as customer repeatability) which considers the qualitative aspects of definition of dofault. The Company has therefore set out the following definition of default for all loan products:

Days Past Due: Exposures that have one or more installment(s) past due for 90 days or more.

Event driven defaults: This will be based on the customer specific factors such as declaration of bankruptcy by the customer, death of borrower and other customer specific factors. This will be applied on a case by case basis.

Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 - Credit risk has not increased significantly since initial recognition - Recognise 12-months ECL, and recognize interest on a gross basis;

Stage 2 - Credit risk has increased significantly since initial recognition - Recognise lifetime ECL, and recognise interest on a gross basis;

Stage 3 - Financial asset is credit impaired - Recognise lifetime ECL and present interest on a net basis (i.e. on the gross carrying amount less credit allowance).

Significant increase in credit risk

The Company believes that there is a significant increase in credit risk when dues past due crosses 30 days.

Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of dofault (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

- EAD is based on the amounts thet the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.

- LGD represents the Company's expectation of less given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1, or Stage 2 or even Stage 3 asset.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event occurring in the future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a porticular time horizon. It is arrived by nsing vintage analysis over the historical default data to assess how default rates change over time, factors in the current macro economic data and computes the risk of default in the next 12 months or the remaining life of the loan.

Loss given default (LGD) computation model

Loss given default (LGD) is defined as the percentage of economic loss in case of default. LGD computation is based on the lender's losses on defaulted accounts after the consideration of expected recoveries. All the loans of the Company are of unsecured nature. The management believes that the LGDs depicted basis the historical data is not representative ef the future for certain preducts with low vintage and the historical data is insufficient to make a realistic assessment of account collectibility. The management has applied an override on the LGD percentages for these specific preducts so as to depict the expected loss rates in the near term.

Write off policy

The Company writes off financial assets, in whele or in part, when it bas exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Quantitatively, accounts whose overdue days have exceed 180 days are written-off. The outstanding contractual amounts of such assets written off during the year ended March 31, 2023 was Rs. 24,795.71 (March 31, 2022: Rs. 11,897.69). However, collection efforts continue on such accounts as these are legally due to the Company.

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40 Financial risk management objectives and policies (contd):

The table below summarises the stage-wise gross carrying values and the associated allowances for expected credit loss (ECL) on the loan portfolio:

As at March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	2,30,611.90	5,524.79	5,537.62	2,41,674.31
Less: Allowance for ECL	3,472.85	2,862.14	3,507.70	9,842.69
Net carrying value	2,27,139.05	2,662.65	2,029.92	2,31,831.62
ECL Coverage Ratio	1.51%	51.81%	63.34%	4.07%

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	1,13,676.67	4,214.74	3,390.54	1,21,281.95
Less: Allowance for ECL	4,805.08	2,507.21	2,472.89	9,785.18
Net carrying value	1,08,871.59	1,707.53	917.65	1,11,496.77
ECL Coverage Ratio	4.23%	59.49%	72.93%	8.07%

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Management of the Company monitors forecasts of the liquidity position and cash & cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The policy involves preparation and analysis of liquidity gap reports, stress testing based on estimates of cash inflows and also taking preventive and corrective measures to manage risk. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

The following represents the maturity profile of the Company's liabilities:

March 31, 2023	Less than 1 year	1 to 3 years	Total
Debt Securities	53,384.75	12,730.19	66,114.94
Borrowings other than debt securities	60,906.04	2,338.29	63,244.33
Trade payables	2,056.75	22.88	2,079.63
Other financial liabilities	480.16	182.50	662.66
	1,16,827.70	15,273.86	1,32,101.56
March 31, 2022			
Debt Securities	19,252.51	7,547.25	26,799.76
Borrowings other than debt securities	51,946.40	1,623.93	53,570.33
Trade payables	718.21	2.55	720.76
Other financial liabilities	153.02	88.18	241.20
	72,070.14	9,261.91	81,332.05

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40 Financial risk management objectives and policies (contd):

(D) Operational risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. The Company manages operational risks through comprehensive internal control systems and procedures laid down around various key activities in the Company viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year, this helps to identify process gaps on timely basis. Further IT and Operations have a dedicated compliance and control units within the function who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The Company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of operations including services to customers, if any eventuality is to happen such as natural disasters, technological outage etc. Robust periodic testing is carried, and results are analysed to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the Company's readiness.

(E) Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans:

Particulars	Stage 1		Stage 2		Stage 3		Total	
	Loans	Impairment loss allowance	Loans	Impairment loss allowance	Loans	Impairment loss allowance	Loans	Impairment loss allowance
As at March 31, 2022	1,13,676.67	4,805.08	4,214.74	2,507.21	3,390.54	2,472.89	1,21,281.95	9,785.18
Transfers during the year							-	-
- To Stage 1	-	-	-	-	-	-	-	-
- To Stage 2	(60.18)	(1.77)	60.18	1.77	-	-	-	-
- To Stage 3	(15,847.29)	(1,515.72)	(3,099.67)	(1,795.66)	18,946.95	3,311.38	-	-
	(15,907.47)	(1,517.49)	(3,039.48)	(1,793.89)	18,946.95	3,311.38	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	31.04	-	16,405.08	-	16,436.12
Changes in opening credit exposures	(97,414.74)	(3,282.48)	(1,091.86)	(712.56)	(785.91)	(712.48)	(99,292.51)	(4,707.48)
New credit exposures during the year (net of repayments)	2,30,257.44	3,467.71	5,441.39	2,830.34	15,127.84	13,172.64	2,50,826.67	19,470.68
Amounts written-off	-	-	-	-	(31,141.80)	(31,141.80)	(31,141.80)	(31,141.80)
As at March 31, 2023	2,30,611.90	3,472.85	5,524.79	2,862.14	5,537.62	3,507.70	2,41,674.31	9,842.69

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41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern. Regulatory capital related information is presented as part of the RBI mandated disclosures.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		March 31, 2023	March 31, 2022
Total equity	(i)	1,59,053.97	60,650.94
Debt securities	(ii)	66,114.94	26,799.76
Borrowings other than debt securities	(iii)	63,244.33	53,570.33
Total debt	(iv)=(ii)+(iii)	1,29,359.27	80,370.09
Less: Cash and bank balances & liquid investments	(v)	46,178.33	14,993.40
Net debt	(vi) = (iv)-(v)	83,180.94	65,376.69
Overall financing	(vii)=(i)+(vi)	2,42,234.91	1,26,027.63
Gearing ratio	(vi)/(vii)	0.34	0.52

No changes were made in the objectives, policies or processes for managing capital during the years presented.

42 Change in liabilities arising from financing activities

Particulars	March 31, 2022	Net Cash flows	Non-cash adjustments	March 31, 2023
Debt securities	26,799.76	39,315.18	-	66,114.94
Borrowings other than debt securities	53,570.33	9,674.00	-	63,244.33
Deposits	-	-	-	-
Total liabilities from financing activities	80,370.09	48,989.18	-	1,29,359.27

Particulars	March 31, 2021	Net Cash flows	Non-cash adjustments*	March 31, 2022
Debt securities	11,717.74	15,082.02	-	26,799.76
Borrowings other than debt securities	35,116.45	21,783.76	(3,329.88)	53,570.33
Deposits	-	-	-	-
Total liabilities from financing activities	46,834.19	36,865.78	(3,329.88)	80,370.09

**Non-Cash Adjustment includes Conversion of External Commercial Borrowings of USD 5 Million to Equity.*

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43 Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows:

	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Fair value
As at March 31, 2023					
Financial assets					
Cash and cash equivalents	-	-	28,179.96	28,179.96	28,179.96
Bank balances other than above	-	-	4,805.21	4,805.21	4,805.21
Trade receivables	-	-	2,666.40	2,666.40	2,666.40
Loans	-	-	2,31,831.62	2,31,831.62	2,31,831.62
Investments	13,193.16	-	-	13,193.16	13,193.16
Other financial assets	-	-	5,670.55	5,670.55	5,670.55
Total financial assets	13,193.16	-	2,73,153.74	2,86,346.90	2,86,346.90
Financial liabilities					
Trade payables	-	-	2,079.63	2,079.63	2,079.63
Debt securities	-	-	66,114.94	66,114.94	66,114.94
Borrowings (other than debt securities)	-	-	63,244.33	63,244.33	63,244.33
Other financial liabilities	-	-	662.66	662.66	662.66
Total financial liabilities	-	-	1,32,101.56	1,32,101.56	1,32,101.56
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	7,616.12	7,616.12	7,616.12
Bank balances other than above	-	-	1,179.30	1,179.30	1,179.30
Trade receivables	-	-	9,540.55	9,540.55	9,540.55
Loans	-	-	1,11,496.77	1,11,496.77	1,11,496.77
Investments	6,197.98	-	-	6,197.98	6,197.98
Other financial assets	-	-	4,551.42	4,551.42	4,551.42
Total financial assets	6,197.98	-	1,34,384.16	1,40,582.14	1,40,582.14
Financial liabilities					
Trade payables	-	-	720.76	720.76	720.76
Debt securities	-	-	26,799.76	26,799.76	26,799.76
Borrowings (other than debt securities)	-	-	53,570.33	53,570.33	53,570.33
Other financial liabilities	-	-	241.20	241.20	241.20
Total financial liabilities	-	-	81,332.05	81,332.05	81,332.05

Fair value measurement of financial assets and liabilities

Financial assets and financial liabilities measured at fair value in the Statement of Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for tha asset or liability.

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2023:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	13,193.16	-	-	13,193.16

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2022:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	6,197.98	-	-	6,197.98

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43 Financial instruments and fair value disclosures (contd.)

There were no financial assets or financial liabilities measured at fair value through OCI in the previous year.

The carrying amount of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, borrowings, debt securities, deposits, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

There have been no transfers among Level 1, Level 2 and Level 3 categories during the year.

44 Contingencies and commitments:

	March 31, 2023	March 31, 2022
Loan commitments*	-	30,218.12
	-	30,218.12

** Represents undrawn credit lines contractually provided by the Company to its customers for various products.*

Note:

As a part of industry wide investigation carried by an investigation agency ("Agency") on the digital lending applications and the financial institutions lending on such applications, cash and bank balances of Rs. 3,305.31 lakhs and Rs. 1,606.53 lakhs of balances pending settlement from intermediaries of the Company has been frozen. The Company has fully cooperated with the Agency and based on the advice taken from a reputed law firm, the Company is confident that it has not violated any law. Further, as advised by the reputed law firm it is taking appropriate actions for getting the investigation closed and the amounts unblocked. Accordingly, as per the Management's assessment, there is no need to create any provision in the Financial Statements.

45 Additional regulatory disclosure requirements pursuant to MCA Notification dated March 24, 2021:

(i) The Company does not own any immovable property as at March 31, 2023.
(ii) The Company does not own any investment property as at March 31, 2023.
(iii) The Company has not revalued its Property, Plant and equipment during the year ended March 31, 2023.
(iv) The Company has not revalued its Intangible assets during the year ended March 31, 2023.
(v) The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:
(a) repayable on demand
(b) without specifying any terms or period of repayment
(vi) The Company does not have any capital work-in-progress as at March 31, 2023.
(vii) The Company does not have any intangible assets under development as at March 31, 2023.
(viii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
(ix) The Company has taken borrowings from banks on the basis of security of its loan receivables. The Company has filed all the monthly/quarterly statements/returns with the banks as per the terms and conditions of the facility agreement and no discrepancies are noted with the books of accounts & financial statements of the Company.
(x) The Company has not been declared a wilful defaulter by any bank or financial institution or consortium thereof.
(xi) The Company has not had any transaction with the companies struck off under section 248 of The Companies Act, 2013 or section 560 of The Companies Act, 1956.
(xii) The Company has not defaulted in registration or satisfaction of charges with the Registrar of Companies.
(xiii) The Company does not have a subsidiary and hence has complied with the number of investment layers prescribed under section 2(87) of the Companies Act, 2013.
(xiv) The Company has not entered into any scheme of arrangement during the year.
(xv) The Company has neither advanced, loaned, invested or received directly or indirectly any funds to/from any entity with the understanding that such funds will be transferred to another person, i.e ultimate beneficiaries/ultimate funding parties.
(xvi) The Company has disclosed all incomes appropriately as per the Indian Accounting Standards and no adjustments are required to he made due to any tax assessments or other requirements of the Income Tax Act, 1961.
(xvii) The Company has not traded or invested in crypto currencies or virtual currencies during the year.

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KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
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46 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on Septembar 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to ba notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the Financial Statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

47 Disclosures pursuant to the RBI notification no. RBI/DNBR/2016-17/45 - Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the "Master Direction") (as amended from time to time) have been provided in the "Annexures to the Financial Statements". These disclosures have been prepared based on this Ind-AS complaint Financial Statements of the Company.

48 Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

ASC & ASSOCIATES Chartered Accountants NEW DELHI

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2023

UDIN: 23097345BGIZDPK1405

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2023

Karthikeyan Krishnaswamy
Director
DIN: 07449376
Place: Bengaluru
Date: May 29, 2023

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2023

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

Annexures to the Financial Statements

Schedule to the Balance sheet

Particulars			March 31, 2023		March 31, 2022	
Liabilities side			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:					
	(a)	Debentures:				
		Secured	66,114.94	-	26,799.76	-
		Unsecured	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	48,909.24	-	39,696.07	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	5,935.96	-	-	-
	(f)	Public Deposits	-	-	-	-
	(i)	Other Loans - External commercial borrowings	-	-	11,371.07	-
		- Securitisation liabilities	472.67	-	-	-
		- Working capital loans	7,926.46	-	2,503.19	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):					
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of	-	-	-	-
	(c)	Other public deposits	-	-	-	-

Assets side				March 31, 2023	March 31, 2022
(3)	Break-up of Loans and Advances including bills receivables [other than those included				
	(a)	Secured		-	-
	(b)	Unsecured		2,31,831.62	1,11,496.77
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset				
	(i)	Lease assets including lease rentals under sundry debtors:			
		(a)	Financial lease	-	-
		(b)	Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors:			
		(a)	Assets on hire	-	-
		(b)	Repossessed Assets	-	-
	(iii)	Other loans counting towards asset financing activities:			
		(a)	Loans where assets have been repossessed	-	-
		(b)	Loans other than (a) above	-	-
(5)	Break-up of Investments				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	13,193.16	6,197.98
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-

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			March 31, 2023	March 31, 2022
2	Unquoted			
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-
Long Term Investments				
1	Quoted			
	(i)	Share		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-
2	Unquoted			
	(i)	Shares		
		(a) Equity	-	-
		(b) Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others - Fixed Deposit	-	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category			As on March 31, 2023 Amount net of provisions			As on March 31, 2022 Amount net of provisions		
			Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties **							
	(a)	Subsidiaries	-	-	-	-	-	-
	(b)	Companies in the same group	-	-	-	-	-	-
	(c)	Other related parties	-	-	-	-	-	-
2	Other than related parties		-	2,31,831.62	2,31,831.62	-	1,11,496.77	1,11,496.77
Total			-	2,31,831.62	2,31,831.62	-	1,11,496.77	1,11,496.77

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category			March 31, 2023 Market Value / Break up or fair value or NAV	March 31, 2023 Book Value (Net of Provisions)	March 31, 2022 Market Value / Break up or fair value or NAV	March 31, 2022 Book Value (Net of Provisions)
1	Related Parties **					
	(a)	Subsidiaries	-	-	-	-
	(b)	Companies in the same group	-	-	-	-
	(c)	Other related parties	-	-	-	-
2	Other than related parties		13,193.16	13,193.16	6,197.98	6,197.98
Total			13,193.16	13,193.16	6,197.98	6,197.98

(8) Other Information

Particulars			March 31, 2023	March 31, 2022
(i)	Gross Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	5,537.62	3,390.54
(ii)	Net Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	2,029.92	917.65
(iii)	Assets acquired in satisfaction of debt		-	-

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KRAZYBEE SERVICES PRIVATE LIMITED
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(All amounts are in Rs. Lakhs, unless otherwise stated)

(9)

Capital to Risk Assets Ratio	March 31, 2023	March 31, 2022
CRAR %	60.16%	40.55%
CRAR - Tier I Capital (%)	58.91%	39.35%
CRAR - Tier II Capital (%)	1.25%	1.20%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount rasied by issue of Perpetual Debt Instruments	-	-

(10) Investments

Particulars	March 31, 2023	March 31, 2022
1) Value of Investments		
i) Gross value of investments		
- in India	13,193.16	6,197.98
- Outside India	-	-
(ii) Provisions for depreciation on investments		
- in India	-	-
- Outside India	-	-
(iii) Net value of investments		
- in India	13,193.16	6,197.98
- Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off /write back of excess provision during the year	-	-
iv) Closing balance	-	-

(11)

Particulars	March 31, 2023	March 31, 2022
Unsecured Advances	2,31,831.62	1,11,496.77

(12) Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency	Programme	Ratings assigned	Migration during the year
Acuite Ratings & Research	Bank Loan Ratings	Acuite BBB+ Positive	On September 2, 2022, Acuite has revised the outlook to "Positive" from "Stable"
	Bank Loan Ratings	Acuite A (CE) Positive	On September 2, 2022, Acuite has revised the outlook to "Positive" from "Stable"
	Commercial Paper	Acuite A2+	Nil
	Non Convertible Debentures	PP-MLD Acuite BBB+ Positive	On September 2, 2022, Acuite has revised tbe outlook to "Positive" from "Stable"
	Non Convertible Debentures	Acuite BBB+ Positive	On September 2, 2022, Acuite has revised the outlook to "Positive" from "Stable"
Crisil Ratings	Bank Loan Ratings	Crisil BBB+ Stable	New Rating
	Commercial Paper	Crisil A2+	New Rating
	Non Convertible Debentures	Crisil PPMLD BBB+/Stable	New Rating
	Non Convertible Debentures	Crisil BBB+ Stable	New Rating
ICRA	Market Linked Debentures	PP-MLD ICRA BBB- (Positive)	Rating withdrawn

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KRAZYBEE SERVICES PVT. LTD. Bangalore

KRAZYBEE SERVICES PRIVATE LIMITED
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(13) Provisions and Contingencies

Particulars	March 31, 2023	March 31, 2022
Provision for depreciation on investment	-	-
Provision towards non performing assets*	3,507.70	2,472.89
Provision for standard assets**	6,334.98	7,312.29
Provision towards income tax	2,247.31	2,056.35
Provision for compensated absences	98.79	57.21
Provision for gratuity	137.93	55.87

* Represents provision on Stage 3 advances.
** Represents provision on Stage 1 and Stage 2 advances.

(14) a) Concentration of assets
i. Concentration of Advances

Particulars	March 31, 2023	March 31, 2022
Total Advances to twenty largest borrowers	101.26	114.59
Percentage of Advances of twenty largest borrowers to Total Advances of the Company	0.04%	0.09%

ii. Concentration of exposures

Particulars	March 31, 2023	March 31, 2022
Total exposure to twenty largest borrowers	101.26	114.59
Percentage of exposure of twenty largest borrowers to total exposure of the Company on borrowers	0.04%	0.09%

iii. Concentration of NPA

Particulars	March 31, 2023	March 31, 2022
Total Exposure to top four NPA accounts	15.03	9.36

iv. Sector wise distribution of credit impaired loans

Sector	Percentage of impairment loss to Total Advances in that sector	
	March 31, 2023	March 31, 2022
Agriculture and allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	2.29%	2.80%
Auto Loans	-	-
Other Personal Loans	-	-
Total	2.29%	2.80%

b) Concentration of liabilities
(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
4	30,928.93	N/A	23.14%

** Based on no. of parties forming greater than 5% of the total liabilities individually.*

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits)
The Company has not raised any deposits. Accordingly, this disclosure is not applicable.

(iii) Top 10 borrowings (amount in Rs. lakhs and % of total borrowings)

Amount	% of Total Borrowings
57,755.13	44.65%

(iv) Funding Concentration based on significant instrument/product

Name of the Instrument	Amount	% of Total Liabilities
Equity	1,59,053.97	119.00%
Borrowings	63,244.33	47.32%
Debt Securities	66,114.94	49.46%

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KRAZYBEE SERVICES PVT. LTD. Bangalore

(14) b) Concentration of liabilities (contd.)

(v) Stock Ratios

Particulars	Total Public Funds %	Total Liabilities %	Total Assets %
Commercial papers as a % of total public funds, total liabilities and total assets	4.59%	4.44%	2.03%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	51.11%	49.46%	22.59%
Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets	3.33%	3.22%	1.47%

(vi) Institutional set-up for liquidity risk management: Refer Note 42(C).

(15) Movement of credit impaired loans

Particulars	March 31, 2023	March 31, 2022
(i) Net NPAs to Net Advances (%)	0.85%	0.77%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	3,390.54	4,710.29
(b) Additions during the year	26,942.79	10,577.96
(c) Reductions during the year	(24,795.71)	(11,897.71)
(d) Closing balance	5,537.62	3,390.54
(iii) Movement of Net NPAs		
(a) Opening balance	917.64	1,238.12
(b) Additions during the year	1,112.27	(320.48)
(c) Reductions during the year	-	-
(d) Closing balance	2,029.90	917.64
(iv) Movement of Provision for NPAs		
(a) Opening balance	2,472.90	3,472.17
(b) Impairment loss allowance made during the year	25,830.53	10,898.44
(c) Write off/ write back of excess allowance	(24,795.71)	(11,897.71)
(d) Closing balance	3,507.72	2,472.90

(16) Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. circular no. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated 29 September 2016.

Particulars	March 31, 2023	March 31, 2022
a. Persons involved		
Customers	-	5.30
Total	-	5.30
b. Type of fraud		
Others	-	5.30
Total	-	5.30

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ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PVT. LTD. Bangalore

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(17) Derivatives

Disclosure with respect to outstanding Cross Currency Interest Rate Swap (CCIRS)

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2023	March 31, 2022
i) The notional principal of swap agreements (USD)	-	-
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the agreements	-	-
iii) collateral required by the Bank upon entering into swaps	-	-
iv) concentration of credit risk arising from the swaps	-	-
v) fair value of the swap book	-	-

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark
Hedging	Not Applicable	Not Applicable

b) Exchange Traded Interest Rate Derivatives - Not applicable

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company's treasury function is responsible for company's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the Company including currency risk, market risk and liquidity risk. In course of managing these risks, the Company may use various market instruments as permissible for the company based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the Management. The Company does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes.

Quantitative Disclosure

Sr. No.	Particulars	March 31, 2023		March 31, 2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) (USD)	-	-	-	-
	a) For hedging*	-	-	-	-
	b) For trading	-	-	-	-
(ii)	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure (USD Million)	-	-	15.00	-

* Pertains to cross currency interest rate swap

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KRAZYBEE SERVICES PVT. LTD. Bangalore

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(17) Derivatives

Disclosure with respect to outstanding Cross Currency Interest Rate Swap (CCIRS)

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2023	March 31, 2022
i) The notional principal of swap agreements (USD)	-	-
ii) Losses which would he incurred if counter parties failed to fulfil their obligation under the agreements	-	-
iii) collateral required by the Bank upon entering into swaps	-	-
iv) concentration of credit risk arising from the swaps	-	-
v) fair value of the swap book	-	-

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark
Hedging	Not Applicable	Not Applicable

b) Exchange Traded Interest Rate Derivatives - Not applicable

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company's treasury function is responsible for company's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the Company including currency risk, market risk and liquidity risk. In course of managing these risks, the Company may use various market instruments as permissible for the company based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the Management. The Company does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes.

Quantitative Disclosure

Sr. No.	Particulars	March 31, 2023		March 31, 2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) (USD)	-	-	-	-
	a) For hedging*	-	-	-	-
	b) For trading	-	-	-	-
(ii)	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure (USD Million)	-	-	15.00	-

* Pertains to cross currency interest rate swap

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ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. Bangalore

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(19) Disclosure as per Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 issued by Reserve Bank of India (RBI) dated March 13, 2020:

As on March 31, 2023

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1	2,30,611.90	3,472.85	2,27,139.05	922.45	2,550.40
	Stage 2	5,524.79	2,862.14	2,662.65	22.10	2,840.04
Subtotal		2,36,136.69	6,334.98	2,29,801.70	944.55	5,390.44
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	5,537.62	3,507.70	2,029.92	553.76	2,953.94
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		5,537.62	3,507.70	2,029.92	553.76	2,953.94
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1	2,30,611.90	3,472.85	2,27,139.05	922.45	2,550.40
	Stage 2	5,524.79	2,862.14	2,662.65	22.10	2,840.04
	Stage 3	5,537.62	3,507.70	2,029.92	553.76	2,953.94
	Subtotal	2,41,674.31	9,842.69	2,31,831.62	1,498.31	8,344.38

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KRAZYBEE SERVICES PVT. LTD. Bangalore

ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(19) Disclosure as per Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 issued by Reserve Bank of India (RBI) dated March 13, 2020 (contd.)

As on March 31, 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1	1,13,676.67	4,805.08	1,08,871.59	435.49	4,369.59
	Stage 2	4,214.74	2,507.21	1,707.53	6.83	2,500.38
Subtotal		1,17,891.41	7,312.29	1,10,579.12	442.32	6,869.97
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	3,390.54	2,472.89	917.65	339.05	2,133.83
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		3,390.54	2,472.89	917.65	339.05	2,133.83
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1	1,13,676.67	4,805.08	1,08,871.59	435.49	4,369.59
	Stage 2	4,214.74	2,507.21	1,707.53	6.83	2,500.38
	Stage 3	3,390.54	2,472.89	917.65	339.05	2,133.83
	Subtotal	1,21,281.95	9,785.18	1,11,496.77	781.37	9,003.80

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KRAZYBEE SERVICES PVT. LTD. Bangalore

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(20) Disclosure on accounts subjected to restructuring

For year ended March 31, 2023
No loans have been restructured during the year ended March 31, 2023.

For year ended March 31, 2022

Sl. No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
	Asset Classification →		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56.00	45,643.00	-	-	45,699.00	56.00	45,643.00	-	-	45,699.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.35	1,299.34	-	-	1,304.69	5.35	1,299.34	-	-	1,304.69
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.80	337.24	-	-	338.04	0.80	337.24	-	-	338.04
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	6,208.00	6,208.00	-	-	-	6,208.00	6,208.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	369.87	369.87	-	-	-	369.87	369.87
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	184.93	184.93	-	-	-	184.93	184.93
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Write- offs/ Recovery/Sale of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56.00	45,643.00	-	6,208.00	51,907.00	56.00	45,643.00	-	6,208.00	51,907.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.35	1,299.34	-	369.87	1,674.56	5.35	1,299.34	-	369.87	1,674.56
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

KRAZYBEE SERVICES PVT. LTD. Bangalore

SSC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(21) Disclosure of complaints

(1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S. No.		Particulars	March 31, 2023	March 31, 2022
		Complaints received by NBFC from its customers		
1.		No. of complaints pending at the beginning of the year	32	8
2.		No. of complaints received during the year	267	236*
3.		No. of complaints disposed during the year	297	212
	3.1	Of which No. of complaints rejected by the NBFC	4	0
4.		No. of complaints pending at the end of the year	2	32
		Maintainable complaints received by the NBFC from the office of the ombudsman		
5.		No. of maintainable complaints received by the NBFC from Office of Ombudsman	152	26
	5.1	Of 5, No. of complaints resolved in favour of the NBFC by Office of Ombudsman	45	11
	5.2	Of 5, No. of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	107	15
	5.3	Of 5, No. of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	8	0
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

(2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		Year ended March 31, 2023			
Account related issues	3	83	26%	2	0
Agent related issue	4	61	(2%)	0	0
General issue	3	61	369%	0	0
Non customer issue	0	31	35%	0	0
Transaction related issue	0	26	160%	0	0
Others	22	5	(92%)	0	0
Total	32	267		2	0
		Year ended March 31, 2022			
Account related issues	3	66	(95%)	3	0
Agent related issue	2	62	(78%)	2	0
General issue	1	61	(56%)	17	13
Non customer issue	1	23	92%	0	0
Transaction related issue	1	13	(92%)	8	0
Others	1	11	(95%)	2	0
Total	9	236*		32	13

* As per the Financial Statements for the year ended March 31, 2022, the Company has reported a total number of 437 complaints, however, certain complaints have been re-classified as "Queries" based on the nature and current classification requirements of the Company. Accordingly, based on the current reporting practice being followed by the Company, the number stands revised to 236.

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ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. Bangalore

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(22) Exposure

(1) Exposure to real estate sector
Not applicable

(2) Exposure to capital market
Not applicable

(3) Sectoral exposure

Sectors	As on March 31, 2023			As on March 31, 2022		
	Total exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and allied activities	Not applicable					
2. Industry	Not applicable					
3. Services	Not applicable					
4. Personal Loans						
i) Unsecured	2,41,674.31	5,537.62	2.29%	1,21,281.95	3,390.54	2.80%
ii) Secured	Not applicable					

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KRAZYBEE SERVICES PVT. LTD. Bangalore

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KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(23) Related party disclosure

Particulars	Parent		Fellow Subsidiaries		Subsidiaries/Associates		Key managerial persons		Relatives of KMP		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Borrowings (Outstanding)	-	11,371.07	-	-	-	-	-	-	-	-	-	11,371.07
Repayment of Borrowings	11,371.07	-	-	-	-	-	-	-	-	-	11,371.07	-
NCD (Outstanding)	-	-	-	-	-	-	20.07	110.62	100.43	150.80	120.50	261.42
Issue of NCD	-	-	-	-	-	-	20.00	90.00	120.00	70.00	140.00	160.00
Redemption of NCD	-	-	-	-	-	-	110.00	90.00	150.00	100.00	260.00	190.00
Interest paid	536.73	641.49	-	-	-	-	11.15	15.88	17.27	18.40	565.15	675.77
Shares issued (including premium)	-	3,688.99	-	-	-	-	-	-	-	-	-	3,688.99
Buy-back of shares	-	-	-	-	-	-	-	-	587.40	-	587.40	-
Share based payments	241.49	306.93	-	-	-	-	-	-	-	-	241.49	306.93
Sale of services	-	-	8,525.99	15,963.98	-	-	-	-	-	-	8,525.99	15,963.98
Business support Service (income)	-	-	140.00	-	-	-	-	-	-	-	140.00	-
Purchase of services	-	-	20,041.47	818.13	-	-	-	-	-	-	20,041.47	818.13
Business support Service (expense)	-	-	186.25	-	-	-	-	-	-	-	186.25	-
Corporate gurantee fees	-	-	225.30	-	-	-	-	-	-	-	225.30	-
Remuneration and expense reimbursements	-	-	-	-	-	-	147.70	83.87	-	-	147.70	83.87
Trade receivables	-	-	2,666.40	9,298.54	-	-	-	-	-	-	2,666.40	9,298.54
Trade and other payables	-	-	510.75	243.53	-	-	-	-	-	-	510.75	243.53

(24) Breach of covenant
No covenants have been breached during the year.

(25) Divergence in asset classification and provisioning
The Company's asset classification policy is in accordance with RBI's asset classification norms.

KRAZYBEE SERVICES PVT. LTD. Bangalore

ASC & ASSOCIATES NEW DELHI Chartered Accountants

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KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. Lakhs, unless otherwise stated)

(26) Disclosure relating to Securitization

		As at March 31, 2023	As at March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator (Count)	1	-
2	Total amount of securitised assets as per books of the SPEs	477.09	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		-
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	355.48	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss		-
	Others	121.60	-
	(ii) Exposure to third party securitisations	-	
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets	3,199.35	-
	Gain/loss on sale on account of securitisation		
6	Form and quantum of services provided:		-
	(i) Servicer fee	1.00	
7	Performance of facility provided.		
	(a) Credit enhancement	710.97	-
	(b) Servicer fee	1.00	-
8	Average default rate of portfolios observed in the past		-
	- Personal loans	5.8%	
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10	investor complaints		
	(a) Directly/indirectly received	-	-
	(b) Complaints outstanding	-	-

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ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. Bangalore

(27) Details of panalties imposed by RBI and other regulators

Year ended March 31, 2023:
The Reserve Bank of India ("RBI") vide its press release dated 03rd February, 2023 imposed a monetary penalty of Rs. 42.48 lakhs on the Company for non-compliance with certain provisions of the directions issued by the Reserve Bank of India on "Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs" and "Fair Practices Code for applicable NBFCs". The Company has duly paid the same on February 16, 2023. This penalty does not have a material impact on the Company. No other penalty has been levied by the RBI or any other regulators.

Year ended March 31, 2022:
Nil

(28) Others

(a) Details of Assignment transactions undertaken by applicable NBFCs:
There are no such transactions during the current year and previous year.

(b) Details of non-performing financial assets purchased / sold - Not Applicable:
There are no such transactions during the current year and previous year.

(c) Exposure to Real estate sector:
There are no such transactions during the current year and previous year.

(d) Exposure to Capital market:
There are no such transactions during the current year and previous year.

(e) Details of financing of parent company products:
There are no such transactions during the current year and previous year.

(f) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC - Nil.

(g) Registration obtained from other financial sector regulators - None.

(h) Remuneration of non executive directors - Nil.

(i) There are no prior period items in the current year. The Financial Statemonts for the current year have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amonded from time to time.

(j) There is no postponement of revenue recognition during the year which is subjected to resolution of significant uncertainties.

(k) Draw Down from Reserves:
There has been no draw down from reserves during the year.

(l) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad):
There are no oversoas assets owned by the Company.

(m) Off-balance Sheet SPVs sponsored:
There are no off-balance sheet SPVs spensored.

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ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. Bangalore

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)
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Phones : 29835500-01, 41715991
ascassociates92@gmail.com

Independent Auditors' Report on the Ind AS Financial Statements

To the Members of KrazyBee Services Private Limited

Opinion

1. We have audited the accompanying Ind AS financial statements of KrazyBee Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statement").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

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

ASC ASSOCIATES NEW DELHI Chartered Accountants

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matters	**How our audit addressed the key audit matter**
Impairment of loans and advances to customers Charge: Rs 11,897.71 Lacs for the year ended March 31, 2022 Provision: Rs 9,785.18 Lacs at March 31, 2022	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instrument, allowance for loan loss is determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater level of management judgement and therefore	Our audit procedures included the following: a. Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance process. b. Assessed the design and implementation of controls in respect of the Company's impairment loss process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance

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Key audit matters	How our audit addressed the key audit matter
increased levels of audit focus in the Company's estimation of ECLs are: a. Data inputs- The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. b. Model estimations- Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. c. Economic scenarios- Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19. d. Qualitative adjustments- In the absence of time tested historical data for certain loan products, management	process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. c. Testing of review controls over measurement of impairment allowances and disclosures in financial statements. d. Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standard and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. e. Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied. f. Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. g. Model calculations testing through re-performance where possible. h. Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance on the

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Key audit matters	How our audit addressed the key audit matter
has used surrogate industry estimates or derived inputs using regulatory guidance. Management believes that these estimates though address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. e. Restructuring- the Company has restructured eligible personal loans in the current year on account of COVID-19 vide Resolution Framework- 2.0: Resolution of COVID-19 related stress of individuals and small businesses (RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22), dated May 5, 2021. This has resulted in increased management estimation over determination of losses for such restructured loans. Refer note 21 to the annexure to the Ind AS financial statements for further information.	financial statements are appropriate and sufficient.

Information other than the financial statements and auditors' report thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

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

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

   The board of directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibility for the Audit of the Ind AS Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

    From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

12. As required by section 143 (3) of the Act, we report that:

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

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;

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

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

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

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

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

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NEW DELHI
Chartered Accountants

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

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

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

For **ASC & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 011863N

ASC & ASSOCIATES NEW DELHI Chartered Accountants

CA Denesh Singh
Partner
Membership Number: 097345
UDIN: 22097345AJXPQH5401

Place of Signature: New Delhi
Date: May 25, 2022

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

F-7, Lajpat Nagar-III, New Delhi-110024

Phones : 29835500-01, 41715991

ascassociates92@gmail.com

Annexure 1 referred to in paragraph 11 to the Audit report of KrazyBee Services Private limited on even date

Re: KrazyBee Services Private Limited ('the Company')

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

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year in accordance with the regular programme of verifying them in phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii)(a) The Company's principal business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(a) is not applicable.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

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(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) The company's principal business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods & service tax, cess, employees' state insurance and other statutory dues applicable to it. The Company is regular in depositing with Provident fund except there are few cases in which company has not deposited the employee and employer provident fund as company is not able to generate the UAN of the employee. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, there are no dues of income-tax, goods & service tax, cess, provident fund and employees' state insurance which have not been deposited on account of any dispute. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) According to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

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

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(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has utilized the monies raised during the year by way of initial public offer / further public offer (including debt instruments) in the nature of Debentures for the purposes for which they were raised.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) According to the information and explanations given by the management, the Company has not conducted any Non-banking financial activities without a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31(c) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31(c) to the financial statements.

(xxi) There is no subsidiary or associate of the Company, Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For ASC & ASSOCIATES
Chartered Accountants
Firm Registration Number: 011863N

CA Denesh Singh
Partner
Membership Number: 097345
UDIN:22097345AJXPQH5401

Place of Signature: New Delhi
Date: May 25, 2022

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

F-7, Lajpat Nagar-III, New Delhi-110024

Phones : 29835500-01, 41715991

ascassociates92@gmail.com

Annexure '2' to the Independent Auditor's Report of even date on the Ind AS Financial Statements of KrazyBee Services Private Limited

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

1. We have audited the internal financial controls with reference to these Ind AS financial statements of KrazyBee Services Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

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

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASC & ASSOCIATES
Chartered Accountants
Firm Registration Number: 011863N

CA Denesh Singh
Partner
Membership Number: 097345
UDIN:22097345AJXPQH5401

Place of Signature: New Delhi
Date: May 25, 2022

KRAZYBEE SERVICES PRIVATE LIMITED

Balance Sheet

(All amounts are in INR Lakhs, unless otherwise stated)

S.No	Particulars	Note	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3(i)	7,616.12	24,722.98
(b)	Bank balance other than (a) above	3(ii)	1,179.30	371.72
(c)	Trade receivables	4	9,540.55	-
(d)	Loans	5	1,11,496.77	64,114.48
(e)	Investments	6	6,197.98	3,511.25
(f)	Other financial assets	7	4,785.72	8,485.06
	Sub-Total - Financial Assets		1,40,816.44	1,01,205.49
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	8	654.45	654.45
(b)	Deferred tax assets (net)	9	2,323.29	1,469.30
(c)	Property, plant and equipment	10	60.35	113.90
(d)	Right of use asset		165.04	86.95
(e)	Intangible assets	11	2.75	13.39
(f)	Other non-financial assets	12	85.09	54.78
	Sub-Total - Non-Financial Assets		3,290.97	2,392.77
	Total assets		1,44,107.41	1,03,598.26
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Trade payables	13		
	(i) total outstanding dues of micro enterprises and small enterprises		40.70	22.16
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		680.06	1,567.52
(b)	Debt securities	14	26,113.48	11,717.74
(c)	Borrowings (other than debt securities)	15	53,335.00	35,116.45
(d)	Other financial liabilities	16	1,162.81	251.40
	Sub-Total - Financial Liabilities		81,332.05	48,675.27
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	17	800.89	712.79
(b)	Provisions	18	113.08	78.08
(c)	Other non-financial liabilities	19	1,210.45	382.28
	Sub-Total - Non-Financial Liabilities		2,124.42	1,173.15
(3)	**EQUITY**			
(a)	Equity share capital	20	112.38	107.02
(b)	Other equity	21	60,538.56	53,642.82
	Sub-Total - Equity		60,650.94	53,749.84
	Total liabilities and equity		1,44,107.41	1,03,598.26

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 25, 2022

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577
Place: Bengaluru
Date: May 25, 2022

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376
Place: Bengaluru
Date: May 25, 2022

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 25, 2022

KRAZYBEE SERVICES PRIVATE LIMITED

Statement of Profit and Loss

(All amounts are in INR Lakhs, unless otherwise stated)

S.No	Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
(i)	Interest income	22	17,500.34	14,374.28
(ii)	Fees and commission income	23	15,969.40	8,075.76
(iii)	Net gain/(loss) on fair value changes	24	189.71	(110.89)
1	**Total revenue from operations**		33,659.45	22,339.15
2	Other income	25	27.92	38.40
3	Total income (1+2)		33,687.37	22,377.55
	Expenses			
(i)	Finance costs	26	7,532.88	6,104.06
(ii)	Fees and commission expense	27	1,679.41	1,105.92
(iii)	Impairment on financial instruments	28	16,183.78	9,666.61
(iv)	Employee benefits expenses	29	2,562.77	1,018.75
(v)	Depreciation and amortization expense	30	267.43	211.83
(vi)	Other expenses	31	1,322.57	641.18
4	Total expenses		29,548.84	18,748.35
5	**Profit before tax (3-4)**		4,138.53	3,629.20
	Tax expense:	32		
	(1) Current tax		2,056.35	1,028.15
	(2) Deferred tax (credit) / charge		(859.67)	(201.09)
	(3) Tax in respect of earlier years		62.91	-
6	Total tax expense		1,259.59	827.06
7	Profit for the year (5-6)		2,878.94	2,802.14
8	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss Gain/(Loss) on remeasurement of defined benefit plans		22.55	(14.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.68)	3.53
	Other comprehensive income		16.87	(10.49)
9	**Total comprehensive income for the year (7+8)**		2,895.81	2,791.65
10	**Earnings per equity share** Basic and diluted (INR) (Nominal value per share - INR 10)	33	261.43	367.98

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 25, 2022

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577
Place: Bengaluru
Date: May 25, 2022

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376
Place: Bengaluru
Date: May 25, 2022

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 25, 2022

KRAZYBEE SERVICES PRIVATE LIMITED

Statement of Cash Flows

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash flow from operating activities:		
Profit before tax	**4,138.53**	**3,629.20**
Adjustments for:		
Interest income	(17,196.23)	(13,897.98)
Depreciation and amortization expense	267.43	211.83
Interest income from investments	(304.11)	(476.30)
Gain on sale of investments	(206.96)	(18.00)
Impairment on financial instruments	16,183.78	9,666.61
Share based payment expense	316.30	206.16
Finance cost	7,131.10	6,455.85
Net gain on fair value changes	-	128.89
Unrealized foreign exchange loss	359.11	92.78
Interest income on security deposits	(7.44)	(7.09)
Interest on lease liability	42.67	24.45
Cash inflow from interest on loans	17,137.14	10,887.73
Cash outflow towards finance cost	(6,331.27)	(6,575.70)
Cash generated from operations before working capital changes	**21,530.05**	**10,328.43**
Working capital changes:		
Decrease /(increase) in loans	(62,809.89)	20,557.11
Decrease / (increase) in trade receivables	(9,540.55)	1,103.73
Decrease / (increase) in other financial assets	3,695.62	(5,729.00)
Decrease / (increase) in other non-financial assets	(20.91)	69.06
Increase / (decrease) in trade payables	(868.92)	584.64
Increase in provisions	57.55	33.88
Increase / (Decrease) in other financial liabilities	12.90	5.32
Increase / (Decrease) in other non-financial liabilities	131.08	(197.24)
Cash generated from / (used in) operations	**(47,813.07)**	**26,755.93**
Income tax paid (net of refunds)	(2,031.16)	(302.96)
Net cash flows generated from / (used in) operating activities (A)	**(49,844.23)**	**26,452.97**
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	(2.99)	(0.81)
Purchase of mutual funds	(2,479.77)	(3,499.83)
Redemption of investment in mutual fund	-	2,509.53
Redemption of investment in corporate bond	-	41.20
Net proceeds from / (investment in) fixed deposits	(807.58)	415.20
Interest received on investments	315.27	494.47
Net cash flow (used in) investing activities (B)	**(2,975.07)**	**(40.24)**
Cash flow from financing activities:		
Issue of equity share capital (including securities premium)	-	21,062.70
Debt securities issued / (repaid) (net)	14,395.74	(10,489.40)
Borrowings other than debt securities raised / (repaid) (net)	21,548.43	(21,103.11)
Deposits repaid	-	(100.00)
Payment towards lease liabilities	(231.73)	(149.11)
Net cash flow from / (used in) financing activities (C)	**35,712.44**	**(10,778.92)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(17,106.86)**	**15,633.81**
Cash and cash equivalents at the beginning of the year	24,722.98	9,089.17
Cash and cash equivalents at the end of the year	**7,616.12**	**24,722.98**

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 014853N

Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 25, 2022

For and on behalf of the Board of Directors of
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DIN:07442577
Place: Bengaluru
Date: May 25, 2022

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Director
DIN: 07449376
Place: Bengaluru
Date: May 25, 2022

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 25, 2022

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of Changes in Equity
(All amounts are in INR Lakhs, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the year	10,70,233	107.02	7,56,333	75.63
Add: Issued during the year	53,619	5.36	3,13,900	31.39
Balance at the end of the year	11,23,852	112.38	10,70,233	107.02

(B) Other equity

For the year ended March 31, 2022

Particulars	Reserve and surplus				Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability	
Balance as at March 31, 2021	1,361.77	46,681.04	310.60	5,296.38	(6.97)	53,642.82
Profit for the year	-	-	-	2,878.94	-	2,878.94
Other comprehensive income (net of tax)	-	-	-	-	16.87	16.87
Total comprehensive income	1,361.77	46,681.04	310.60	8,175.32	9.90	56,538.63
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	575.79	-	-	(575.79)	-	-
Premium on issue of shares	-	3,683.63	-	-	-	3,683.63
Share based payments	-	-	316.30	-	-	316.30
Balance as at March 31, 2022	1,937.56	50,364.67	626.90	7,599.53	9.90	60,538.56

For the year ended March 31, 2021

Particulars	Reserve and surplus				Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability	
Balance as at March 31, 2020	801.34	25,649.73	104.44	3,054.67	3.52	29,613.70
Profit for the year	-	-	-	2,802.14	-	2,802.14
Other comprehensive income (net of tax)	-	-	-	-	(10.49)	(10.49)
Total comprehensive income	801.34	25,649.73	104.44	5,856.81	(6.97)	32,405.35
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	560.43	-	-	(560.43)	-	-
Premium on issue of shares	-	21,031.31	-	-	-	21,031.31
Share based payments	-	-	206.16	-	-	206.16
Balance as at March 31, 2021	1,361.77	46,681.04	310.60	5,296.38	(6.97)	53,642.82

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
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For and on behalf of the Board of Directors of
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PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 25, 2022

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

1 General Information

Krazybee Services Private Limited (the "Company") is a private limited company domiciled in India and was incorporated on March 16, 2016, under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at 3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore, Karnataka - 560017. The Company is a non-banking finance company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from May 25, 2017, with Registration No. N-02.00281. The Company became non-deposit taking systematically important non-banking financial company as on quarter ended June 30, 2019. The Company is engaged in the business of consumer lending.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of preparation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in lakhs.

(a) **Statement of compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time).

The Company is regulated by the Reserve Bank of India ('RBI'). RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its Financial Statements.

Accounting policies have been consistently applied to all the years presented.

The financial statements for the year ended March 31, 2022 were authorized and approved for issue by the Board of Directors on May 25, 2022.

(a) **Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

ii) Share based payment transactions

(b) **Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 2.17 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.
Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.
Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Other intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.
The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer software	3 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Fair value measurement

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

2.6 Revenue recognition

The effective interest rate method

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

The EIR and therefore, the amortised cost of the asset is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges)If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired , the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

Revenue from contracts with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 *Revenue from contracts with customers*, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

Fees and commission income

Income from processing fees chargeable to the platforms on the basis of disbursements made is recognized on the completion of loan processing activity.

Business support services

Income from business support services is recognized on a accrual basis over the term of the agreement.

2.7 Dividend income

Income from shares and mutual fund units shall be taken into account on accrual basis when Company's right to receive payment is established.

2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

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.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:
When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

2.9 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU asset is depreciated using the straight line method from the date of initial application over the shorter of useful life of ROU asset or lease term. ROU asset are tested for impairment whenever there is any indication that their carrying amount may not be recoverable. Impairment loss, if any will be recognized in the statement of profit or loss.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.13 Financial Instruments

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

(a) Financial assets

(i) (a) Date of recognition

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

(i) (b) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) (c) Day 1 profit and loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

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Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Reclassification within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost .

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. If the credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

With the view of the short term nature of the loans, Company is not performing discounting on the loans.
The cash flows from collateral will be considered, only if a loan is guaranteed by a third party as part of its contractual terms with the customers and it carry an allowance for expected credit loss based on the combined credit risk i.e., by reflecting the effect of the guarantee in the measurement of losses expected on default. A key criteria of what does not constitute part of contractual terms is that if a loan is guaranteed but the guarantee would not pass to the new holder if the loan is transferred. The third party guarantees which does not form part of the contractual terms with the customers are treated as contingent asset and recognized separately as reimbursement income only when it is virtually certain that recovery will be made.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

The Company has decided to use probability weights for each scenario based on management expert judgement. The probability weights should be reviewed periodically and amended based on the forward-looking information (i.e. a period of reduced growth forecasts may result in putting more weightage on a worst case scenario or in future once more data is available the Company can use statistical approach etc.). Any change to the probability weighting will need to be approved by the Risk Management Committee.

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

(iv) Derecognition of financial assets

A financial asset is derecognized only when
a) the rights to receive cash flows from the financial asset is transferred or
b) 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 financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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(v) Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Employee Benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.17 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 37.

(d) Useful life and expected residual value of assets

Depreciation and amortisation is 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. The 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.

(e) Leases

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

Judgements

(a) **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely payments of principal and interest (SPPI)and the business model test . The Company determines the business model at a level that reflects how Company's 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.

(b) **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 required 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.

(c) **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.

(d) **Impairment of financial asset**

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 internal credit grading model, which assigns PDs to the individual grades
- 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 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, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

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(e) Provisions and other contingent liabilities

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 various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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 judgement is required to conclude on these estimates.

Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.
(ii) Effective interest rate used in calculation of security deposit.

2.18 Operating segments

The operating segments are reported in a manner consistent with the internal reporting provided by the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is engaged in the business of consumer lending in India which is considered to be the only reportable segment.

2.19 Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.20 Dividend payable

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

2.21 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

2.22 Derivative financial instrument and hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:
Cash flow hedge:
A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).
The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company did not have any fair value hedges.

2.23 De-recognition of property, plant and equipment and intangible assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.24 Share based payment transaction

The stock options of the Parent Company is granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which the related service vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service vesting conditions at the vesting date. If a grant lapses after the vesting period, the cumulative discount recognised as an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

2.25 Financial guarantees

As issuer of financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.
Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

As beneficiary of financial guarantees

The Company avails financial guarantees from its parent and fellow subsidiaries towards borrowings availed from various lenders. The Company does not account for such financial guarantees received in the capacity of beneficiary.

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Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

		March 31, 2022	March 31, 2021
3 (i) Cash and cash equivalents			
Balances with banks in current accounts		7,616.12	3,647.96
Fixed deposits with original maturity of less than three months		-	21,075.02
Total	(I)	**7,616.12**	**24,722.98**
(II) Bank balance other than cash and cash equivalent			
Balances with Banks in fixed deposit accounts with original maturity of more than three months		1,179.30	371.72
Total other bank balances	(II)	**1,179.30**	**371.72**
Total cash and bank balances	(I+II)	**8,795.42**	**25,094.70**

Note

The fixed deposit aggregating to INR 300 (March 31, 2021: INR 200) placed with Banks has a lien for the financial arrangement availed by the Company.

The fixed deposit aggregating to INR 11.2 (March 31, 2021: INR 11.2) placed with Banks has a lien for the credit card facility availed by the Company.

Balance with bank in current account is net of overdraft balances.

The overdraft facility availed by the Company from the Bank has been secured by way of a Lien from a fellow subsidiary, Finnovation Tech Solutions Private Limited.

4 Trade receivables		
Considered good -Unsecured	9,540.55	-
	9,540.55	-
Less: Allowance for impairment loss	-	-
Total trade receivables	9,540.55	-

Trade receivables include debts due by:

i) Private company in which director is a director or a member (Refer Note 37)	6,688.09	-
ii) Trade receivables include (Refer Note 37)		
Receivables from Finnovation Tech Solutions Private Limited	6,688.09	-
Receivables from Kartbee Technologies Private Limited	2,852.46	-

Trade Receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,967.55	3,573.00	-	-	-	**9,540.55**
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

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Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
5 Loans		
Unsecured (carried at amortised cost)		
Loan to customer	1,16,156.30	65,244.12
Interest accrued	5,125.65	4,369.47
Less: Impairment loss allowance	(9,785.18)	(5,499.11)
Total	**1,11,496.77**	**64,114.48**
6 Investments		
Investments carried at fair value through profit or loss		
Liquid mutual funds, quoted	6,197.98	3,511.25
Total	**6,197.98**	**3,511.25**
Liquid mutual funds, quoted		
DSP Overnight Fund - Growth 4,08,987.55 units of INR 1138.38 each (March 31, 2021: 2,27,839 units of INR 1097.21 each)	4,655.83	2,511.21
Nippon Overnight Fund - Growth 9,05,226.23 units of INR 114.12 each (March 31, 2021: 9,05,226 units of INR 110.46 each)	1,033.04	1,000.04
Baroda BNP Paribas Over Night Fund - Growth 45,680.60 units of INR 1114.51 each	509.11	-
All the above investments are in India.		
7 Other financial assets		
Security deposit	96.58	197.16
Receivables from intermediaries*	4,440.71	8,029.32
Others receivables	248.43	258.58
Total	**4,785.72**	**8,485.06**

*Note : The amount represents balance of loans repaid by borrower, which as at the balance sheet date is pending settlement by the intermediary e- wallet/ platform to the Company, this in-line with common business practices of settlement of amounts on a Transaction plus one/ two (T+1/ T+2) banking days basis.

Other receivables include (Refer note 37)		
Receivable from related party - Kartbee Technologies Private Limited	-	36.33
8 Current tax assets (net)		
Advance income tax	654.45	654.45
Total	**654.45**	**654.45**

Note: Pertains to income tax receivables for the financial year 2019-20

9 Deferred tax assets (net)		
Deferred tax assets (Refer note 32)	2,323.29	1,469.30
Total	**2,323.29**	**1,469.30**

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KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR Lakhs, unless otherwise stated)

10 Property, plant and equipment - tangible assets

	Gross block				Depreciation				Net block
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	For the year	On deductions	As at March 31, 2022	As at March 31, 2022
Owned assets									
Furniture and fixtures	36.55	-	-	36.55	5.36	3.60	-	8.96	27.59
Office equipment's	23.44	2.99	-	26.43	7.83	4.58	-	12.41	14.02
Computers	186.13	-	-	186.13	119.03	48.36	-	167.39	18.74
Total	246.12	2.99	-	249.11	132.22	56.54	-	188.76	60.35

	Gross block				Depreciation				Net block
	As at April 1, 2020	Additions	Deductions	Up to March 31, 2021	As at April 1, 2020	For the year	On deductions	Up to March 31, 2021	As at March 31, 2021
Owned assets									
Furniture and fixtures	36.55	-	-	36.55	1.89	3.47	-	5.36	31.19
Office equipment's	22.68	0.76	-	23.44	3.18	4.65	-	7.83	15.61
Computers	186.13	-	-	186.13	59.50	59.53	-	119.03	67.10
Total	245.36	0.76	-	246.12	64.57	67.65	-	132.22	113.90

11 Intangible assets

	Gross block				Amortization				Net block
	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	For the year	On deductions	As at March 31, 2022	As at March 31, 2022
Computer software	34.25	-	-	34.25	20.86	10.64	-	31.50	2.75
Total	34.25	-	-	34.25	20.86	10.64	-	31.50	2.75

	Gross block				Amortization				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year	On deductions	As at March 31, 2021	As at March 31, 2021
Computer software	34.20	0.05	-	34.25	9.95	10.91	-	20.86	13.39
Total	34.20	0.05	-	34.25	9.95	10.91	-	20.86	13.39

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		March 31, 2022	March 31, 2021
12	**Other non-financial assets**		
	Prepaid expenses	50.56	54.76
	Advance to suppliers	34.53	0.02
	Total	85.09	54.78

13	**Payables**		
(I)	Trade payables		
(a)	Total outstanding dues of micro enterprises and small enterprises	40.70	22.16
(b)	Total outstanding dues creditors other than micro enterprises and small enterprises	680.06	1,567.52
	Total	720.76	1,589.68

Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	40.70	-	-	-	40.70
(ii) Others	677.51	0.60	1.95	-	680.06
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	22.05	-	0.11	-	22.16
(ii) Others	1,524.68	40.75	2.09	-	1,567.52
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars		
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	40.70	22.16
Interest	0.64	-
Total		
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.64	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.64	-

Trade payables include (Refer Note 37):		
Payable to Finnovation Tech Solutions Private Limited	186.88	1,258.47
Payable to Kartbee Technologies Private Limited	55.13	100.88

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	March 31, 2022	March 31, 2021
14 Debt securities		
At amortized cost		
Secured		
Privately placed reedeemable non-convertible debentures	26,113.48	11,717.74
Total	**26,113.48**	**11,717.74**

*All the Debt securities are in India

Notes:

i. Terms of repayment of privately placed redeemable non-convertible debentures

Year ended	Terms of debt	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2022	Interest rate: 11.95% to 15% Repayment terms: Bullet repayments, Bullet (interest monthly/quarterly payable) and equated monthly installments (total 66 installments)	18,715.20	7,398.28	-	26,113.48
March 31, 2021	Interest rate: 13.50% to 16% Repayment terms: Bullet repayments and equated monthly installments (total 68 installments)	11,048.28	669.46	-	11,717.74

ii All the above non-convertible debentures are secured by hypothecation of portfolio of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of the debenture.

iii The non-convertible debentures are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

15 Borrowings (other than debt securities)		
At amortized cost, secured		
Term loans		
i. From Banks	9,039.13	8,164.97
ii. From others	32,924.80	12,250.54
External commercial borrowings	11,371.07	14,700.94
Total	**53,335.00**	**35,116.45**
Borrowings in India	41,963.93	20,415.51
Borrowings outside India	11,371.07	14,700.94

Notes:

i. Terms of repayment of term loans:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2022	Interest rate: 9.70% to 13.5% Repayment terms: Bullet repayments (monthly interest payable), Bullet repayment (Roll over facility), Monthlly interest and semi-annually/quraterly Principal repayment and Equated monthly installments (total of 129 installments)	40,340.00	1,623.93	-	41,963.93
March 31, 2021	Interest rate: 7.75% to 17% Repayment terms: Bullet repayments and Equated monthly installments (total of 112 installments)	16,952.54	3,462.97	-	20,415.51

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Borrowings (other than debt securities)

ii. Terms of repayment of external commercial borrowings:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2022	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	11,371.07	-	-	11,371.07
March 31, 2021	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	-	14,700.94	-	14,700.94

iii. All the above term loans and external commercial borrowings are secured by hypothecation of portfolio of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of the loan.

iv. The term loans are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

v. There are no defaults as on balance sheet date in repayment of borrowings and interest thereon.

vi. External commercial borrowing has been raised from Holding Company, Finnov Private Limited, Singapore.

vii. The Company has been sanctioned working capital limits of INR 2,500 from banks on the basis of security of current assets of the Company. The Company has also filed all the monthly/quarterly statements/returns with the banks as per the terms and conditions of the facility agreement.

		March 31, 2022	March 31, 2021
16	**Other financial liabilities**		
	Interest accrued but not due on borrowings	921.61	121.78
	Employee benefits payable	45.00	29.84
	Director fees payable	1.50	-
	Lease liability	191.65	92.97
	Others	3.05	6.81
	Total	**1,162.81**	**251.40**
17	**Current tax liabilities (net)**		
	Current tax liabilities	800.89	712.79
	(Net of advance income tax of INR 1,308.15, 2021: INR 315.35)		
	Total	**800.89**	**712.79**
18	**Provisions**		
	Provision for gratuity	55.87	48.43
	Provision for compensated absences	57.21	29.65
	Total	**113.08**	**78.08**
19	**Other non - financial liabilities**		
	Statutory dues	223.44	92.36
	Interest received but not due	987.01	289.92
	Total	**1,210.45**	**382.28**

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	March 31, 2022	March 31, 2021
20 Equity share capital		
The Company has only one class of share capital having a par value of INR 10 per share, referred to herein as equity shares.		
Authorized		
15,00,000 equity shares of INR 10 each (March 31, 2021:15,00,000 equity shares of INR 10 each)	150.00	150.00
Issued, subscribed and paid up share capital		
11,23,852 equity shares of INR 10 each (March 31, 2021: 10,70,233 equity shares of INR 10 each)	112.38	107.02
Total	112.38	107.02

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	10,70,233	107.02	7,56,333	75.63
Add: Issued during the year	53,619	5.36	3,13,900	31.39
Outstanding at the end of the year	**11,23,852**	**112.38**	**10,70,233**	**107.02**

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Finnov Private Limited		
11,17,952 (31 March 2021: 10,64,333) equity shares of INR 10 each fully paid	11,17,952	10,64,333

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	March 31, 2022		March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Finnov Private Limited	11,17,952	99.48%	10,64,333	99.45%

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

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) There are no shares reserved for issue under options or contracts and commitments.

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(h) Details of shareholding of promoters in the company:

Name of the promoter	March 31, 2022		
	Number of shares	% of holding in the class	% Change during the year
Madhusudan Ekambaram	5,890	0.52%	-0.03%
Karthikeyan Krishnaswamy	10	0.00%	0.00%

Name of the promoter	March 31, 2021		
	Number of shares	% of holding in the class	% Change during the year
Madhusudan Ekambaram	5,890	0.55%	-0.23%
Karthikeyan Krishnaswamy	10	0.00%	0.00%

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	March 31, 2022	March 31, 2021
21 Other equity		
(a) Statutory reserve u/s 45-IC of the RBI Act, 1934		
Opening balance	1,361.77	801.34
Add: current year transfer	575.79	560.43
Closing balance	**1,937.56**	**1,361.77**
(b) Securities premium account		
Opening balance	46,681.04	25,649.73
Add : securities premium credited on share issue	3,683.63	21,031.31
Closing balance	**50,364.67**	**46,681.04**
(c) Share options outstanding account		
Opening balance	310.60	104.44
Add: Transferred during the year	316.30	206.16
Less: Transfer to equity	-	-
Closing balance	**626.90**	**310.60**
(d) Retained earnings		
Opening balance	5,289.41	3,058.19
Add: Net Profit for the current year	2,878.94	2,802.14
Add: Other comprehensive income	16.87	(10.49)
Less: Transfer to statutory reserves	575.79	560.43
Closing balance	**7,609.43**	**5,289.41**
Total reserves and surplus	**60,538.56**	**53,642.82**

Nature and purpose of reserves

(a) Statutory reserve u/s 45-IC of the RBI Act, 1934

The Company creates a reserve in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount equal to or more than twenty percent of its net profit for the year, before declaration of the dividend.

(b) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) Share options outstanding account

The Company provide share based payment scheme to its employees. The shares of the parent company were granted to the employees under the scheme. The share options outstanding account represents amount recognized over the vesting period and payments made towards such options.

(d) Retained earnings

Retained earnings represents the surplus in Profit and Loss Account
The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses on defined benefit plans.

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	March 31, 2022	March 31, 2021
22 Interest income		
At amortized cost		
Interest on loans	17,187.98	13,885.45
Interest income from investments	-	3.34
Interest on deposits with Banks	304.11	472.96
Other interest income	8.25	12.53
Total	**17,500.34**	**14,374.28**
23 Fees and commission income		
Fees from platform	2,715.57	1,040.02
Income from deficiency	13,253.83	7,035.74
Total	**15,969.40**	**8,075.76**
24 Net gain/(loss) on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- derivatives	-	(128.89)
- investments	206.96	18.00
- remeasurement gain/(loss)	(17.25)	-
Total net gain/(loss) on fair value changes	189.71	(110.89)
Fair value changes:		
- realised	107.48	(122.31)
- unrealised	82.23	11.42
Total net gain/(loss) on fair value changes	189.71	(110.89)
25 Other income		
Income from business support services	-	36.33
Miscellaneous income	27.92	2.07
Total	**27.92**	**38.40**
26 Finance costs		
On financial liabilities measured at amortized cost		
Interest on borrowings	4,062.25	4,012.70
Interest on debt securities	2,844.75	2,443.15
Interest on lease liability	42.67	24.45
Interest on shortfall of advance tax	224.10	-
Applicable net (gain) / loss on foreign currency transactions and translation	359.11	(376.24)
Total	**7,532.88**	**6,104.06**
(i) Expenditure in foreign currency (for ECB)		
Interest expenses	641.50	791.54
27 Fees and commission expense		
Commission to platforms	818.13	851.36
Commission to payment gateways	22.75	1.86
Credit assessment charges	838.53	252.70
Total	**1,679.41**	**1,105.92**
28 Impairment on financial instruments		
On financial instruments measured at amortised cost		
Loans	16,183.78	9,666.61
Total	**16,183.78**	**9,666.61**
29 Employee benefit expenses		
Salaries and wages	2,073.52	705.59
Gratuity expense	30.07	16.15
Leave benefits expense	32.92	18.29
Contribution to provident and other funds	106.19	43.43
Share based payments to employees	306.93	230.96
Staff welfare expenses	13.14	4.33
Total	**2,562.77**	**1,018.75**

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	March 31, 2022	March 31, 2021
30 Depreciation and amortization expense		
on tangible assets	56.54	67.65
on right of use asset	200.25	133.27
on intangible assets	10.64	10.91
Total depreciation and amortization expense	**267.43**	**211.83**
31 Other expenses		
a) Rent, rates and taxes	218.85	166.74
Director's fees, allowances and expenses	14.40	7.90
Auditor's fees and expenses	13.08	15.50
Legal and Professional charges	128.96	164.98
Bank charges	12.81	25.41
Technical expenses	469.11	72.76
Collection charges	182.10	12.79
Office expenses	186.87	95.03
Expenditure towards Corporate Social Responsibility (CSR) activities	70.10	50.55
Other expenditure	26.29	29.52
Total	**1,322.57**	**641.18**

Note : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)

b) **As auditor:**		
For statutory audit	12.00	7.00
For tax audit	1.00	1.00
For certificates	0.08	7.50
Total	**13.08**	**15.50**

c) **Corporate Social Responsibility (CSR)**

Pursuant to Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities identified by the Company and monitored by CSR Committee.

Gross amount required to be spent	70.09	50.55
Amount spent during the year		
i. construction/acquisition of any asset		
-under control of the Company for future use	-	-
-not under control of the Company for future use	-	-
ii. On purpose other than (i) above	70.10	50.55
iii. Shortfall at the end of the year	-	-
iv. Reason for shortfall	Not applicable	Not applicable
iv. Nature of CSR activities		
Education & Medical	35.10	20.00
Medical	20.00	-
Assistance and relief in Emergency Situations fund	15.00	30.55
Total	**70.10**	**50.55**

32 Income tax

(A) Deferred tax relates to the following:

Deferred tax assets		
On provision for employee benefits	34.13	19.65
On income taxable u/s 43D	-	74.23
On ESOP expense	-	78.18
On expected credit loss	2,354.51	1,330.14
On leases	6.70	1.52
On depreciation and amortisation	8.75	-
On others	29.84	23.27
	2,433.93	**1,526.99**
Deferred tax liabilities		
On depreciation and amortisation	-	1.02
On borrowings EIR	84.68	53.80
On others	20.28	2.86
	104.96	**57.69**
Deferred tax asset, net	**2,328.97**	**1,469.30**

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	March 31, 2022	March 31, 2021
32 Income tax (contd):		
(B) Reconciliation of deferred tax assets/(liabilities) (net):		
Opening balance at the beginning of the year	1,469.30	1,264.68
Tax liability recognized in Statement of Profit and Loss:		
On borrowings EIR	(30.88)	90.57
On property plant and equipment	-	3.67
On others	(17.41)	(3.65)
Tax asset recognized in Statement of Profit and Loss:		
On provision for employee benefits	14.49	12.06
On property plant and equipment	9.77	-
On income taxable u/s 43D	(74.23)	25.01
On others	11.74	0.03
On ESOP expense	(78.18)	51.89
On derivative instrument	-	32.44
On expected credit loss	1,024.37	(7.40)
Total deferred tax assets/(liabilities) (net)	859.67	204.62
Tax liability recognized in OCI:		
On re-measurements gain/(losses) of post-employment benefit obligations	(5.68)	-
Closing balance at the end of the year	2,323.29	1,469.30
(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
Tax liability	(48.29)	90.60
Amounts recognised in Statement of Profit and Loss account	907.96	114.02
	859.67	204.62
(D) Income tax expense		
- Current tax	2,056.35	1,028.15
- Adjustments in respect of current income tax of previous year	62.91	-
- Deferred tax (credit)/ charge	(859.67)	(201.09)
Income tax expense reported in the statement of profit or loss	1,259.59	827.06
(E) Income tax charged to OCI		
Net loss/(gain) on remeasurements of defined benefit plans	(5.68)	3.53
Income tax charged to OCI	(5.68)	3.53
(F) Reconciliation of tax charge		
Profit before tax	4,138.53	3,629.20
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expense	1,041.59	913.47
Tax effects of:		
Taxes pertaining to earlier periods	62.91	-
Non tax deductible expenses	74.53	15.33
Others	80.56	(101.74)
Income tax expense	1,259.59	827.06

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	March 31, 2022	March 31, 2021
33 Earnings per share		
The following reflects the income and share data used in the basic and diluted EPS computations:		
Net profit attributable to equity holders	2,878.94	2,802.14
Weighted average number of equity shares for basic EPS (face value of INR 10 each)	11,01,229	7,61,493
Basic and diluted earnings per share (INR)	261.43	367.98

34 Employee benefits

(A) Defined contribution plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 29)	106.19	43.43

(B) Other plans provisions

a) Defined benefit plan: Gratuity payable to employees	55.87	48.43
b) Other long-term benefits: Compensated absences for Employees	57.21	29.65

Defined benefit plan: Gratuity plan

The amounts recognized in the balance sheet and the movement in the net defined benefit obligation over the year, and the assumptions used are as follows:

i) Actuarial assumptions

Discount rate (per annum)	5.15%	5.58%
Rate of increase in salary	10.00%	10.00%
Rate of attrition	30.00%	20.00%

ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	**48.43**	**18.26**
Interest cost	2.70	1.23
Current service cost	27.37	14.92
Benefit directly paid by employer	(0.08)	-
Actuarial (gain)/ loss on obligations	(22.55)	14.02
Present value of obligation at the end of the year*	**55.87**	**48.43**

*Included in provision for employee benefits

iii) Expense recognized in the Statement of Profit and Loss

Current service cost	27.37	14.92
Interest cost	2.70	1.23
Total expenses recognized in the Statement Profit and Loss*	**30.07**	**16.15**

*Included in Employee benefits expense (Refer Note 29). Actuarial gain of INR 22.55 (March 31, 2021: loss of INR 14.02) is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet:

Present value of unfunded obligation as at the end of the year	55.87	48.43
Unfunded net (asset) / liability recognized in Balance Sheet*	**55.87**	**48.43**

*Included in provision for employee benefits

v) Expected contribution to the fund in the next year

Gratuity	-	-

vi) A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact on defined benefit obligation:

Change in Discount rate:		
1% increase	(2.18)	(3.08)
1% decrease	2.34	3.37
Change in Rate of Salary Increase:		
1% increase	2.20	3.20
1% decrease	(2.09)	(2.94)
Change in Rate of Employee Turnover:		
1% increase	(1.52)	(1.82)
1% decrease	1.58	1.95

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	March 31, 2022	March 31, 2021
vii) Maturity profile of defined benefit obligation		
Year		
1st Following Year	3.87	1.60
2nd Following Year	4.83	1.82
3rd Following Year	11.93	3.85
4th Following Year	10.73	7.29
5th Following Year	9.02	7.42
Sum of Years 6 To 10	21.93	25.61
Sum of Years 11 and above	7.92	26.70

35 Employee Stock Option Scheme (ESOP)

The Parent Company's Board approved ESOP plan 2016 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors of parent Company. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

Particulars	March 31, 2022		March 31, 2021	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	35,81,886	-	6,08,141	-
Add:				
Options granted during the year	3,43,905	-	1,82,246	-
Option transferred#	13,96,498		28,06,705	
Less:				
Options exercised during the year	1,945	-	-	-
Options Lapsed during the year	1,477	-	15,206	-
Options outstanding at the end of year	53,18,867	-	35,81,886	-
Option exercisable at the end of year	-	-	-	-

Pertains to options of the employees transferred from Group entity.

In accordance with the above mentioned ESOP Scheme, INR 306.93 (Previous Year INR 230.96) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended 31 March 2022 as Employee Stock Option Scheme Compensation.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

Weighted average fair value of the options at the grant dates (INR)	1.40	1.15
Dividend yield (%)	0%	0%
Risk free interest rate (%)	4.82% - 5.71%	4.40% - 5.59%
Expected life of share options (years)	2.92	3.48
Expected volatility (%)	60.37% - 67.24%	62.67% - 63.41%
Weighted average share price (INR)	1.40	1.15

36 Leases

The Company has certain lease arrangements for premises. These lease arrangements range for a period between 12 months and 36 months, which include both cancellable and non cancellable leases. The leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Operating leases where the Company is a lessee:

(ia) Details of right-of-use assets are as follows:

Particulars	Category of ROU asset	
		Premises
	March 31, 2022	March 31, 2021
Opening Balance at the start of the year	86.95	220.22
Additions	278.34	-
Amortization (refer Note 30)	200.25	133.27
Closing balance at the end of the year	165.04	86.95

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(ib) **Lease liabilities**

Particulars	Category of Lease Liability Premises	
	March 31, 2022	March 31, 2021
Opening Balance at the start of the year	92.97	217.63
Additions	287.74	-
Lease payments	(231.73)	(149.11)
Interest on lease liabilities (refer Note 26)	42.67	24.45
Closing balance at the end of the year	191.65	92.97

(ii) **Maturity analysis of lease liabilities**

Particulars		
Upto one year	103.47	65.03
More than one year upto 5 years	88.18	27.94
Total	191.65	92.97

(iii) **Amounts recognised in Statement of Profit and Loss**

Particulars		
Interest on lease liabilities (refer Note 26)	42.67	24.45

(iv) **Amounts recognised in Statement of Cash Flows**

Particulars		
Total cash outflow for leases	231.73	149.11

37 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company for the years ended March 31, 2022 and March 31, 2021:

Holding Company
Finnov Private Limited, Singapore

Other related parties

(a) **Fellow subsidiary**
Finnovation Tech Solutions Private Limited
Kartbee Technologies Private Limited

(b) **Key Management Personnel (KMP)**
Madhusudan Ekambaram, Director
Karthikeyan Krishnaswamy, Director

Vivek Veda, Director

(c) **Relatives of KMP**
Nutan Soudagar (spouse of Madhusudan Ekambaram)
Vibha Veda (mother of Vivek Veda)
Vani Jain (wife of Vivek Veda)

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	March 31, 2022	March 31, 2021
(B) Details of transactions with related party in the ordinary course of business for the year ended:		
(i) Particulars		
A) Transaction during the year		
Sale of services:		
Finnovation Tech Solutions Private Limited	13,132.09	6,645.56
Kartbee Technologies Private Limited	2,831.89	1,466.47
Purchase of services:		
Finnovation Tech Solutions Private Limited	809.09	403.28
Kartbee Technologies Private Limited	9.04	448.08
Reimbursement of expenses:		
Vivek Veda	2.17	-
Remuneration to directors:		
Vivek Veda	81.70	40.75
Non-executive/Independent Director sitting fees:		
Abhishek Singvi	4.50	4.55
Adesh Gupta	5.70	3.05
Gopalakrishna Gurrappa	4.20	0.30
Share issued during the year (refer Note 20(a) and 21(b)):		
Finnov Private Limited (Equity share of INR 10 each)	5.36	31.39
Securities premium on the shares issued	3,683.63	21,031.31
Finance cost		
Finnov Private Limited	641.49	791.54
Krishnaswamy Bhanumathi	-	3.89
Madhusudan Ekambaram	13.11	7.64
Nutan Soudagar	6.89	5.17
Shanmuga Nursing Home	-	4.64
Krishnamurthy Ekambaram	-	1.95
Latha	-	1.96
Manjula	-	1.95
Sreenidhi Sattanathan	-	3.89
Vani Jain	8.74	7.68
Vibha Veda	2.77	0.23
Vivek Veda	2.77	0.23
Issue of non-convertible debentures		
Madhusudan Ekambaram	90.00	90.00
Nutan Soudagar	70.00	40.00
Vani Jain	60.00	60.00
Vibha Veda	-	20.00
Vivek Veda	-	20.00
B) Balance as at year end		
Receivable (Net of Payables)		
Finnovation Tech Solutions Private Limited	6,501.21	-
Kartbee Technologies Private Limited	2,797.33	-
Payable		-
Finnovation Tech Solutions Private Limited	-	1,258.47
Kartbee Technologies Private Limited	-	64.55
Finnov Private Limited	0.02	0.02
Director fees	1.50	-
Borrowings		
Finnov Private Limited	11,371.07	14,700.94
Non-convertible debentures (incl. accrued interest)		
Madhusudan Ekambaram	90.39	90.85
Nutan Soudagar	70.31	40.38
Vani Jain	60.26	60.57
Vibha Veda	20.23	20.22
Vivek Veda	20.23	20.22

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37 Related Party Disclosures:

(C) Terms and conditions of transactions with related parties
The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(D) Finnovation Tech Solutions Private Limited, a fellow subsidiary has issued Corporate Guarantee's aggregating to INR 46,503.84 (2021: INR 21,496.08) in favour of the company for its business requirements.

(E) The Bank overdraft availed by the Company aggregating to INR 1,500 (March 31, 2021: INR 3,000) has been secured by way of liens on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

38 Segment reporting

The Company's operations predominantly relate to providing consumer lending. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

39 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

It is the risk that the value of on and off-balance sheet positions of the Company will be adversely affected by movements in market rates or prices such as interest rates, currency exchange rates or credit spreads resulting in a loss to earnings and capital.

(i) Interest rate risk

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings and is exposed to changes in market interest rates through borrowings at variable interest rates.

	March 31, 2022	March 31, 2021
Interest rate risk exposure		
Below is the overall exposure of the Company to interest rate risk:		
Variable rate borrowings	49,441.52	14,700.94

Interest rate sensitivity

The following table demonstrates the sensitivity to a change in interest rates on External Commercial Borrowings:

	Increase/(decrease) in basis points	Effect on profit before tax
2022		
INR	+50	247.21
INR	-50	(247.21)
2021		
INR	+50	73.50
INR	-50	(73.50)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowing.

Foreign currency risk exposure:

The exposure to foreign currency risk at the end of the reporting period, translated to INR at closing rate, is as follows:

Financial liabilities (in USD Million)	15.00	20.00
External Commercial Borrowing	11,371.07	14,700.94
Net exposure to foreign currency risk (liabilities)	11,371.07	14,700.94

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company does not have exposure to any other foreign currencies .

	Increase/(decrease) in basis points	Effect on profit before tax
2022		
INR	+100	113.71
INR	-100	(113.71)
2021		
INR	+100	147.01
INR	-100	(147.01)

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39 **Financial risk management objectives and policies:**

(B) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's loans to customers, trade receivables, other financial assets, investments in mutual funds & corporate bonds, cash and deposits held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing credit risk is to prevent or reduce losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) **Credit risk management**

Credit risk management policy of the Company provides guidelines for identification, assessment, management, monitoring and control of credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue for a period exceeding 30 days. A default on financial assets occurs when the counterparty fails to make contractual payments for a period of 90 days or more. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. The Company evaluates credit risk of the portfolio at a borrower level and not individual facility levels in accordance with the RBI regulations.

Managing credit risk is the most important part of overall risk management function. The Company's credit risk function is headed by the Risk Head who is responsible for the key policies & processes for managing credit risk,
which include formulating credit policies & risk rating frameworks, guiding the Company's appetite for credit risk exposures, undertaking independent reviews, making objective assessments of credit risk, monitoring performance and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, robust risk policies & control frameworks, implementing & continually re-evaluating the Company's risk appetite and ensuring there is adequate monitoring of credit risks, credit costs & risk mitigation.

Credit risk is measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as EMI default rate, overdue position, EMI moritorium, restructuring, collection efficiency, credit bureau information, proprietary scorecards, non performing loans etc. are used as leading indicators to assess credit risk.

The Company remains in high vigilance mode and continues to adapt credit policy / underwriting standards in line with emerging risk metrics across the different business portfolios; and constantly monitors various external market indicators, including a watch over the spread of COVID-19 infection and coverage of vaccination across its geographic spread.

MACRO ECONOMIC VARIABLES:

The Company adjusts the expected credit loss model parameters for forward looking information, macro-economic variables and economic forecasts which have a reasonable correlation with the collection performance and portfolio risk. These include economic indicators such as inflation rates, unemployment index, GDP growth rates, etc. The Company recalibrates the model periodically as and when portfolios mature by:

1. using the available incremental and recent information, except where these informations do not represent the future outcome; and
2. assessing changes to its statistical techniques for a granular estimation of ECL.

Accordingly, the incremental information of the portfolio for certain period of the pandemic have not been considered in the model due to the distortion caused by the pandemic induced lockdown resulting in very low economic activity, unforseen distortion of customers' financial position and volitile repayment behaviour, leading to RBI announcing installment moratoriums and resolutions. These distortions do not represent the current portfolio at risk & collection performance and have been considered as outliers.

The Company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans to customers	Life time expected credit loss
High credit risk	Loans to customers	Life time expected credit loss

	March 31, 2022	March 31, 2021
Financial assets that expose the entity to credit risk:		
Low credit risk		
Cash and cash equivalents	7,616.12	24,722.98
Bank balances other than above	1,179.30	371.72
Trade receivables	9,540.55	-
Loans to customers*	1,13,739.16	64,903.31
Investments	6,197.98	3,511.25
Other financial assets	4,785.72	8,485.06
Moderate credit risk		
Loans to customers*	4,216.27	-
High credit risk		
Loans to customers*	3,326.52	4,710.28

* Represents gross values of the financial assets

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39 **Financial risk management objectives and policies:**

Cash & cash equivalents and Bank deposits

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

Investments

For investments in mutual funds, the Company transacts with asset management companies having strong track record and invests in liquid funds and short term funds where the underlying investments are predominantly placed in government and treasury securities and highly rated corporate bonds. Investments in corporate bonds are made with companies having strong credit ratings.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become overdue and default is considered to have occurred when amounts receivable become 90 days past due.

Trade receivables

Trade receivables represents trade receivables from fintech platforms as well as receivables for services rendered to platforms.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits, receivables from intermediaries, monies held by fintech platforms in escrow for onward disbursements to customers and others miscellaneous receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(ii) **Expected credit losses for financial assets other than loans:**

The Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low/negligible.

- For investments in mutual funds and Corporate bonds - Credit risk is considered low/negligible because the Company deals with high quality assets and instruments with strong credit ratings.

- For Trade receivables - Credit risk is considered low because these balances are with group companies with strong financial resources and the balances are held for shorter periods.

- For security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature. Additionally, these balances are held in escrow for onward disbursements as well as collections from customers pending settlement.

Expected credit loss for loans

Credit default risk

Considering the nature of advances given - small ticket size, short term and retail - the Company believes that the quantitative criteria for setting the definition of default is appropriate and sufficient. The management has imbibed the qualitative aspect in the categorization of the asset portfolio (i.e. first time borrowers and repeat borrowers) which considers the qualitative aspects of definition of default. The Company has therefore set out the following definition of default for all loan products:

Default: Exposures that have one or more installment(s) past due for 90 days or more.

Event driven defaults: This will be based on the customer specific factors such as declaration of bankruptcy by the customer, death of borrower and other customer specific factors. This will be applied on a case by case basis.

Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 - Credit risk has not increased significantly since initial recognition - Recognise 12-months ECL, and recognize interest on a gross basis;

Stage 2 - Credit risk has increased significantly since initial recognition - Recognise lifetime ECL, and recognise interest on a gross basis;

Stage 3 - Financial asset is credit impaired - Recognise lifetime ECL and present interest on a net basis (i.e. on the gross carrying amount less credit allowance).

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39 Financial risk management objectives and policies:

Significant increase in credit risk

The Company believes that there is a significant increase in credit risk when dues past due crosses 30 days.

Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.

- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event occurring in the future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a particular time horizon. It is arrived by using vintage analysis over the historical default data to assess how default rates change over time, factors in the current macro economic data and computes the risk of default in the next 12 months or the remaining life of the loan.

Loss given default (LGD) computation model

Loss given default (LGD) is defined as the percentage of economic loss in case of default. LGD computation is based on the lender's losses on defaulted accounts after the consideration of expected recoveries. All the loans of the Company are of unsecured nature. The management believes that the LGDs depicted basis the historical data is not representative of the future as the Company is currently in the initial growth phase and the historical data is insufficient to make a realistic assessment of account collectibility. The management has applied an override on the LGD percentages so as to depict the expected loss rates in the near term.

Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Quantitatively, accounts whose overdue days have exceed 180 days are written-off. The outstanding contractual amounts of such assets written off during the year ended March 31, 2022 was INR 11,897.69 (March 31, 2021 INR 9,946.00). However, collection efforts continue on such accounts as these are legally due to the Company.

The table below summarises the stage-wise gross carrying values and the associated allowances for expected credit loss (ECL) on the

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	1,13,739.16	4,216.27	3,326.52	1,21,281.95
Less: Allowance for ECL	4,805.07	2,507.21	2,472.90	9,785.18
Net carrying value	1,08,934.09	1,709.06	853.62	1,11,496.77
ECL Coverage Ratio	4.22%	59.47%	74.34%	8.07%

As at March 31, 2021

Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	64,903.31	4,710.28	69,613.59
Less: Allowance for ECL	2,026.95	3,472.16	5,499.11
Net carrying value	62,876.36	1,238.12	64,114.48
ECL Coverage Ratio	3.12%	73.71%	7.90%

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Management of the Company monitors forecasts of the liquidity position and cash & cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The policy involves preparation and analysis of liquidity gap reports, stress testing based on estimates of cash inflows and also taking preventive and corrective measures to manage risk. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

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39 Financial risk management objectives and policies:

(C) Liquidity risk :

March 31, 2022	Less than 1 year	1 to 3 years	Total
Debt Securities	18,715.20	7,398.28	**26,113.48**
Borrowings other than debt securities	51,711.07	1,623.93	**53,335.00**
Trade payables	718.21	2.55	**720.76**
Other financial liabilities	1,074.63	88.18	**1,162.81**
	72,219.11	**9,112.94**	**81,332.05**
March 31, 2021			
Debt Securities	11,048.28	669.46	**11,717.74**
Borrowings other than debt securities	16,952.54	18,163.91	**35,116.45**
Trade payables	1,546.73	42.95	**1,589.68**
Other financial liabilities	223.46	27.94	**251.40**
	29,771.01	**18,904.26**	**48,675.27**

40 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern. Regulatory capital related information is presented as part of the RBI mandated disclosures.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		March 31, 2022	March 31, 2021
Total equity	(i)	60,650.94	53,749.84
Debt securities	(ii)	26,113.48	11,717.74
Borrowings other than debt securities	(iii)	53,335.00	35,116.45
Total debt	(iv)=(ii)+(iii)	**79,448.48**	**46,834.19**
Less: Cash and bank balances & liquid investments	(v)	14,993.40	28,605.95
Net debt	(vi) = (iv)-(v)	**64,455.08**	**18,228.24**
Overall financing	(vii)=(i)+(vi)	1,25,106.02	71,978.08
Gearing ratio	**(vi)/(vii)**	**0.52**	**0.25**

No changes were made in the objectives, policies or processes for managing capital during the years presented.

41 Change in liabilities arising from financing activities

Particulars	March 31, 2021	Net Cash flows	Non-cash adjustments	March 31, 2022
Debt securities	11,717.74	14,395.74	-	**26,113.48**
Borrowings other than debt securities	35,116.45	21,548.43	(3,329.88)	**53,335.00**
Total liabilities from financing activities	**46,834.19**	**35,944.17**	**(3,329.88)**	**79,448.48**

Non- Cash Adjustment includes Conversion of External Commercial Borrowing of USD 5mn to Equity in the current year.

Particulars	March 31, 2020	Net Cash flows	Non-cash adjustments	March 31, 2021
Debt securities	22,207.14	(10,489.40)	-	**11,717.74**
Borrowings other than debt securities	56,126.77	(20,634.08)	(376.24)	**35,116.45**
Deposits	100.00	(100.00)	-	**-**
Total liabilities from financing activities	78,433.91	(31,223.48)	(376.24)	46,834.19

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42 Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows :-

	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Fair value
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	7,616.12	7,616.12	7,616.12
Bank balances other than above	-	-	1,179.30	1,179.30	1,179.30
Trade receivables	-	-	9,540.55	9,540.55	9,540.55
Loans	-	-	1,11,496.77	1,11,496.77	1,11,496.77
Investments	6,197.98	-	-	6,197.98	6,197.98
Other financial assets	-	-	4,785.72	4,785.72	4,785.72
Total financial assets	6,197.98	-	1,34,618.46	1,40,816.44	1,40,816.44
Financial liabilities					
Trade payables	-	-	720.76	720.76	720.76
Debt securities	-	-	26,113.48	26,113.48	26,113.48
Borrowings (other than debt securities)	-	-	53,335.00	53,335.00	53,335.00
Other financial liabilities	-	-	1,162.81	1,162.81	1,162.81
Total financial liabilities	-	-	81,332.05	81,332.05	81,332.05
As at March 31, 2021					
Financial assets					
Cash and cash equivalents	-	-	24,722.98	24,722.98	24,722.98
Bank balances other than above	-	-	371.72	371.72	371.72
Loans	-	-	64,114.48	64,114.48	64,114.48
Investments	3,511.25		-	3,511.25	3,511.25
Other financial assets	-	-	8,485.06	8,485.06	8,485.06
Total financial assets	3,511.25	-	97,694.24	1,01,205.49	1,01,205.49
Financial liabilities					
Trade payables	-	-	1,589.68	1,589.68	1,589.68
Debt securities	-	-	11,717.74	11,717.74	11,717.74
Borrowings (other than debt securities)	-	-	35,116.45	35,116.45	35,116.45
Other financial liabilities	-	-	251.40	251.40	251.40
Total financial liabilities	-	-	48,675.27	48,675.27	48,675.27

Fair value measurement of financial assets and liabilities

Financial assets and financial liabilities measured at fair value in the Statement of Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

42 Financial instruments and fair value disclosures:

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2022:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	6,197.98	-	-	6,197.98

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2021:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	3,511.25	-	-	3,511.25

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42 Financial instruments and fair value disclosures:

There were no financial assets or financial liabilities measured at fair value through OCI in the previous year.

The carrying amount of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, borrowings, debt securities, deposits, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

There have been no transfers among Level 1, Level 2 and Level 3 categories during the year.

	March 31, 2022	March 31, 2021
43 Contingencies and commitments:		
Loan commitments*	30,218.12	-
	30,218.12	**-**

** Represents undrawn credit lines contractually provided by the Company to its customers for various products.*

44 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

45 In accordance with the RBI notification no. RBI/DNBR/2016-17/45 - Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). Refer Annexures for additional NBFC disclosures.

46 Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 011663N

Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 25, 2022

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577
Place: Bengaluru
Date: May 25, 2022

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376
Place: Bengaluru
Date: May 25, 2022

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 25, 2022

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

Annexures to the Financial Statements

Additional RBI disclosures from Notes 1 to 23 have been prepared as per RBI Circulars / Directives based on Ind-AS Financial Statements.

Schedule to the Balance sheet

(Rs. In Lakhs)

Particulars			March 31, 2022		March 31, 2021	
Liabilities side			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**					
		Debentures:				
	(a)	Secured	26,113.48	-	11,717.74	-
		Unsecured	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	41,963.93	-	20,415.51	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Bank Overdraft	-	-	-	-
	(f)	Other Loans (External Commercial Borrowings)	11,371.07	-	14,700.94	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**					
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)	Other public deposits	-	-	-	-

Assets side				March 31, 2022	March 31, 2021
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**				
	(a)	Secured		-	-
	(b)	Unsecured		1,11,496.77	64,114.48
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:**				
	(i)	Lease assets including lease rentals under sundry debtors:			
		(a)	Financial lease	-	-
		(b)	Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors:			
		(a)	Assets on hire	-	-
		(b)	Repossessed Assets	-	-
	(iii)	Other loans counting towards asset financing activities:			
		(a)	Loans where assets have been repossessed	-	-
		(b)	Loans other than (a) above	-	-
(5)	**Break-up of Investments**				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	6,197.98	3,511.25
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

	Long Term Investments				
	1	Quoted			
		(i)	Share		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others - Fixed Deposit	-	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

	Category		Amount net of provisions		
			Secured	Unsecured	Total
1	Related Parties **				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2	Other than related parties		-	1,11,496.77	1,11,496.77
	Total		-	1,11,496.77	1,11,496.77

** As per Accounting Standard of ICAI (Please refer Note 3)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

	Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **			
	(a)	Subsidiaries	-	-
	(b)	Companies in the same group	-	-
	(c)	Other related parties	-	-
2	Other than related parties		6,197.98	6,197.98
	Total		6,197.98	6,197.98

(8) Other information

	Particulars		March 31, 2022	March 31, 2021
(i)	Gross Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	3,326.52	4,710.28
(ii)	Net Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	853.62	1,238.12
(iii)	Assets acquired in satisfaction of debt		-	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as updated from time to time.

2. Provisioning norms shall be applicable as prescribed in the aforementioned Master Directions in point 1 above.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments is disclosed irrespective of whether they are classified as long term or current in (5) above.

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(9)

Capital to Risk Assets Ratio	March 31, 2022	March 31, 2021
CRAR %		
CRAR - Tier I Capital (%)	39.35%	63.48%
CRAR - Tier II Capital (%)	1.20%	1.12%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount rasied by issue of Perpetual Debt Instruments	-	-

(10) Investments

Particulars	March 31, 2022	March 31, 2021
1) Value of Investments		
i) Gross value of investments		
- In India	6,197.98	3,511.25
- Outside India	-	-
(ii) Provisions for depreciation on investments		
- In India	-	-
- Outside India	-	-
(iii) Net value of investments		
- In India	6,197.98	3,511.25
- Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off /write back of excess provision during the year	-	-
iv) Closing balance	-	-

(11)

Particulars	March 31, 2022	March 31, 2021
Unsecured Advances	1,11,496.77	64,114.48

(12) Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency	Programme	Ratings assigned	Migration during the year
Acuite Ratings & Research	Bank Loan Ratings	Acuite BBB+ Stable	New Rating
	Bank Loan Ratings	Provisional Acuite A (CE) Stable	New Rating
	Commercial Paper	Acuite A2+	New Rating
	Non Convertible Debentures	PP-MLD Acuite BBB+ Stable	New Rating
	Non Convertible Debentures	Acuite BBB+ Stable	New Rating
ICRA	Term Loan	ICRA BBB- (Positive)	Rating withdrawn
	Commercial Paper	ICRA A3	Rating withdrawn
	Market Linked Debentures	PP-MLD ICRA BBB- (Positive)	Nil
Infomerics Ratings	Non Convertible Debentures	NA	Rating withdrawn

(13) Provisions and Contingencies

Particulars	March 31, 2022	March 31, 2021
Provision for depreciation on investment	-	-
Provision towards non performing assets*	2,472.90	3,472.16
Provision for standard assets**	7,312.28	2,026.95
Provision towards income tax	2,056.35	1,028.15
Provision for compensated absences	57.21	29.65
Provision for gratuity	55.87	48.43

* Represents provision on Stage 3 advances.

** Represents provision on Stage 1 and Stage 2 advances.

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(14) a) Concentration of assets

i. Concentration of Advances

Particulars	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	114.59	120.28
Percentage of Advances of twenty largest borrowers to Total Advances of the Company**	0.10%	0.18%

** Represents the total principal outstanding as at the Balance Sheet date.

ii. Concentration of exposures

Particulars	March 31, 2022	March 31, 2021
Total exposure to twenty largest borrowers	114.59	84.04
Percentage of exposure of twenty largest borrowers to total exposure of the Company on borrowers **	0.09%	0.13%

** Represents the total principal outstanding and undrawn credit limits as at the Balance Sheet date.

iii. Concentration of NPA

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top four NPA accounts	9.36	5.50

iv. Sector wise distribution of credit impaired loans

Sector	Percentage of Impairment loss to Total Advances in that sector	
	March 31, 2022	March 31, 2021
Agriculture and allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	0.70%	1.78%
Auto Loans	-	-
Other Personal Loans	-	-
Total	**0.70%**	**1.78%**

b) Concentration of liabilities

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

Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
4	29,845.42	N/A	35.76%

** Based on no. of parties forming greater than 5% of the total liabilities individually.*

(ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits)

- The Company has not raised any deposits. Accordingly, this disclosure is not applicable.

(iii) Top 10 borrowings (amount in Rs. Lakhs and % of total borrowings)

Amount	% of Total Borrowings
48,266.05	60.75%

(iv) Funding Concentration based on significant instrument/product

Name of the Instrument	Amount	% of Total Liabilities
Loans from NBFCs	32,924.80	39.45%
External commercial borrowings	11,371.07	13.63%
Term loan from banks	7,539.13	9.03%
Working capital/Overdraft loans from banks	1,500.00	1.80%
Debt Securities	26,113.48	31.29%

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(14) a) Concentration of assets

(v) Stock Ratios

Particulars	Total Public Funds %	Total Liabilities %	Total Assets %
Commercial papers as a % of total public funds, total liabilities and total assets	-	-	-
Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	23.56%	22.43%	12.99%
Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets	5.04%	4.80%	2.78%

(vi) Institutional set-up for liquidity risk management: Refer Note 42(C).

(15) Movement of credit impaired loans

Particulars	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	0.72%	1.87%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	4,710.29	3,433.24
(b) Additions during the year	10,513.94	11,223.04
(c) Reductions during the year	(11,897.71)	(9,945.99)
(d) Closing balance	**3,326.52**	**4,710.29**
(iii) Movement of Net NPAs		
(a) Opening balance	1,238.12	922.34
(b) Additions during the year	(384.50)	315.78
(c) Reductions during the year	-	-
(d) Closing balance	**853.62**	**1,238.12**
(iv) Movement of Provision for NPAs		
(a) Opening balance	3,472.17	2,510.90
(b) Impairment loss allowance made during the year	10,898.44	10,907.26
(c) Write off/ write back of excess allowance	(11,897.71)	(9,945.99)
(d) Closing balance	**2,472.90**	**3,472.17**

(16) Customer complaints

Particulars	March 31, 2022	March 31, 2021
(a) No. of complaints pending at the beginning of the year	8	21
(b) No. of complaints received during the year	437	2,198
(c) No. of complaints redressed during the year	413	2,211
(d) No. of complaints pending at the end of the year	32	8

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(17) Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. (Circular no. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016):

Particulars	March 31, 2022	March 31, 2021
a. Persons involved		
Customers	5.30	-
Total	5.30	-
b. Type of fraud		
Others	5.30	-

(18) Derivatives

Disclosure with respect to outstanding Cross Currency Interest Rate Swap (CCIRS)

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2022	March 31, 2021
i) The notional principal of swap agreements (USD)	-	-
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the agreements	-	-
iii) collateral required by the Bank upon entering into swaps	-	-
iv) concentration of credit risk arising from the swaps	-	-
v) fair value of the swap book	-	-

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark
Hedging	Not Applicable	Not Applicable

b) Exchange Traded Interest Rate Derivatives - Not applicable

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company's treasury function is responsible for company's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the Company including currency risk, market risk and liquidity risk. In course of managing these risks, the Company may use various market instruments as permissible for the company based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the Management. The Company does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes.

Quantitative Disclosure

Sr. No.	Particulars	March 31, 2022		March 31, 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) (USD)	-	-	-	-
	a) For hedging*	-	-	-	-
	b) For trading	-	-	-	-
(ii)	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure (USD Million)	15.00	-	20.00	-

* Pertains to cross currency interest rate swap

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(19) Asset Liability Management (ALM)

Maturity pattern of assets and liabilities as on March 31, 2022:

Sr. No.	Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-	-	-
2	Advances (Loan to Customer)	17,916.66	5,644.32	9,526.77	18,149.45	13,388.47	30,724.11	16,634.06	845.69	3,326.77	-	1,16,156.30
3	Investments	-	-	-	-	6,197.98	-	-	-	-	-	6,197.98
	Total Inflows	**17,916.66**	**5,644.32**	**9,526.77**	**18,149.45**	**19,586.45**	**30,724.11**	**16,634.06**	**845.69**	**3,326.77**	**-**	**1,22,354.28**
4	Debt Securities	277.32	-	6,216.24	1,037.25	1,040.26	8,116.77	3,818.20	5,607.44	-	-	26,113.48
5	Borrowings (Other than Debt Securities)	4,104.76	612.85	2,097.50	3,222.90	3,811.24	15,120.63	11,371.80	1,622.25	-	-	41,963.93
6	Foreign Currency Liabilities	-	-	-	-	-	-	11,371.07	-	-	-	11,371.07
7	Loan Commitments pending disbursal*	2,014.54	2,014.54	2,014.54	-	-	-	-	-	-	-	6,043.62
	Total Outflows	**6,396.62**	**2,627.39**	**10,328.28**	**4,260.15**	**4,851.50**	**23,237.40**	**26,561.07**	**7,229.69**	**-**	**-**	**85,492.10**

* Based on the expected disbursals of the Company.

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(20) Disclosure as per Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 issued by Reserve Bank of India (RBI) dated March 13, 2020

As on March 31, 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1	1,13,739.16	4,805.07	1,08,934.09	1,899.82	2,905.25
	Stage 2	4,216.27	2,507.21	1,709.06	16.91	2,490.30
Subtotal		**1,17,955.43**	**7,312.28**	**1,10,643.15**	**1,916.73**	**5,395.55**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	3,326.52	2,472.90	853.62	332.65	2,140.25
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**3,326.52**	**2,472.90**	**853.62**	**332.65**	**2,140.25**
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1	1,13,739.16	4,805.07	1,08,934.09	1,899.82	2,905.25
	Stage 2	4,216.27	2,507.21	1,709.06	16.91	2,490.30
	Stage 3	3,326.52	2,472.90	853.62	332.65	2,140.25
	Subtotal	**1,21,281.95**	**9,785.18**	**1,11,496.77**	**2,249.38**	**7,535.80**

ASC & ASSOCIATES Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(20) Disclosure as per Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 issued by Reserve Bank of India (RBI) dated March 13, 2020

As on March 31, 2021

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1 & 2	64,903.31	2,026.95	62,876.36	1,578.75	448.20
Subtotal		**64,903.31**	**2,026.95**	**62,876.36**	**1,578.75**	**448.20**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	4,710.28	3,472.16	1,238.12	471.03	3,001.13
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**4,710.28**	**3,472.16**	**1,238.12**	**471.03**	**3,001.13**
(c) Other items	Stage 1 & 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1 & 2	64,903.31	2,026.95	62,876.36	1,578.75	448.20
	Stage 3	4,710.28	3,472.16	1,238.12	471.03	3,001.13
	Subtotal	**69,613.59**	**5,499.11**	**64,114.48**	**2,049.78**	**3,449.33**

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(21) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution 1.0) & RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution 2.0):

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A) #	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal loans	14,522.66	5.30	1,619.51	963.51	11,934.35
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

* As defined in Section 3(7) of the insolvency and Bankruptcy Code, 2016

Previous half-year ended September 30, 2021.

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(22) Disclosure on accounts subjected to restructuring for the year ended March 31, 2022

(Amount in INR lakhs)

Sl. No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56	45,643	-	-	45,699	56	45,643	-	-	45,699
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.35	1,299.34	-	-	1,304.69	5.35	1,299.34	-	-	1,304.69
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.80	337.24	-	-	338.04	0.80	337.24	-	-	338.04
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	6,208	6,208	-	-	-	6,208	6,208
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	369.87	369.87	-	-	-	369.87	369.87
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	184.93	184.93	-	-	-	184.93	184.93
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Write- offs/ Recovery/ Sale of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56	45,643	-	6,208	51,907	56	45,643	-	6,208	51,907
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.35	1,299.34	-	369.87	1,674.56	5.35	1,299.34	-	369.87	1,674.56
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(23) Others

(a) Disclosure relating to Securitization:
There are no such transactions during the current year and previous year.

(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:
There are no such transactions during the current year and previous year.

(c) Details of Assignment transactions undertaken by applicable NBFCs:
There are no such transactions during the current year and previous year.

(d) Details of non-performing financial assets purchased / sold - Not Applicable:
There are no such transactions during the current year and previous year.

(e) Exposure to Real estate sector:
There are no such transactions during the current year and previous year.

(f) Exposure to Capital market:
There are no such transactions during the current year and previous year.

(g) Details of financing of parent company products:
There are no such transactions during the current year and previous year.

(h) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC - NIL.

(i) Registration obtained from other financial sector regulators - None.

(j) Disclosure of Penalties imposed by RBI and other regulators - None.

(k) Remuneration of non executive directors - INR 14.40 Lakhs.

(l) There are no prior period items in the current year. The Financial Statements for the current year have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

(m) There is no postponement of revenue recognition during the year which is subjected to resolution of significant uncertainties.

(n) Draw Down from Reserves:
There has been no draw down from reserves during the year.

(o) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad):
There are no overseas assets owned by the Company.

(p) Off-balance Sheet SPVs sponsored:
There are no off-balance sheet SPVs sponsored.

ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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Independent Auditors' Report on the Ind AS Financial Statements

To the Members of KrazyBee Services Private Limited

Opinion

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

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

Basis for opinion

3. We conducted our audit of the Ind AS financial Statements in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'Code of ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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 on the Ind AS financial statements.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Emphasis of Matter

5. We draw attention to note 51 of the Statement, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company estimates of Written off Receivables from Financing activity and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

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Information other than the financial statements and auditors' report thereon

6. The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

   The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

8. 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 Ind AS financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

13. As required by section 143 (3) of the Act, we report that:

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

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

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

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2016;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

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

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

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

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

For **V R ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 001239C

Abhinandan Chauhan
Partner
Membership Number: 400175
Place of Signature: Lucknow
Date: August 13, 2021
UDIN: 21400175AAAAHD5270

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Annexure A referred to in paragraph 12 to the Audit report of KrazyBee Services Private limited on even date

Re: KrazyBee Services Private Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

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

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

(iv) According to the information and explanations given to us, the Company has neither granted any loans to directors including entities in which they are interested nor is any loans and advances given, investments made and, guarantees, and securities in terms of provision section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

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

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods & service tax, cess, employees' state insurance and other statutory dues applicable to it. The Company is regular in depositing with Provident fund except there are few cases in which company has not deposited the employee and employer provident fund as company is not able to generate the UAN of the employee. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods & service tax, cess, employees' state insurance and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Except Provident fund where there are few cases in which company has not deposited the employee and employer provident fund as company is not able to generate the UAN of the employee. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income-tax, goods & service tax, cess, provident fund and employees' state insurance which have not been deposited on account of any dispute. The provisions relating to custom duty, excise duty and value added tax are not applicable to the Company.

(viii) According to the information and explanations given to us, the Company did not made any default in payment of any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues

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to debenture holders during the year. Accordingly, paragraph 3 (viii) of the order are complied with by the company.

(ix) According to the information and explanations given by the management, the Company has raised money by way of Equity, debt instruments, External Commercial borrowing and term loans, According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised., also there is no delay and default in the repayment of the same.

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

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the right issue of shares/ fully non-convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand

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

(xvi) According to the information and explanations given to us, the company is required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934 and the requisite registration has been obtained.

For **V R ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 001239C

Abhinandan Chauhan
Partner
Membership Number: 400175
Place of Signature: Lucknow
Date: August 13, 2020
UDIN: 21400175AAAAHD5270

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Annexure 'B'

Report on Internal Financial Controls Over Financial Reporting

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **V R ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 001239C

Abhinandan Chauhan
Partner
Membership Number: 400175
Place of Signature: Lucknow
Date: August 13, 2021
UDIN: 21400175AAAAHD5270

KRAZYBEE SERVICES PRIVATE LIMITED
Balance sheet as at 31 March 2021
(All amounts are in INR Lakhs, unless otherwise stated)

S.No	Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	4(I)	24,723.27	9,089.17	7,594.89
(b)	Bank balance other than (a) above	4(II)	371.72	786.92	447.04
(c)	Derivative financial instruments	5	-	128.89	-
(d)	Trade receivables	6	-	1,103.73	1,383.09
(e)	Loans	7	64,114.48	91,852.27	24,104.92
(f)	Investments	8	3,511.25	2,544.15	104.05
(g)	Other financial assets	9	8,485.06	2,767.14	1,961.76
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	10	654.45	666.85	13.53
(b)	Deferred tax assets (net)	11	1,469.30	1,264.68	232.97
(c)	Property, plant and equipment	12	113.90	180.79	78.85
(d)	Right of use asset	39	86.95	220.22	159.15
(e)	Intangible assets	13	13.39	24.25	27.81
(f)	Other non-financial assets	14	54.78	123.84	93.50
	Total assets		1,03,598.55	1,10,752.89	36,201.56
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial liabilities**				
(a)	Trade payables	15			
	(i) total outstanding dues of micro enterprises and small enterprises		19.05	23.42	4.04
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,262.02	117.65	78.65
(b)	Debt securities	16	11,717.74	22,207.14	1,935.65
(c)	Borrowings (other than debt securities)	17	35,116.74	56,126.77	9,628.96
(d)	Deposits	18	-	100.00	749.17
(e)	Other financial liabilities	19	560.01	1,354.56	420.29
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)	20	712.79	-	-
(b)	Provisions	21	78.08	30.18	15.71
(c)	Other non-financial liabilities	22	382.28	1,103.84	452.64
(3)	**EQUITY**				
(a)	Equity share capital	23	107.02	75.63	65.65
(b)	Other equity	24	53,642.82	29,613.70	22,850.80
	Total liabilities and equity		1,03,598.55	1,10,752.89	36,201.56

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date
For V.R. ASSOCIATES
Chartered Accountants
Firm Registration No: 001239C

ABHINANDAN CHAUHAN
Partner
Membership No:400175

Place:Lucknow
Date: August 13, 2021

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577

Place: Bengaluru
Date: August 13, 2021

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376

Place: Bengaluru
Date: August 13, 2021

PALLAVI CINGARAJU
Company Secretary
Membership No: A56733

Place: Bengaluru
Date: August 13, 2021

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of profit and loss for the year ended 31 March 2021
(All amounts are in INR Lakhs, unless otherwise stated)

S.No	Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
	Revenue from operations			
(i)	Interest income	25	14,374.28	21,433.58
(ii)	Fees and commission income	26	8,075.76	18,464.76
(iii)	Net gain/(loss) on fair value changes	27	(110.89)	118.61
1	**Total revenue from operations**		**22,339.15**	**40,016.95**
2	Other income	28	38.40	238.03
3	**Total income (1+2)**		**22,377.55**	**40,254.98**
	Expenses			
(i)	Finance costs	29	6,104.06	7,715.64
(ii)	Fees and commission expense	30	1,105.92	3,463.80
(iii)	Impairment on financial instruments	31	9,666.61	22,257.19
(iv)	Employee benefits expenses	32	1,018.75	870.86
(v)	Depreciation and amortization expense	33	211.83	184.08
(vi)	Other expenses	34	641.18	1,336.37
4	**Total expenses**		**18,748.35**	**35,827.94**
5	**Profit before tax (3-4)**		3,629.20	4,427.04
	Tax expense:	35		
	(1) Current tax		1,028.15	2,221.19
	(2) Deferred tax (credit) / charge		(201.09)	(1,032.89)
	(3) Tax in respect of earlier years		-	61.79
6	**Total tax expense**		**827.06**	**1,250.09**
7	**Profit for the year (5-6)**		**2,802.14**	**3,176.95**
8	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss Gain/(Loss) on remeasurement of defined benefit plans		(14.02)	4.70
	(ii) Income tax relating to items that will not be reclassified to profit or loss		3.53	(1.18)
	Other comprehensive income		**(10.49)**	**3.52**
9	**Total comprehensive income for the year (7+8)**		**2,791.65**	**3,180.47**
10	**Earnings per equity share** Basic and diluted (INR) (Nominal value per share - INR 10)	36	367.98	431.24
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For V.R. ASSOCIATES
Chartered Accountants
Firm Registration No: 001239C

ABHINANDAN CHAUHAN
Partner
Membership No:400175

Place: Lucknow
Date: August 13, 2021

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577

Place: Bengaluru
Date: August 13, 2021

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376

Place: Bengaluru
Date: August 13, 2021

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733

Place: Bengaluru
Date: August 13, 2021

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of cash flows for the year ended 31 March 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	3,629.20	4,427.04
Adjustments for:		
Interest income	(13,897.98)	(21,372.97)
Depreciation and amortization expenses	78.56	74.52
Depreciation on ROU asset	133.27	109.56
Interest income from investments	(476.30)	(60.61)
Gain on sale of investments	(18.00)	(23.72)
Impairment on financial instruments	9,666.61	22,257.19
Share based payment expense	206.16	99.17
Finance cost	6,455.85	7,181.03
Net gain on fair value changes	128.89	(94.89)
Unrealized foreign exchange loss	92.78	639.28
Interest income on security deposits	(7.09)	(5.31)
Interest on lease liability	24.45	32.09
Cash inflow from interest on loans	10,887.73	20,592.50
Cash outflow towards finance cost	(6,575.70)	(6,995.68)
Cash generated from operation before working capital changes	**10,328.43**	**26,859.19**
Working capital changes		
Decrease /(increase) in loans	20,557.11	(88,578.41)
Decrease in trade receivables	1,103.73	279.36
Increase in other financial assets	(5,729.00)	(779.12)
Decrease/ (increase) in other non financial assets	69.06	(40.59)
Increase in trade payables	1,140.00	58.38
Increase in Provisions	33.88	19.17
Increase/(decrease) in other financial liabilities	(550.04)	690.44
Increase/(decrease) in other non financial liabilities	(197.24)	5.54
Cash generated from/ (used in) operations	**26,755.93**	**(61,486.03)**
Income tax paid (net of refunds)	(302.96)	(2,936.30)
Net cash flows generated from / (used in) operating activities (A)	**26,452.97**	**(64,422.33)**
Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets	(0.81)	(172.90)
Purchase of mutual funds	(3,499.83)	(2,500.00)
Redemption of investment in mutual fund	2,509.53	24.87
Redemption of investment in corporate bond	41.20	58.75
Net proceeds from fixed deposits	415.20	(339.88)
Interest received on investments	494.47	39.66
Net cash flow from / (used in) investing activities (B)	**(40.24)**	**(2,889.51)**
Cash flow from financing activities		
Issue of equity share capital (including securities premium)	21,062.70	3,493.24
Debt securities issued/(repaid) (net)	(10,489.40)	20,271.49
Borrowings other than debt securities issued/(repaid)(net)	(21,102.82)	45,824.54
Deposits repaid	(100.00)	(649.17)
Payment towards lease liabilities	(149.11)	(133.99)
Net cash flow from/ (used in) financing activities (C)	**(10,778.63)**	**68,806.11**
Net increase in cash and cash equivalents (A+B+C)	15,634.10	1,494.28
Cash and cash equivalents at the beginning of the year	9,089.17	7,594.89
Cash and cash equivalents at the end of the year	**24,723.27**	**9,089.17**

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

As per our report of even date
For V.R. ASSOCIATES
Chartered Accountants
Firm Registration No: 001239C

ABHINANDAN CHAUHAN
Partner
Membership No:400175

Place:Lucknow
Date: August 13, 2021

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577

Place: Bengaluru
Date: August 13, 2021

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376

Place: Bengaluru
Date: August 13, 2021

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: August 13, 2021

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of changes in equity for the year ended 31 March 2021
(All amounts are in INR Lakhs, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid						
Balance at the beginning of the year	7,56,333	75.63	6,56,526	65.65	6,56,526.00	65.65
Add: Issued during the year	3,11,900	31.39	99,807	9.98	-	-
Balance at the end of the year	10,70,233	107.02	7,56,333	75.63	6,56,526	65.65

(B) Other equity

For the year ended 31 March 2021

Particulars	Reserve and surplus				Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability	
Balance as at 31 March 2020	801.34	25,649.73	104.44	3,054.67	3.52	29,613.70
Profit for the year	-	-	-	2,802.14		2,802.14
Other comprehensive income (net of tax)	-	-	-	-	(10.49)	(10.49)
Total comprehensive income	801.34	25,649.73	104.44	5,856.81	(6.97)	32,405.35
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.	560.43	-	-	(560.43)	-	-
Premium on issue of shares	-	21,031.31	-	-	-	21,031.31
Share based payments	-	-	206.16	-	-	206.16
Balance as at 31 March 2021	1,361.77	46,681.04	310.60	5,296.38	(6.97)	53,642.82

For the year ended 31 March 2020

Particulars	Reserve and surplus				Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability	
Balance as at 01 April 2019	165.95	22,166.47	5.27	513.11	-	22,850.80
Profit for the year	-	-	-	3,176.95	-	3,176.95
Other comprehensive income (net of tax)	-	-	-	-	3.52	3.52
Total comprehensive income	165.95	22,166.47	5.27	3,690.06	3.52	26,031.27
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.	635.39	-	-	(635.39)	-	-
Premium on issue of shares	-	3,483.26	-	-	-	3,483.26
Share based payments	-	-	99.17	-	-	99.17
Balance as at 31 March 2020	801.34	25,649.73	104.44	3,054.67	3.52	29,613.70

The accompanying notes are an integral part of the financial statements

As per our report of even date
For V.R. ASSOCIATES
Chartered Accountants
Firm Registration No.001219C

ABHINANDAN CHAUHAN
Partner
Membership No.400175

Place:Lucknow
Date: August 13, 2021

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN U65100KA2014PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07462577

Place: Bengaluru
Date: August 13, 2021

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376

Place: Bengaluru
Date: August 13, 2021

PALLAVI LINGARAJU
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: August 13, 2021

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(Amount in INR Lakhs, unless otherwise stated)

1 General information

Krazybee Services Private Limited (the "Company") is a private limited company domiciled in India and was incorporated on March 16, 2016, under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at 3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore, Karnataka - 560017. The Company is a non-banking finance company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from May 25, 2017, with Registration No. N-02.00281. The Company became non-deposit taking systematically important non-banking financial company as on quarter ended June 30, 2019. The Company is engaged in the business of consumer lending.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of preparation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in lakhs.

(a) **Statement of compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. (As Amended from time to time)

The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2021 are the first set of financial statements prepared in accordance with Ind AS. Refer note 2.19 for an explanation of how the Company has adopted Ind AS.

The Company is regulated by the Reserve Bank of India ('RBI'). RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements.

Accounting policies have been consistently applied to all the years presented.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on August 13 2021.

(b) **Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
ii) Share based payment transactions

(c) **Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 2.17 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years

Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Other intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer software	3 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.6 Revenue recognition

The effective interest rate method

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

The EIR and therefore, the amortised cost of the asset is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges)If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired , the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

Revenue from contracts with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 *Revenue from contracts with customers*, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:
Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when the Company satisfies a performance obligation.

Fees and commission income

Income from processing fees chargeable to the platforms on the basis of disbursements made is recognized on the completion of loan processing activity.

Business support services

Income from business support services is recognized on a accrual basis over the term of the agreement.

2.7 Dividend income

Income from shares and mutual fund units shall be taken into account on accrual basis when Company's right to receive payment is established.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD.

2.8 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

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.
Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:
When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

2.9 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU asset is depreciated using the straight line method from the date of initial application over the shorter of useful life of ROU asset or lease term. ROU asset are tested for impairment whenever there is any indication that their carrying amount may not be recoverable. Impairment loss, if any will be recognized in the statement of profit or loss.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.
An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.
The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

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

2.13 Financial instruments

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

(a) Financial assets

(i) (a) Date of recognition

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

(i) (b) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) (c) Day 1 profit and loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

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(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Reclassification within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost .

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. If the credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

With the view of the short term nature of the loans, Company is not performing discounting on the loans.

The cash flows from collateral will be considered, only if a loan is guaranteed by a third party as part of its contractual terms with the customers and it carry an allowance for expected credit loss based on the combined credit risk i.e., by reflecting the effect of the guarantee in the measurement of losses expected on default. A key criteria of what does not constitute part of contractual terms is that if a loan is guaranteed but the guarantee would not pass to the new holder if the loan is transferred. The third party guarantees which does not form part of the contractual terms with the customers are treated as contingent asset and recognized separately as reimbursement income only when it is virtually certain that recovery will be made.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

The Company has decided to use probability weights for each scenario based on management expert judgement. The probability weights should be reviewed periodically and amended based on the forward-looking information (i.e. a period of reduced growth forecasts may result in putting more weightage on a worst case scenario or in future once more data is available the Company can use statistical approach etc.). Any change to the probability weighting will need to be approved by the Risk Management Committee.

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(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) 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 financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(v) Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.17 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 37.

(d) Useful life and expected residual value of assets

Depreciation and amortisation is 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. The 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.

(e) Leases

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

Judgements

(a) **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely payments of principal and interest (SPPI)and the business model test . The Company determines the business model at a level that reflects how Company's 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.

(b) **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 required 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.

(c) **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.

(d) **Impairment of financial asset**

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 internal credit grading model, which assigns PDs to the individual grades
- 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 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, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

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(e) Provisions and other contingent liabilities

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 various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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 judgement is required to conclude on these estimates.

2.18 Standards (including amendments) issued but not yet effective

On 18 June 2021, the Ministry of Corporate Affairs notified certain amendments to Ind AS that are effective from 01 April 2021. The amendments made were to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 107, Financial Instruments: Disclosures, Ind AS 109, Financial Instruments. While the management is evaluating the effect of the changes on the financial statements, it does not currently believe that they will have any significant impact.

2.19 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2021, together with the comparative year data as at and for the year ended 31 March 2020, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01 April 2019, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended 31 March 2020.

i. Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) The Company has selected not to apply the requirements of Ind AS 102 to the equity instruments that got vested before the transition date.

(c) The Company has applied the Ind AS 116, Leases, to all lease contracts existing on April 1, 2019 in accordance with paragraph D9B. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of transition to Ind AS. The ROU asset is measured at an amount equal to the lease liability, adjusted to the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of transition.

The Company has made use of the following practical expedients:
The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
The Company excluded the initial direct cost from measurement of the ROU asset.

ii. Mandatory exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.
(ii) Effective interest rate used in calculation of security deposit.

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(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

2.20 Operating segments

The operating segments are reported in a manner consistent with the internal reporting provided by the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is engaged in the business of consumer lending in India which is considered to be the only reportable segment.

2.21 Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet

2.22 Dividend payable

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

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2.23 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

2.24 Derivative financial instrument and hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).
The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.
The Company did not have any fair value hedges.

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2.25 De-recognition of property, plant and equipment and intangible assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.26 Share based payment transaction

The stock options of the Parent Company is granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which the related service vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service vesting conditions at the vesting date. If a grant lapses after the vesting period, the cumulative discount recognised as an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

2.27 Financial guarantees

As issuer of financial guarantees

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

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee

As beneficiary of financial guarantees

The Company avails financial guarantees from its parent and fellow subsidiaries towards borrowings availed from various lenders. The Company does not account for such financial guarantees received in the capacity of beneficiary.

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(Amount in INR Lakhs, unless otherwise stated)

3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at date of transition 01 April 2019

		Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
	ASSETS				
(1)	Financial assets				
(a)	Cash and cash equivalents		7,594.89	-	7,594.89
(b)	Bank balance other than (a) above		447.04	-	447.04
(c)	Trade receivables		1,383.09	-	1,383.09
(d)	Loans	h(ii)	24,507.32	(402.40)	24,104.92
(e)	Investments		104.05	-	104.05
(f)	Other financial assets	h(iii)	1,969.26	(7.51)	1,961.76
			36,005.65	(409.91)	35,595.74
(2)	Non-financial assets				
(a)	Current tax assets (net)		13.53	-	13.53
(b)	Deferred tax asset (net)		34.61	198.36	232.97
(c)	Property, plant and equipment		78.85	-	78.85
(d)	Right of use asset	h(viii)	0.00	159.15	159.15
(e)	Other intangible assets		27.81	-	27.81
(f)	Other non-financial assets		93.50	-	93.50
			248.30	357.51	605.81
	Total assets		36,253.95	(52.40)	36,201.55
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	Financial liabilities				
(a)	Trade payables		82.69	-	82.69
(b)	Debt securities	h(i)	2,000.00	(64.35)	1,935.65
(c)	Borrowings (other than debt securities)	h(i)	9,747.17	(118.21)	9,628.96
(d)	Deposits		749.17	-	749.17
(e)	Other financial liabilities	h(viii)	261.14	159.15	420.29
			12,840.17	(23.41)	12,816.75
(2)	Non-financial liabilities				
(a)	Provisions		15.71	-	15.71
(b)	Other non-financial liabilities		452.63	-	452.64
			468.34	-	468.35
(3)	EQUITY				
(a)	Equity share capital		65.65	-	65.65
(b)	Other equity		22,879.79	(28.99)	22,850.80
			22,945.44	(28.99)	22,916.45
	Total liabilities and equity		36,253.96	(52.40)	36,201.56

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(Amount in INR Lakhs, unless otherwise stated)

3 Reconciliations

(b) Reconciliation of equity as at 31 March 2020

		Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
	ASSETS				
(1)	Financial assets				
(a)	Cash and cash equivalents		9,089.17	-	9,089.17
(b)	Bank balance other than (a) above		786.92	-	786.92
(c)	Derivative financial instruments		128.89	-	128.89
(d)	Trade receivables		1,103.73	-	1,103.73
(e)	Loans	h(ii)	94,550.42	(2,698.14)	91,852.27
(f)	Investments	h(vi)	2,541.25	2.90	2,544.15
(g)	Other financial assets	h(iii)	2,779.59	(12.45)	2,767.14
			1,10,979.97	(2,707.69)	1,08,272.27
(2)	Non-financial assets				
(a)	Current tax assets (net)		666.85	-	666.85
(b)	Deferred tax asset (net)		79.06	1,185.62	1,264.68
(c)	Property, plant and equipment		180.79	-	180.79
(d)	Right of use asset	h(viii)	-	220.22	220.22
(e)	Other intangible assets		24.25	-	24.25
(f)	Other non-financial assets		123.84	-	123.84
			1,074.79	1,405.84	2,480.63
	Total assets		1,12,054.76	(1,301.85)	1,10,752.90
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	Financial liabilities				
(a)	Trade payables		141.07	-	141.07
(b)	Debt securities	h(i)	22,390.84	(183.70)	22,207.14
(c)	Borrowings (other than debt securities)	h(i)	56,516.67	(389.90)	56,126.77
(d)	Deposits		100.00	-	100.00
(e)	Other financial liabilities	h(viii)	1,136.95	217.61	1,354.56
			80,285.53	(355.99)	79,929.54
(2)	Non-financial liabilities				
(a)	Provisions		30.18	-	30.18
(b)	Other non-financial liabilities		1,103.84	-	1,103.84
			1,134.02	-	1,134.02
(3)	EQUITY				
(a)	Equity share capital		75.63	-	75.63
(b)	Other equity		30,559.58	(945.88)	29,613.70
	Total equity		30,635.21	(945.88)	29,689.33
	Total liabilities and equity		1,12,054.76	(1,301.87)	1,10,752.89

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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(Amount in INR Lakhs, unless otherwise stated)

3 Reconciliations

(c) Reconciliation of profit or loss for the year ended 31 March 2020

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Revenue from operations				
(i) Interest income	h(iii)	21,428.27	5.31	21,433.58
(ii) Fees and commission income		18,464.76	-	18,464.76
(iii) Net gain on fair value changes	h(vii)	115.71	2.90	118.61
(I) Total revenue from operations		40,008.74	8.21	40,016.95
(II) Other income		238.03	-	238.03
(III) Total income (I+II)		40,246.77	8.21	40,254.98
Expenses				
(i) Finance costs	h(i)	6,779.35	(936.29)	7,715.64
(ii) Fees and commission expense		3,463.80	-	3,463.80
(iii) Impairment on financial instruments	h(ii)	19,961.45	2,295.74	22,257.19
(iv) Employee benefits expenses	h(v)	766.99	103.87	870.86
(v) Depreciation and amortization expense	h(viii)	74.52	109.56	184.08
(vi) Others expenses	h(viii)	2,765.60	1,429.23	1,336.37
(IV) Total expenses (IV)		33,811.71	3,002.11	35,827.94
(V) Profit before tax (III-IV)		6,435.06	2,993.90	4,427.04
(VI) Tax expense:				
(1) Current tax		2,221.19	-	2,221.19
(2) Deferred tax		(44.45)	(988.44)	(1,032.89)
(3) Tax in respect of earlier years		61.79	-	61.79
		2,238.53	(988.44)	1,250.09
(VII) Profit for the year (V-VI)		4,196.53	2,005.46	3,176.95
(VIII) Other comprehensive income				
(i) Items that will not be reclassified to profit or loss Gain/Loss on remeasurement of defined benefit plans		-	4.70	4.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1.18)	(1.18)
		-	3.52	3.52
Other comprehensive income (A + B)		4,196.53	2,008.98	3,180.47

(IX) Total comprehensive income for the year (VII+VIII)

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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(Amount in INR Lakhs, unless otherwise stated)

3 Reconciliations

(d) Reconciliation of total equity as at 31 March 2020 and 01 April 2019

	Notes to first-time adoption	As at 31 March 2020	As at 1 April 2019
Shareholder's equity as per Indian GAAP audited financial statements		30,635.20	22,945.44
Adjustment			
1 EIR impact of borrowings	h(i)	573.60	182.56
2 Expected credit loss provisioning	h(ii)	(2,698.14)	(402.40)
3 EIR impact of security deposit	h(iii)	(12.44)	(7.51)
4 Fair valuation of investment in mutual funds	h(vii)	2.90	-
5 Leases	h(viii)	2.59	-
6 Deferred tax impact on above items		1,185.62	198.36
Total adjustments		(945.87)	(28.99)
Shareholder's equity as per Ind AS		29,689.33	22,916.45

(e) Reconciliation of total comprehensive income for the year ended 31 March 2020

	Notes to first-time adoption	As at 31 March 2020
Profit as per Indian GAAP		4,196.53
Adjustment		
1 EIR impact of borrowings	h(i)	391.04
2 Impact on account of expected credit loss model	h(ii)	(2,295.74)
3 EIR impact of security deposit	h(iii)	5.31
4 ESOP expenditure	h(iv)	(99.17)
5 Re-measurement of (gains)/losses on defined benefit plans recognized in OCI	h(v)	(4.70)
7 Fair valuation of investment in mutual funds	h(vii)	2.90
8 Depreciation of right of use of asset	h(viii)	(109.56)
9 Rent paid	h(viii)	134.00
10 Interest on lease liabilities	h(viii)	(32.09)
11 Deferred tax impact on above items		988.43
Total		(1,019.58)
Profit as per Ind AS		**3,176.95**

(f) Impact of Ind AS adoption on cash flow statements for the year ended 31 March 2020

	Indian GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(58,249.28)	(6,173.05)	(64,422.33)
Net cash flow from investing activities	(3,274.03)	384.52	(2,889.51)
Net cash flow from financing activities	63,017.59	5,788.52	68,806.11
Net increase / (decrease) in cash and cash equivalents	1,494.28	-	1,494.28
Cash and cash equivalents as at 1 April 2019	7,594.89	-	7,594.89
Cash and cash equivalents as at 31 March 2020	**9,089.17**	-	9,089.17

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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3 Reconciliations

(g) Notes to first-time adoption

(i) EIR on borrowings

Previous GAAP did not require amortised cost accounting for liabilities. Under Ind AS, the Company should determine the effective interest rate of its borrowings and record interest expense on that basis. As per effective interest rate method, an entity identifies the fees that are integral part of the effective interest rate of financial instrument and shall treat such fees as an adjustment to effective interest rate. The Company factored in the processing fees, arranger fees and other directly attributable cost for the purpose of determining interest at effective interest rate method. This had an impact of INR 182.56 on the opening balance sheet.

(ii) Expected credit loss provisioning

Under previous GAAP, provision for advances is determined as per the management estimate and subject to the minimum provision required as per the RBI NBFC directions. Under Ind AS, provision on advances has been computed based on Expected Credit Loss model as required by Ind AS 109. ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset, 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 impact on account of ECL as on the date of transition is INR 370.92.

(iii) Security deposit

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized in retained earnings. Consequently, the amount of security deposit as on 31 March 2019 has been decreased by INR 7.51 with a corresponding increase in retained earnings.

(iv) Employee stock expense

As per the Indian GAAP, accounting for employee share based payments is applicable to the shared payment plans of the Company. The stock options granted to the employees of the Company are of the parent entity and also there was no cross-charge to the Company towards employee stock option expenses incurred by the parent entity. Accordingly, the Company has not accounted for share based payments as per Indian GAAP. As per Ind AS 102 on share-based payments, a share-based transaction settled by another group entity on behalf of the entity receiving services is also within the purview of the standard and the entity receiving such services is required to account for the shared based compensation. Stock options have to be fair valued on the grant date and expense has to recognized over the vesting period. For all the unvested options as on the transition date expense have been recognized for the period starting from the grant date till the transition date. This had an impact of INR 5.27

(v) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended 31 March 2020 is reduced by INR 4.70 and re-measurement gains/ losses on defined benefit plans of the corresponding amount has been recognized in the OCI.

(vi) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP. Also refer point (v) and (vi) above.

(vii) Gain/(loss) not recognized on mutual funds

Gain/(loss) not recognized on mutual funds recognized in local GAAP calculated taking cost as base has been reversed now and Gain / (loss), not recognized on the basis of carrying value on date of derecognition as base has been recognized in accordance with paragraph 3.2.12 of Ind AS 109. The impact of the same for the year ended March 31 2020 was INR 2.90.

(viii) **Leases**

The weighted average of lessees incremental borrowing rate applied to the lease liabilities as at 1 April 2019 is 15.82%.

On adoption of Ind AS the Company has recorded ROU asset to the extent of INR 159.15 and corresponding lease liability to the extent of INR 159.15

During the year ended March 31, 2020 the company recognized in the statement of profit or loss:

Depreciation expense from right of use asset of INR 109.56

Interest expense on lease liabilities to the extent of INR 32.09

Rent paid during the year to the extent of INR 133.99 has been adjusted against lease liability

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(Amount in INR Lakhs, unless otherwise stated)

4 Cash and cash equivalents		March 31, 2021	March 31, 2020	April 1, 2019
Cash on hand		-	1.50	1.50
Balances with banks in current accounts		3,648.25	5,087.67	7,593.39
Fixed deposits with original maturity of less than three months		21,075.02	4,000.00	-
Total	(I)	24,723.27	9,089.17	7,594.89
Bank balance other than cash and cash equivalent				
Balances with Banks in fixed deposit accounts with original maturity of more than three months		371.72	786.92	447.04
Total other bank balances	(II)	371.72	786.92	447.04
Total cash and bank balances	(I+II)	25,094.99	9,876.09	8,041.93

Note
The fixed deposit aggregating to INR Nil (2020: INR Nil, 2019: INR 193.74) placed with Banks has a lien for the financial arrangement availed by a fellow subsidiary of the Company, Finnovation tech Solutions Private Limited.

The fixed deposit aggregating to INR 200 (2020: INR 425 , 2019: INR Nil) placed with Banks has a lien for the financial arrangement availed by the Company.

The fixed deposit aggregating to INR 11.2 (2020: INR 11.2 , 2019: INR 11.2) placed with Banks has a lien for the credit card facility availed by the Company.

5 Derivative financial instrument	March 31, 2021	March 31, 2020	April 1, 2019
Currency derivative options	-	128.89	-
Total		128.89	-

The Company had purchased foreign exchange option contract to cover its repayments towards external commercial borrowing related foreign currency exposure. Through the contract, the Company has the right, but not the obligation, to buy USD at the Strike Rate provided the Spot at Expiry is at or above the Strike Rate. If the Spot Rate is below the Strike Rate, the Company has no obligation to deal and can take advantage of favourable market conditions.(Refer Note 42 for financial risk management objective and policies.)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Currency derivative options purchased			
Notional amounts in USD	-	90.00	-
Fair value assets	-	128.89	-

6 Trade receivables	March 31, 2021	March 31, 2020	April 1, 2019
Considered good -Unsecured	-	1,103.73	1,383.09
	-	1,103.73	1,383.09
Less: Allowance for impairment loss	-	-	-
Total trade receivables	-	1,103.73	1,383.09

Trade receivables include debts due by:	March 31, 2021	March 31, 2020	April 1, 2019
Private company in which director is a director or a member (Refer Note 40)	-	1,085.00	1,279.15

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7 Loans

	March 31, 2021	March 31, 2020	April 1, 2019
Unsecured, considered good (carried at amortised cost)			
Loan to customer	65,244.12	95,747.22	24,505.98
Interest accrued	4,369.47	1,883.54	457.41
Less: Impairment loss allowance	(5,499.11)	(5,778.49)	(858.47)
Total	**64,114.48**	**91,852.27**	**24,104.92**

8 Investments

	March 31, 2021	March 31, 2020	April 1, 2019
Investments carried at fair value through profit or loss			
Liquid mutual funds, quoted	3,511.25	2,502.90	4.05
Investment carried at amortized cost			
Corporate bonds, unquoted	-	41.25	100.00
Total	**3,511.25**	**2,544.15**	**104.05**

Liquid mutual funds, quoted			
DSP_Overnight Fund - Growth 2,27,839 units of INR 1097.21 each (31 March 2020: 2,34,203 units of INR 1,068.69 each, 1 April 2019: Nil)	2,511.30	2,502.90	-
HDFC Cash Management Fund - Savings Plan - Daily Dividend Nil (31 March 2020:Nil, 31 March 2020: Nil, 1 April 2019: 380.49 units of 1063.64)	-	-	4.05
Nippon_Overnight Fund - Growth 9,05,226 units of INR 110.46 each (31 March 2020: Nil, 1 April 2019: Nil)	999.95	-	-
Corporate bonds, unquoted			
Unifi AIF Bond Nil (31 March 2020: 41.25 units of INR 1,00,000 each, 1 April 2019: 82.5 units of INR 1,21,212.12 each)	-	41.25	100.00
All the above investments are in India			

9 Other financial assets	March 31, 2021	March 31, 2020	April 1, 2019
Security deposit	197.16	249.69	238.92
Receivables from intermediaries*	8,029.32	1,988.12	1,656.59
Others receivables	258.58	529.33	66.25
Total	**8,485.06**	**2,767.14**	**1,961.76**

*Note : The amount represents balance of loans repaid by borrower, which as at the balance sheet date is pending settlement by the intermediary e- wallet/ platform to the Company, this in-line with common business practices of settlement of amounts on a Transaction plus one/ two (T+1/ T+2) banking days basis.

Other receivables include	March 31, 2021	March 31, 2020	April 1, 2019
Receivable from related party - Kartbee Technologies Private Limited	**36.33**	0.08	-

10 Current tax assets (net)	March 31, 2021	March 31, 2020	April 1, 2019
Advance income tax	654.45	666.85	13.53
(2020: net of tax provision INR 2,221.19, 2019: INR 394.05)			
	654.45	**666.85**	**13.53**

11 Deferred tax assets (net)	March 31, 2021	March 31, 2020	April 1, 2019
Deferred tax assets	1,469.30	1,264.68	232.97
(Refer Note 35)			
Total	**1,469.30**	**1,264.68**	**232.97**

14 Other non-financial assets	March 31, 2021	March 31, 2020	April 1, 2019
Prepaid expenses	54.76	122.95	45.81
Advance to suppliers	0.02	0.09	0.76
GST input tax credit	-	0.80	46.93
Total	**54.78**	**123.84**	**93.50**

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12 Property, plant and equipment - tangible assets

	Gross block				Depreciation				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year	On deductions	As at March 31, 2021	As at March 31, 2021
Owned assets									
Furniture and fixtures	36.55	-	-	36.55	1.89	3.47	-	5.36	31.19
Office equipment's	22.68	0.76	-	23.44	3.18	4.65	-	7.83	15.61
Computers	186.13	-	-	186.13	59.50	59.53	-	119.03	67.10
Total	245.36	0.76	-	246.12	64.57	67.65	-	132.22	113.90

	Gross block				Depreciation				Net block
	As at April 1, 2019	Additions	Deductions	Up to 31 March 2020	As at April 1, 2019	For the year	On deductions	Up to March 31, 2020	As at March 31, 2020
Owned assets									
Furniture and fixtures	1.72	34.83	-	36.55		1.89	-	1.89	34.66
Office equipment's	10.09	12.59	-	22.68		3.18	-	3.18	19.50
Computers	67.04	119.09	-	186.13		59.50	-	59.50	126.63
Total	78.85	166.51	-	245.36	-	64.57	-	64.57	180.79

13 Intangible assets

	Gross block				Amortization				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year	On deductions	As at March 31, 2021	As at March 31, 2021
Computer software	34.20	0.05	-	34.25	9.95	10.91	-	20.86	13.39
Total	34.20	0.05	-	34.25	9.95	10.91	-	20.86	13.39

	Gross block				Amortization				Net block
	As at April 1, 2019	Additions	Deductions	As at March 20, 2020	As at April 1, 2019	For the year	On deductions	As at March 31, 2020	As at March 31, 2020
Computer software	27.81	6.39	-	34.20	-	9.95	-	9.95	24.25
Total	27.81	6.39	-	34.20	-	9.95	-	9.95	24.25

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Notes forming part of the financial statements for the year ended 31 March 2021
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15	Payables	March 31, 2021	March 31, 2020	April 1, 2019
(i)	**Trade payables**			
(a)	Total outstanding dues of micro enterprises and small enterprises	19.05	23.42	4.04
(b)	Total outstanding dues creditors other than micro enterprises and small enterprises	1,262.02	117.65	78.65
	Total Trade payables	1,281.07	141.07	82.69

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
(a) Amount remaining unpaid to any supplier at the end of each accounting year:			
Principal	19.05	23.42	4.04
Interest	-	-	-
Total			
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-

Trade payables include*	March 31, 2021	March 31, 2020	April 1, 2019
Payable to Finnovation Tech Solutions Private limited	1,133.27	-	-
Payable to Kartbee Technologies Private limited	44.49	-	-

16	Debt securities	March 31, 2021	March 31, 2020	April 1, 2019
	At amortized cost			
	Secured			
	Privately placed reedeemable non-convertible debentures	11,717.74	22,207.14	1,935.65
	Total	11,717.74	22,207.14	1,935.65

*All the Debt securities are in India

Notes:

i. Terms of repayment of privately placed redeemable non-convertible debentures

Year ended	Terms of debt	0-1 Year	1-3 Year	> 5 years	Total
31-Mar-21	Interest rate: 13.50% to 16% Repayment terms: Bullet repayments and equated monthly instalments (total 68 instalments)	11,048.28	669.46	-	11,717.74
31-Mar-20	Interest rate: 14.03% to 18.75% Repayment terms: Bullet repayments and equated monthly instalments (total 72 instalments)	18,121.70	4,085.44	-	22,207.14
01-Apr-19	Interest rate: 14.03% Repayment terms: Equated monthly instalments (total 15 instalments)	-	1,935.65	-	1,935.65

ii. All the above non-convertible debentures are secured by hypothecation of portfolio of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of debenture.

iii. The non-convertible debentures are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

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17 Borrowings (other than debt securities)	March 31, 2021	March 31, 2020	April 1, 2019
At amortized cost, secured			
Term loans			
i. From Banks	8,164.97	15,442.58	1,475.69
ii. From others	12,250.54	17,713.69	5,245.47
External commercial borrowings	14,700.94	15,077.18	-
Bank overdraft	0.29	7,893.32	2,907.80
Total	35,116.74	56,126.77	9,628.96
Borrowings in India	20,415.80	41,049.59	9,628.96
Borrowings outside India	14,700.94	15,077.18	-

Notes:

i. Terms of repayment of term loans

Year ended	Terms of borrowings	0-1 Year	1-3 Year	> 5 years	Total
31-Mar-21	Interest rate: 7.75% to 17% Repayment terms: Bullet repayments and Equated monthly installments (total of 112 instalments)	16,952.54	3,463.26	-	20,415.80
31-Mar-20	Interest rate: 8.55% to 20% Repayment terms: Bullet repayments and Equated monthly installments (total of 247 instalments)	29,108.27	11,941.32	-	41,049.59
01-Apr-19	Interest rate: 13% to 20% Repayment terms: Equated monthly installments (total of 185 instalments)	5,056.17	4,572.80	-	9,628.96

ii. Terms of repayment of external commercial borrowings

Year ended	Terms of borrowings	0-1 Year	1-3 Year	> 5 years	Total
31-Mar-21	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	-	14,700.94	-	14,700.94
31-Mar-20	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	-	15,077.18	-	15,077.18

iii. All the above term loans and external commercial borrowings are secured by hypothecation of portfolio of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of the loan.

iv. The term loans are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

v. The overdraft facility availed by the Company from the Bank has been secured by way of a Lien from from a fellow subsidiary, Finnovation Tech Solutions Private Limited.

vi. There are no defaults as on balance sheet date in repayment of borrowings and interest thereon.

vii. External commercial borrowing has been raised from Holding Company, Finnov Private Limited, Singapore.

18 Deposits	March 31, 2021	March 31, 2020	April 1, 2019
At amortized cost			
Inter corporate deposits			
Secured	-	100.00	-
Unsecured	-	-	749.17
Total	-	100.00	749.17

Notes:

i Terms of repayment of intercorporate deposits

Year ended	Rate of deposits	0-1 Year	1-3 Year	> 5 years	Total
31-Mar-21	-	-	-	-	-
31-Mar-20	Interest rate: 17% Repayment terms: Bullet repayment	100.00	-	-	100.00
01-Apr-19	Interest rate: 16% to 18% Repayment terms: Equated monthly installments (total of 8 instalments)	749.17	-	-	749.17

ii Intercorporate deposits for the year ended March 31, 2020 are secured by hypothecation of portfolio of the Company. Minimum security cover of 1:1 is required to be maintained throughout the term of the loan.

iii There are no intercorporate deposits that are guaranteed by the directors or other related parties.

iv There are no defaults as on balance sheet date in repayment of deposits and interest thereon.

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19	Other financial liabilities	March 31, 2021	March 31, 2020	April 1, 2019
	Interest accrued but not due on borrowings	121.78	241.63	56.28
	Employee benefits payable	29.84	22.16	3.45
	Lease liability	92.97	217.63	159.15
	Others	315.42	873.14	201.41
	Total	560.01	1,354.56	420.29

*Others includes provision for expenses, employee related payables and other miscellaneous payables.

*Others include	March 31, 2021	March 31, 2020	April 1, 2019
Payable to related party - Finnovation Tech Solutions Private Limited	125.20	376.92	126.08
Payable to related party - Kartbee Technologies Private Limited	56.39	44.06	-

20	Current tax liabilities (net)	March 31, 2021	March 31, 2020	April 1, 2019
	Current tax liabilities (2021: Net of advance tax of INR 315.35)	712.79	-	-
	Total current tax liabilities	712.79	-	-

21	Provisions	March 31, 2021	March 31, 2020	April 1, 2019
	Provision for gratuity	48.43	18.25	8.47
	Provision for compensated absences	29.65	11.93	7.24
	Total provision	78.08	30.18	15.71

22	Other non - financial liabilities	March 31, 2021	March 31, 2020	April 1, 2019
	Statutory dues	92.36	289.60	284.06
	Interest received but not due	289.92	814.24	168.58
	Total	382.28	1,103.84	452.64

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23 **Equity share capital**

The Company has only one class of share capital having a par value of INR 10 per share, referred to herein as equity shares.

	March 31, 2021	March 31, 2020	April 1, 2019
Authorized			
15,00,000 equity shares of INR 10 each. (2020:10,00,000 equity shares of INR 10 each, 2019:10,00,000 equity shares of INR 10 each)	150.00	100.00	100.00
Issued, subscribed and paid up share capital			
10,70,233 equity shares of INR 10 each (2020: 7,56,333 equity shares of INR 10 each, 2019: 656,526 equity shares of INR 10 each)	107.02	75.63	65.65
Total	107.02	75.63	65.65

(a) **Reconciliation of shares outstanding at the beginning and at the end of the year**

	March 31, 2021		March 31, 2020		April 1, 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	7,56,333	75.63	6,56,526	65.65	1,27,542	12.75
Add: Issued during the year	3,13,900	31.39	99,807	9.98	5,28,984	52.90
Outstanding at the end of the year	10,70,233	107.02	7,56,333	75.63	6,56,526	65.65

(b) **Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **Shares held by holding company**	March 31, 2021	March 31, 2020	April 1, 2019
Finnov Private Limited			
10,64,333 (31 March 2020: 750,433, 31 March 2019: 646,526) equity shares of INR 10 each fully paid	10,64,333	7,50,433	6,46,526

(d) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	March 31, 2021		March 31, 2020		April 1, 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Finnov Private Limited	10,64,333	99%	7,50,433	99%	6,46,526	98%

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

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(f) There are no shares reserved for issue under options or contracts and commitments.

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(h) On 26 March 2021, the Board of Directors have approved issue of 3,13,900 equity shares by way of rights issue to the Holding Company (Finnove Pte. Ltd.) at an issue price of INR 6,710 per share (including the premium of INR 6,700 per share).

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24 Other equity	March 31, 2021	March 31, 2020	April 1, 2019
(a) Statutory reserve u/s 45-IC of the RBI Act, 1934			
Opening balance	801.34	165.95	-
Add: current year transfer	560.43	635.39	165.95
Closing balance	1,361.77	801.34	165.95
(b) Securities premium account			
Opening balance	25,649.72	22,166.46	3,704.92
Add : securities premium credited on share issue	21,031.31	3,483.26	18,461.54
Closing balance	46,681.03	25,649.72	22,166.46
(c) Share options outstanding account			
Opening balance	104.44	5.27	-
Add: Transferred during the year	206.16	99.17	5.27
Less: Transfer to equity	-	-	-
Closing balance	310.60	104.44	5.27
(d) Retained earnings			
Opening balance	3,058.19	513.11	679.06
Add: Net Profit for the current year	2,800.14	3,176.95	-
Add: Other comprehensive income	(10.49)	3.52	-
Less: Transfer to statutory reserves	560.43	635.39	165.95
Closing balance	5,289.41	3,058.19	513.11
Total reserves and surplus	53,642.81	29,613.69	22,850.79

Nature and purpose of reserves

(a) Statutory reserve u/s 45-IC of the RBI Act, 1934

The Company creates a reserve in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount equal to or more than twenty percent of its net profit for the year, before declaration of the dividend.

(b) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) Share options outstanding account

The Company provide share based payment scheme to its employees. The shares of the parent company were granted to the employees under the scheme. The share options outstanding account represents amount recognized over the vesting period and payments made towards such options.

(d) Retained earnings

Retained earnings represents the surplus in Profit and Loss Account

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of actuarial gains and losses on defined benefit plans.

(e) The Company does not have any capital commitments or contingent liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019.

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25 Interest income	March 31, 2021	March 31, 2020
At amortized cost		
Interest on loans	13,885.45	21,366.28
Interest income from investments	3.34	9.83
Interest on deposits with Banks	472.96	50.78
Other interest income	12.53	6.69
Total	14,374.28	21,433.58

26 Fees and commission income	March 31, 2021	March 31, 2020
Fees from platform	1,040.02	4,591.20
Deficiency service fees	7,035.74	13,868.15
Other services	-	5.41
Total	8,075.76	18,464.76

27 Net gain/(loss) on fair value changes	March 31, 2021	March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- derivatives	(128.89)	94.89
- investments	18.00	23.72
Total net gain/(loss) on fair value changes	(110.89)	118.61
Fair value changes:		
- realised	(122.31)	20.82
- unrealised	11.42	97.79
Total net gain/(loss) on fair value changes	(110.89)	118.61

28 Other income		
Income from business support services	36.33	227.58
Miscellaneous income	2.07	10.45
Total	38.40	238.03

29 Finance costs	March 31, 2021	March 31, 2020
On financial liabilities measured at amortized cost		
Interest on borrowings	4,012.70	3,505.94
Interest on debt securities	2,443.15	3,391.32
Other borrowing costs	-	270.94
Interest on lease liability	24.45	32.09
Interest on shortfall of advance tax	-	12.83
Applicable net (gain) / loss on foreign currency transactions and translation	(376.24)	502.52
Total	6,104.06	7,715.64

(i) Expenditure in foreign currency	March 31, 2021	March 31, 2020
Interest expenses	791.54	409.33

30 Fees and commission expense	March 31, 2021	March 31, 2020
Commission to platforms	851.36	2,294.14
Commission to payment gateways	1.86	20.47
Credit assessment charges	252.70	1,149.19
Total	1,105.92	3,463.80

31 Impairment on financial instruments	March 31, 2021	March 31, 2020
On financial instruments measured at amortised cost		
Loans	9,666.61	22,257.19
Total	9,666.61	22,257.19

32 Employee benefit expenses	March 31, 2021	March 31, 2020
Salaries and wages	730.39	721.07
Gratuity expense	16.15	14.48
Leave benefits expense	18.29	6.44
Contribution to provident and other funds	43.43	19.30
Share based payments to employees	206.16	99.17
Staff welfare expenses	4.33	10.40
Total	1,018.75	870.86

33 Depreciation and amortization expense	March 31, 2021	March 31, 2020
on tangible assets (refer Note 12)	67.65	64.57
on right of use asset (refer Note 39)	133.27	109.56
on intangible assets (refer Note 13)	10.91	9.95
Total depreciation and amortization expense	211.83	184.08

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(Amounts in INR Lakhs, unless otherwise stated)

34 Other expenses

	March 31, 2021	March 31, 2020
a) Rent, rates and taxes	166.74	320.48
Director's fees, allowances and expenses	7.90	1.49
Auditor's fees and expenses	15.50	10.00
Foreign exchange loss	-	438.66
Legal and Professional charges	164.98	333.18
Bank charges	25.41	47.72
Office expenses	180.58	151.90
Expenditure towards Corporate Social Responsibility (CSR) activities	50.55	7.40
Other expenditure	29.52	25.54
Total	**641.18**	**1,336.37**

Note : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)

b) As auditor:	March 31, 2021	March 31, 2020
For statutory audit	7.00	5.00
For tax audit	1.00	1.00
For certificates	7.50	4.00
For other services		
Total	**15.50**	**10.00**

c) **Corporate Social Responsibility (CSR)**

Pursuant to Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities identified by the Company and monitored by CSR Committee.

	March 31, 2021	March 31, 2020
Gross amount required to be spent	50.55	7.40
Amount spent during the year		
i. construction/acquisition of any asset		
-under control of the Company for future use	-	-
-not under control of the Company for future use	-	-
ii. On purpose other than (i) above	50.55	7.40
	50.55	**7.40**

35 Income tax

(A) Deferred tax relates to the following:

	March 31, 2021	March 31, 2020	April 1, 2019
Deferred tax assets			
On provision for employee benefits	19.65	7.60	4.58
On income taxable u/s 43D	74.23	49.22	0.00
On ESOP expense	78.18	26.29	1.53
On expected credit loss	1,330.14	1,337.53	249.99
On leases	1.52	-	-
On others	23.27	26.92	32.96
	1,526.99	1,447.56	289.05
Deferred tax liabilities			
On depreciation and amortisation	1.02	4.69	2.92
On leases	-	0.65	-
On borrowings EIR	53.80	144.38	53.16
On derivative instrument	-	32.44	-
On others	2.84	0.70	-
	57.67	182.86	56.08
Deferred tax asset, net	1,469.32	1,264.70	232.98

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(Amounts in INR Lakhs, unless otherwise stated)

(B) Reconciliation of deferred tax assets/(liabilities) (net):

	March 31, 2021	March 31, 2020
Opening balance at the beginning of the year	1,264.70	232.98
Tax liability recognized in Statement of Profit and Loss:		
On borrowings EIR	90.57	(91.21)
On property plant and equipment	3.67	(1.76)
On others	(3.63)	(7.39)
Tax asset recognized in Statement of Profit and Loss:		
On provision for employee benefits	8.53	4.20
On income taxable u/s 43D	25.01	49.22
On ESOP expense	(51.89)	24.75
On derivative instrument	32.44	(32.44)
On expected credit loss	(7.40)	1,087.55
Total deferred tax assets/(liabilities) (net):	97.31	1,032.91
Tax liability recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit	3.53	(1.18)
Closing balance at the end of the year	1,365.54	1,264.71

(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

	March 31, 2021	March 31, 2020
Tax liability	90.62	(100.37)
Amounts recognised in Statement of Profit and Loss account	6.69	1,133.27
	97.31	1,032.91

(D) Income tax expense	March 31, 2021	March 31, 2020
- Current tax	1,028.15	2,221.19
- Adjustments in respect of current income tax of previous year	-	61.79
- Deferred tax (credit)/ charge	(201.09)	(1,032.89)
Income tax expense reported in the statement of profit or loss	827.06	1,250.09

(E) Income tax charged to OCI	March 31, 2021	March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	3.53	(1.18)
Income tax charged to OCI	3.53	(1.18)

(F) Reconciliation of tax charge	March 31, 2021	March 31, 2020
Profit before tax	3,629.20	4,427.04
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expense	913.47	1,114.29
Tax effects of:		
Taxes pertaining to earlier periods	-	61.79
Non tax deductible expenses	15.33	5.09
Utilization of earlier unrecognized deferred tax credits	-	(22.69)
Others	(102.12)	88.20
Income tax expense	826.68	1,246.68

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36 Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2021	March 31, 2020
Net profit attributable to equity holders	2,802.14	3,176.95
Weighted average number of equity shares for basic EPS (face value of INR 10 each)	7,61,493	7,36,499
Basic and diluted earnings per share (INR)	367.98	431.24

37 Employee benefits

(A) **Defined contribution plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

	March 31, 2021	March 31, 2020
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 32)	43.43	19.30

(B) Other plans provisions

	March 31, 2021	March 31, 2020	April 1, 2019
a) Defined benefit plan: Gratuity payable to employees	48.43	18.25	8.47
b) Other long-term benefits: Compensated absences for Employees	29.65	11.93	7.24

Defined benefit plan: Gratuity plan

The amounts recognized in the balance sheet and the movement in the net defined benefit obligation over the year, and the assumptions used are as follows:

i) **Actuarial assumptions**

	March 31, 2021	March 31, 2020
Discount rate (per annum)	5.58%	6.76%
Rate of increase in salary	10.00%	10.00%
Rate of attrition	20.00%	12.00%

ii) **Changes in the present value of defined benefit obligation**

	Employee's gratuity fund	
	March 31, 2021	March 31, 2020
Present value of obligation at the beginning of the year	18.25	8.47
Interest cost	1.23	0.65
Current service cost	14.92	13.84
Actuarial (gain)/ loss on obligations	14.02	(4.70)
Present value of obligation at the end of the year*	**48.42**	**18.26**

*Included in provision for employee benefits

iii) **Expense recognized in the Statement of Profit and Loss**

	Employee's gratuity fund	
	March 31, 2021	March 31, 2020
Current service cost	14.92	13.84
Interest cost	1.23	0.65
Total expenses recognized in the Statement Profit and Loss*	**16.15**	**14.49**

*Included in Employee benefits expense (Refer Note 32). Actuarial loss of INR 14.02 (31 March 2020: gain of INR 4.70) is included in other comprehensive income.

iv) **Assets and liabilities recognized in the Balance Sheet:**

	Employee's gratuity fund	
	March 31, 2021	March 31, 2020
Present value of unfunded obligation as at the end of the year	48.42	18.26
Unfunded net (asset) / liability recognized in Balance Sheet*	**48.42**	**18.26**

*Included in provision for employee benefits

v) **Expected contribution to the fund in the next year**

	March 31, 2021	March 31, 2020
Gratuity	-	-

vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

	Employee's gratuity fund	
Impact on defined benefit obligation	March 31, 2021	March 31, 2020
Discount rate		
1% increase	(3.08)	(1.91)
1% decrease	3.37	2.09
Change in Rate of Salary Increase		
1% increase	3.20	2.00
1% decrease	(2.94)	(1.77)
Change in Rate of Employee Turnover		
1% increase	(1.82)	(0.98)
1% decrease	1.95	1.07

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vii) Maturity profile of defined benefit obligation

Year	Employee's gratuity fund	
	March 31, 2021	March 31, 2020
1st Following Year	1.60	0.02
2nd Following Year	1.82	0.02
3rd Following Year	3.85	0.56
4th Following Year	7.29	0.79
5th Following Year	7.42	3.15
Sum of Years 6 To 10	25.61	9.75
Sum of Years 11 and above	26.70	31.06

38 Employee Stock Option Scheme(ESOP)

The Parent Company's Board approved ESOP plan 2016 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors of parent Company. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	March 31, 2021		March 31, 2020	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	5,99,198	-	5,88,261	-
Add:				
Options granted during the year	8,49,830	-	12,456	-
Less:			-	
Options exercised during the year	-	-	-	-
Options Lapsed during the year	15,206	-	1,519	-
Options outstanding at the end of year	14,33,822	-	5,99,198	-
Option exercisable at the end of year	-	-	-	-

In accordance with the above mentioned ESOP Scheme, INR 206.16 (Previous Year INR 99.17) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended 31 March 2021 as Employee Stock Option Scheme Compensation.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

	March 31, 2021	March 31, 2020
Weighted average fair value of the options at the grant dates (INR)	1.15	1.05
Dividend yield (%)	0%	0%
Risk free interest rate (%)	4.40%-5.59%	6.26% - 7.15%
Expected life of share options (years)	3.48	3.97
Expected volatility (%)	62.67% - 63.41%	54.99% - 62.12%
Weighted average share price (INR)	1.15	1.05

39 Leases

The Company has certain lease arrangements for premises. These lease arrangements range for a period between 12 months and 36 months, which include both cancellable and non cancellable leases. The leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Operating leases where the Company is a lessee:

(A)(ia) **Details of right-of-use assets are as follows:**

Particulars	Category of ROU asset
	Premises
Balance as at 01 April 2019	**159.15**
Addition	170.63
Amortization (refer Note 33)	109.56
Balance as at 31 March 2020	**220.22**
Amortization (refer Note 33)	133.27
Balance as at 31 March 2021	**86.95**

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(ii) Lease liabilities

Particulars	
Balance as at 01 April 2019	159.15
Additions	160.38
Lease payments	(133.99)
Interest on lease liabilities (refer Note 29)	32.09
Balance as at 31 March 2020	217.63
Interest on lease liabilities (refer Note 29)	24.45
Lease payments	(149.11)
Balance as at 31 March 2021	92.97

(iii) Break-up of current and non-current lease liabilities

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	65.03	124.66
Non-current lease liabilities	27.94	92.97
	92.97	217.63

(iii) Maturity analysis of lease liabilities

Particulars	March 31, 2021	March 31, 2020
Less than one year	65.03	124.66
One to five years	27.94	92.97
Total	92.97	217.63

(iv) Amounts recognised in Statement of Profit and Loss account

Particulars	March 31, 2021	March 31, 2020
Interest on lease liabilities (refer Note 29)	24.45	32.09

(v) Amounts recognised in Statement of Cash Flows

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases	149.11	133.99

40 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company for the years ended 31 March 2021 and 31 March 2020:

Holding Company
Finnov Private Limited, Singapore

Other related parties

(a) Fellow subsidiary
Finnovation Tech Solutions Private Limited
Kartbee Technologies Private Limited

(b) Key Management Personnel (KMP)
Madhusudan Ekambaram, Director
Karthikeyan Krishnaswamy, Director
Vivek Veda, Director

(c) Relatives of KMP
Hutan Soudagar (spouse of Madhusudan Ekambaram)
Shanmuga Nursing Home (company of Madhusudan Ekambaram's Father)
Vibha Veda (mother of Vivek Veda)
Vani Jain (wife of Vivek Veda)
Krishnaswamy Bhanumathi (mother of Karthikeyan Krishnaswamy)
Sreenidhi Sattanathan (father of Karthikeyan Krishnaswamy)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

(i) Particulars	March 31, 2021	March 31, 2020
A) Transaction during the year		
Sale of services:		
Finnovation Tech Solutions Private Limited	6,645.56	17,771.19
Kartbee Technologies Private Limited	1,466.47	1,530.58
Purchase of services:		
Finnovation Tech Solutions Private Limited	403.28	2,261.32
Kartbee Technologies Private Limited	448.08	180.86
Share issued during the year (refer Note 21(a) and 23(b)):		
Finnov Private Limited (Equity share of INR 10 each)	31.39	9.98
Securities premium on the shares issued	21,031.31	3,483.26
Finance cost		
Finnov Private Limited	791.54	409.33
Krishnaswamy Bhanumathi	3.89	3.41
Madhusudan Ekambaram	7.64	-
Hutan Soudagar	5.17	0.81
Shanmuga Nursing Home	4.64	7.13
Krishnamurthy Ekambaram	1.95	-
Latha	1.96	-
Manjula	1.95	-
Sreenidhi Sattanathan	3.89	3.41
Vani Jain	7.68	3.41
Vibha Veda	0.23	-
Vivek Veda	0.23	-

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Issue of non-convertible debentures		
Krishnaswamy Bhanumathi	-	40.00
Madhusudan Ekambaram	90.00	-
Hutan Soudagar	40.00	20.00
Shanmuga Nursing Home	-	110.00
Sreenidhi Sattanathan	-	40.00
Vani Jain	60.00	40.00
Vibha Veda	20.00	-
Vivek Veda	20.00	-
Borrowings		
Finnov Private Limited	-	14,136.00

	March 31, 2021	March 31, 2020
B) Balance as at year end		
Receivable		
Finnovation Tech Solutions Private Limited	-	298.52
Kartbee Technologies Private Limited	-	365.58
Payable	-	-
Finnovation Tech Solutions Private Limited	1,258.47	-
Kartbee Technologies Private Limited	64.55	-
Finnov Private Limited	0.02	0.02
Borrowings		
Finnov Private Limited	14,700.94	15,077.18
Non-convertible debentures (incl. accrued interest)		
Krishnaswamy Bhanumathi	-	40.09
Madhusudan Ekambaram	90.85	-
Hutan Soudagar	40.38	20.04
Shanmuga Nursing Home	-	110.23
Sreenidhi Sattanathan	-	40.09
Vani Jain	60.57	40.09
Vibha Veda	20.22	-
Vivek Veda	20.22	-

(C) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(d) Finnovation Tech Solutions Private Limited, a fellow subsidiary has issued Corporate Guarantee's aggregating to INR 21,496.08 (2020: INR 47,658.27) in favour of the company for its business requirements.

(e) The Bank overdraft availed by the Company aggregating to INR 0.29 (2020: INR 7,893.32) has been secured by way of lien on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

41 Segment reporting

The Company's operations predominantly relate to providing consumer lending. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

42 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

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(A) Market risk

It is the risk that the value of on and off-balance sheet positions of the Company will be adversely affected by movements in market rates or prices such as interest rates, currency risk, credit spreads resulting in a loss to earnings and capital.

(i) Interest rate risk

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. The Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	March 31, 2021	March 31, 2020	April 1, 2019
Variable rate borrowing	14,700.94	15,077.18	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/(decrease) in basis points	Effect on profit before tax
2021		
INR	+50	73.50
INR	-50	(73.50)
2020		
INR	+50	75.39
INR	-50	(75.39)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the external commercial borrowing.

Foreign currency risk exposure:

The exposure to foreign currency risk at the end of the reporting period, translated to INR at closing rate, is as follows

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Financial liabilities (in USD)	200.00	200.00	
External Commercial Borrowing	14,700.94	15,077.18	-
Net exposure to foreign currency risk (liabilities)	14,700.94	15,077.18	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company does not have exposure to any other foreign currencies .

	Increase/ (decrease) in basis points	Effect on profit before tax
2021	+100	147.01
	-100	(147.01)
2020	+100	150.77
	-100	(150.77)

Derivatives

The Company entered into foreign exchange option contract to cover its future repayments of external commercial borrowing during the year ended 31 March, 2020. The Company has taken foreign exchange option contract for currencies primarily denominated in the US Dollar pertaining to External Commercial Borrowings.

The following table presents the aggregate contracted principal amounts of the derivative contracts outstanding :

Particulars	Currency	March 31, 2021	March 31, 2020	April 1, 2019
Derivative instruments				
Foreign Currency options				
Contract Value in USD	USD	-	90.00	-

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(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's loans to customers, trade receivables, other financial assets and also arises from investments in mutual funds and Corporate bonds, cash and deposits held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Credit risk management

Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The risk parameters are same for all financial assets for all the periods presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue. A default on a financial asset is when the counterparty fails to make contractual payments. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

Financial assets that expose the entity to credit risk	March 31, 2021	March 31, 2020	April 1, 2019
Low credit risk on financial reporting date			
Cash and cash equivalents	24,721.27	9,089.17	7,594.89
Bank balances other than above	371.72	786.92	447.04
Derivative financial instruments	-	128.89	-
Trade receivables	-	1,103.73	1,383.09
Loans*	64,903.31	94,197.52	24,877.42
Investments	3,511.25	2,544.15	104.05
Other financial assets	8,485.06	2,767.14	1,961.76
Moderate credit risk			
Loans*	-	-	-
High credit risk			
Loans*	4,710.28	3,433.24	85.97

* represents gross values of the financial assets

Cash and cash equivalents, Bank deposits

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

Investments

For investments in mutual funds, the Company transacts with asset management companies having strong track record and invests in liquid funds and short term funds where the underlying investments are predominantly placed in government and treasury securities and high rated corporate bonds. Investments in corporate bonds are made with companies having strong credit ratings.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

Trade receivables

Trade receivables represents monies held by fintech platforms for further disbursements to be made to the customers. These amounts represent running accounts balances and are temporarily held with fintech companies and keeps reducing as and when disbursements are made to the customers. Company reviews these balances on a regular basis and ensures that there are no large outstanding balances for longer periods.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits receivables from intermediaries and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

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(ii) Expected credit losses for financial assets other than loans

The Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For investments in mutual funds and Corporate bonds- Credit risk is considered low because the Company deals with high quality assets and instruments with strong credit ratings.

- For Trade receivables - Credit risk is considered low because these balances are with group companies with strong financial resources and the balances are held for shorter periods.

- For security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

Expected credit loss for loans

Credit risk

Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations. It arises principally from the Company's loans to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Credit default risk

Considering the nature of advances given - small ticket size, shorter term and retail - the Company believes that the quantitative criteria for setting the definition of default is appropriate and sufficient. The management has imbibed the qualitative aspect in the categorization of the asset portfolio (i.e. First time borrowers and repeat borrowers) which considers the qualitative aspects of definition of default. The Company has therefore set out the following definition of default for all loan products as under:

Days Past Due: Exposures that have one or more instalment past due for 90 days or more.
Event driven defaults: This will be based on the customer specific factors such as declaration of bankruptcy by the customer, death of borrower and other customer specific factors. This will be applied on a case by case basis.

Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1 - 'Credit risk has not increased significantly since initial recognition - Recognise 12-months ECL, and recognize interest on a gross basis;

Stage 2 - 'Credit risk has increased significantly since initial recognition - Recognise lifetime ECL, and recognise interest on a gross basis;

Stage 3 - 'Financial asset is credit impaired - Recognise lifetime ECL and present interest on a net basis (i.e. on the gross carrying amount less credit allowance).

The PD for stage 1 and 2 will not be materially different given the short-term nature of the advances.

Significant increase in credit risk

The Company believes that there is a significant increase in credit risk when DPD crosses 60 days.

Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.

- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.

- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3.

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Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event occurring in future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a particular time horizon. It is done by performing vintage analysis over the historical data of default to assess how default rates change over time and factors current macro economic data and compute the risk of default in the next 12 months and the entire lifetime of the loan.

Loss given default (LGD) computation model

Loss given default (LGD) is defined as the percentage of economic loss in case of default. LGD computation is based on the lender's losses on defaulted accounts after the consideration of recovery percentages. All the loans of the Company are of unsecured nature. The management believes that the LGDs depicted basis the historical data is not representative of the future as it represents growth phase of the company and also the historical data is insufficient. The management has applied an override on the LGD stages so as to depict the expected loss rates in the near term.

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage

As at 31 March 2021

Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	64,903.31	4,710.28	69,613.59
Allowance for ECL	2,026.95	3,472.16	5,499.11
Net carrying value	62,876.36	1,238.12	64,114.48

As at 31 March 2020

Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	94,197.52	3,433.24	97,630.76
Allowance for ECL	3,267.59	2,510.90	5,778.49
Net carrying value	90,929.93	922.34	91,852.27

As at 01 April 2019

Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	24,877.42	85.97	24,963.39
Allowance for ECL	808.82	49.65	858.47
Net carrying value	24,068.60	36.32	24,104.92

Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The outstanding contractual amounts of such assets written off during the year ended 31 March, 2021 was INR 9,946.00 (31 March 2020 INR 17,137.16). The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Liquidity Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gap.

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31 March 2021	Less than 1 year	1 to 3 years	Total
Debt Securities	11,048.28	669.46	11,717.74
Borrowings other than debt securities	16,952.54	18,164.20	35,116.74
Trade payables	1,281.07	-	1,281.07
Other financial liability	560.01	-	560.01
	29,841.90	18,833.66	48,675.56
31 March 2020			
Debt Securities	18,121.70	4,085.44	22,207.14
Borrowings other than debt securities	16,952.54	27,018.50	43,971.04
Inter-corporate Deposits	100.00	-	100.00
Trade payables	141.07	-	141.07
Other financial liability	1,354.56	-	1,354.56
	36,669.87	31,103.94	67,773.81
01 April 2019			
Debt Securities	-	1,935.65	1,935.65
Borrowings other than debt securities	5,056.17	4,572.80	9,628.96
Inter-corporate Deposits	749.17	-	749.17
Trade payables	82.69	-	82.69
Other financial liability	420.29	-	420.29
	6,308.32	6,508.44	12,816.75

43 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern. Regulatory capital related information is presented as part of the RBI mandated disclosures.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of borrowing from holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		March 31, 2021	March 31, 2020	April 1, 2019
Total equity	(i)	53,749.84	29,689.33	22,916.45
Debt securities	(ii)	11,717.74	22,207.14	1,935.65
Borrowings other than debt securities	(iii)	35,116.74	56,126.77	9,628.96
Deposits	(iv)	-	100.00	749.17
Total debt	(v)=(ii)+(iii)+(iv)	46,834.48	78,433.91	12,313.78
Less: cash and bank balances	(vi)	25,094.99	9,876.09	8,041.93
Net debt	(vii) = (v)-(vi)	21,739.49	68,557.82	4,271.85
Overall financing	(viii)=(i)+(vii)	75,489.33	98,247.15	27,188.30
Gearing ratio	**(vii)/(viii)**	**0.29**	**0.70**	**0.16**

No changes were made in the objectives, policies or processes for managing capital during the years presented.

44 Change in liabilities arising from financing activities

Particulars	March 31, 2020	Cash flows	Exchange difference	March 31, 2021
Debt securities	22,207.14	(10,489.40)	-	11,717.74
Borrowings other than debt securities	56,126.77	(20,633.79)	(376.24)	35,116.74
Deposits	100.00	(100.00)	-	-
Total liabilities from financing activities	78,433.91	(31,223.19)	(376.24)	46,834.48

Particulars	April 1, 2019	Cash flows	Exchange difference	March 31, 2020
Debt securities	1,935.65	20,271.49	-	22,207.14
Borrowings other than debt securities	9,628.96	45,556.63	941.18	56,126.77
Deposits	749.17	(649.17)	-	100.00
Total liabilities from financing activities	12,313.78	65,178.95	941.18	78,433.91

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45 There has been no significant impact on the operations/financial position of the company on account of the outbreak of the COVID-19 pandemic and the limitations/restrictions arising therefrom. RBI issued guidelines relating to 'COVID-19 Regulatory Package' dated 27th March, 2020 and subsequent guidelines on EMI moratorium dated 17th April, 2020 and 23rd May, 2020. The Company had offered an optional moratorium in accordance with its Board approved policies to its customers based on requests as well as on a suo-moto basis between 1st March, 2020 and 31st August, 2020. For such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

46 The Honourable Supreme Court of India, vide an interim order dated September 03, 2020 in the writ petition (Gajendra Sharma Vs Union of India & Anr), has directed that the accounts which were not declared Non-Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, an account, which was not classified as NPA as at August 31, 2020, has not been classified as NPA subsequently as per the RBI's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

47 The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

48 The Code on Social Security 2020 ("the Code") relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49 Department of Financial Services, Ministry of Finance, Government of India vide notification no. F.No.2/12/2020-BOA.I dated October 23, 2020 conveyed that in view of the unprecedented and extreme COVID - 19 situation, the Central Government has approved "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts, (1.3.2020 to 31.8.2020)". The benefits under the Scheme would be routed through lending institutions (as defined in the notification). The Bank has developed a Board approved Policy in line with the operational guidelines and pronouncements issued in this regard and conducted the aforesaid exercise of crediting the benefit in the respective accounts of eligible borrowers within the prescribed timeline.

50 In accordance with the RBI notification no. RBI/DNBR/2016-17/45 - Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the "Master Direction"). Refer Annexures for additional NBFC disclosure.

51 Impact of COVID 19:
The Covid-19 pandemic has resulted in a significant decline in the economic activities across the country, considering the current circumstances. the Company has recognised an additional write-off of INR 1,268.69 lakhs.The Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date
For V.R. ASSOCIATES
Chartered Accountants
Firm Registration No: 001239C

ABHINANDAN CHAUHAN

Partner
Membership No:400175

Place:Lucknow
Date: August 13, 2021

For and on behalf of the Board of Directors of
KrazyBee Services Private Limited
CIN:U65100KA2016PTC086990

MADHUSUDAN EKAMBARAM
Director
DIN:07442577

Place: Bengaluru
Date: August 13, 2021

KARTHIKEYAN KRISHNASWAMY
Director
DIN: 07449376

Place: Bengaluru
Date: August 13, 2021

PALLAVI LINGARAJU

Company Secretary
Membership No: 45673

Place: Bengaluru
Date: August 13, 2021

45 Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows :-

	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Fair value
As at 31 March 2021					
Financial assets					
Cash and cash equivalents	3,648.25	-	21,075.02	24,723.27	24,723.27
Bank balances other than above	-	-	371.72	371.72	371.72
Loans	-	-	64,114.48	64,114.48	64,114.48
Investments	3,511.25		-	3,511.25	3,511.25
Other financial assets	-	-	8,485.06	8,485.06	8,485.06
Total financial assets	7,159.50	-	**94,046.28**	**1,01,205.78**	**1,01,205.78**
Financial liabilities					
Trade payables	-	-	1,281.07	1,281.07	1,281.07
Debt securities	-	-	11,717.74	11,717.74	11,717.74
Borrowings (other than debt securities)	-	-	35,116.74	35,116.74	35,116.74
Other financial liabilities	-	-	560.01	560.01	560.01
Total financial liabilities	-	-	**48,675.56**	**48,675.56**	**48,675.56**
As at 31 March 2020					
Financial assets					
Cash and cash equivalents	5,089.17	-	4,000.00	9,089.17	9,089.17
Bank balances other than above	-	-	786.92	786.92	786.92
Derivative financial instruments	128.89		-	128.89	128.89
Trade receivables	-	-	1,103.73	1,103.73	1,103.73
Investments	2,502.90	-	41.25	2,544.15	2,544.15
Loans	-	-	91,852.27	91,852.27	91,852.27
Other financial assets	-	-	2,767.14	2,767.14	2,767.14
Total financial assets	7,720.96	-	**1,00,551.31**	**1,08,272.27**	**1,08,272.27**
Financial liabilities					
Trade payables	-	-	141.07	141.07	141.07
Debt securities	-	-	22,207.14	22,207.14	22,207.14
Borrowings (other than debt securities)	-	-	56,126.77	56,126.77	56,126.77
Deposits	-	-	100.00	100.00	100.00
Other financial liabilities	-	-	1,354.56	1,354.56	1,354.56
Total financial liabilities	-	-	**79,929.54**	**79,929.54**	**79,929.54**
As at 01 April 2019					
Financial Assets					
Cash and cash equivalents	7,594.90	-	-	7,594.90	7,594.90
Bank balances other than above	-	-	447.04	447.04	447.04
Trade receivables	-	-	1,383.09	1,383.09	1,383.09
Investments	4.05	-	100.00	104.05	104.05
Loans	-	-	24,104.92	24,104.92	24,104.92
Other financial assets	-	-	1,961.76	1,961.76	1,961.76
Total financial assets	7,598.95	-	**27,996.81**	**35,595.75**	**35,595.75**
Financial liabilities					
Trade Payables	-	-	82.69	82.69	82.69
Debt securities	-	-	1,935.65	1,935.65	1,935.65
Borrowings (other than debt securities)	-	-	9,628.96	9,628.96	9,628.96
Deposits	-	-	749.17	749.17	749.17
Other financial liabilities	-	-	420.29	420.29	420.29
Total financial liabilities	-	-	**12,817.25**	**12,817.25**	**12,817.25**

Fair value measurement of financial assets and liabilities

Financial assets and financial liabilities measured at fair value in the Statement of Balance Sheet are grouped into three Levels of a fair value hierarchy.

The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

V.R. ASSOCIATES Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2021:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	3,511.25	-	-	3,511.25

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2020:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	2,502.90	-	-	2,502.90
Derivatives	-	128.89	-	128.89

The following table shows the levels within the hierarchy of financial assets measured at fair value as at 1 April, 2019:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	4.05	-	-	4.05

There were no financial assets or financial liabilities measured at fair value through OCI in the earlier years.

The carrying amount of trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, borrowings, debt securities, deposits, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

The Company's foreign currency derivative contracts are not traded in active markets. Fair valuation of such instruments are provided by the dealer

who are recognised banks and use widely acceptable techniques. The effects of non-observable inputs are not significant for foreign currency options. There have been no transfers among Level 1, Level 2 and Level 3 categories during the year.

V.R. ASSOCIATES * Chartered Accountants *

KRAZYBEE SERVICES PVT. LTD. * BANGALORE

Annexures to the Financial Statemnets

Additional RBI disclosures from Notes 1 to 24 have been prepared as per RBI Circulars / Directives basis Ind-AS financial statements.

Schedule to the Balance sheet (Rs. In Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Liabilities side			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Loans and advances availed by the non-banking financial company					
		Debentures :				
	(a)	Secured	11,717.74	-	22,207.14	-
		Unsecured	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	20,415.51	-	33,156.27	-
	(d)	Inter-corporate loans and borrowing	-	-	100.00	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Bank Overdraft	0.29	-	7,893.32	-
	(f)	Other Loans (External Commercial Borrowings)	14,700.94	-	15,077.18	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of					
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where	-	-	-	-
	(c)	Other public deposits	-	-	-	-

Assets side				March 31, 2021	March 31, 2020
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]				
	(a)	Secured		-	-
	(b)	Unsecured		64,114.48	91,852.27
(4)	Break up of Leased Assets and stock on hire and other assets counting				
	(i)	Lease assets including lease rentals under sundry debtors :			
		(a)	Financial lease	-	-
		(b)	Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors :			
		(a)	Assets on hire	-	-
		(b)	Repossessed Assets	-	-
	(iii)	Other loans counting towards asset financing activities			
		(a)	Loans where assets have been repossessed	-	-
		(b)	Loans other than (a) above	-	-
(5)	Break-up of Investments				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	3,511.25	2,502.90
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	41.25
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-

V.R. ASSOCIATES Chartered Accountants

KRAZY LIFE SERVICES PVT LTD. BANGALORE

	Long Term Investments				
	1	Quoted			
		(i)	Share		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others - Fixed Deposit	-	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :

Category			Amount net of provisions		
			Secured	Unsecured	Total
1	Related Parties **				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2	Other than related parties		-	64,114.48	64,114.48
	Total				

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **			
	(a)	Subsidiaries	-	-
	(b)	Companies in the same group	-	-
	(c)	Other related parties	-	-
2	Other than related parties		3,511.25	3,511.25
	Total			

(8) Other Information

Particulars			March 31, 2021	March 31, 2020
(i)	Gross Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	4,710.28	3,433.24
(ii)	Net Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	1,238.12	922.34
(iii)	Assets acquired in satisfaction of debt		-	-

V.R.A. & Associates Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

(9)

Capital to Risk Assets Ratio	March 31, 2021	March 31, 2020
CRAR %		
CRAR - Tier I Capital (%)	63.48%	27.04%
CRAR - Tier II Capital (%)	1.12%	0.25%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

(10) Investments

Particulars	March 31, 2021	March 31, 2020
1) Value of Investments		
i) Gross value of investments		
- In India	3,511.25	2,544.15
- Outside India	-	-
(ii) Provisions for depreciation on investments		
- In India	-	-
- Outside India	-	-
(iii) Net value of investments		
- In India	3,511.25	2,544.15
- Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off /write back of excess provision during the year	-	-
iv) Closing balance	-	-

(11)

Particulars	March 31, 2021	March 31, 2020
Unsecured Advances	-	-

(12) Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agency	Programme	Ratings assigned	Migration during the year
ICRA	Term loans from banks	BBB- (Stable)	Nil
	Cash Credit from banks	BBB- (Stable)	Nil
	Working Capital Demand Loan	BBB- (Stable)	Nil
	Commercial Papers	A3	Nil
Infomerics Ratings	secured NCDs under private issue	BBB with Positive Outlook	Nil

(13) Provisions and Contingencies

Particulars	March 31, 2021	March 31, 2020
Provision for depreciation on investment	-	-
Provision towards non performing assets*	3,472.16	2,510.90
Provision for standard assets**	2,026.95	3,267.59
Provision towards income tax	1,028.15	2,221.19
Provision for compensated absences	29.65	11.93
Provision for gratuity	48.43	18.25

* represents provision on stage 3 advances

** represents provision on stage 1 and stage 2 advances

(14) Concentrations

I. Concentration of Advances

Particulars	March 31, 2021	March 31, 2020
Total Advances to twenty largest borrowers	120.28	38.02
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank		0.04

II.Concentration of exposures

Particulars	March 31, 2021	March 31, 2020
Total exposure to twenty largest borrowers	84.04	38.02
Percentage of exposure of twenty largest borrowers to total exposure of the company on borrowers	-	0.04

III.Concentration of NPA

Particulars	March 31, 2021	March 31, 2020
Total Exposure to top four NPA accounts	5.50	4.20

iv. Sector wise distribution of credit impaired loans

Sector	Percentage of Impairment loss to Total Advances in that sector	
	March 31, 2021	March 31, 2020
Agriculture and allied activities		
MSME		
Corporate borrowers		
Services		
Unsecured personal loans	1.78%	0.94%
Auto Loans		
Other Personal Loans		
Total	1.78%	0.94%

V.K. ASSOCIATES Noida Chartered Accountants

KRAZBEE SERVICES PVT. LTD. MANGALORE

(15) Movement of credit impaired loans

Particulars	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances (%)	1.87%	0.97%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	3,433.24	85.97
(b) Additions during the year	12,921.69	16,965.33
(c) Reductions during the year	-11,644.65	-13,618.06
(d) Closing balance	4,710.28	3,433.24
(iii) Movement of Net NPAs		
(a) Opening balance	922.34	36.32
(b) Additions during the year	7,260.10	5,907.82
(c) Reductions during the year	-	-
(d) Closing balance	1,238.12	922.34
(iv) Movement of Provision for NPAs		
(a) Opening balance	2,510.90	49.65
(b) Impairment loss allowance made during the year	5,661.59	11,057.52
(c) Write off/ write back of excess allowance	-11,644.65	-13,618.06
(d) Closing balance	3,472.16	2,510.90

(16) Customer complaints

Particulars	March 31, 2021	March 31, 2020
(a) No. of complaints pending at the beginning of the year	21	6
(b) No. of complaints received during the year	2,198	405
(c) No. of complaints redressed during the year	2,211	390
(d) No. of complaints pending at the end of the year	8	21

(17) Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. circular no. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated 29 September 2016

There were no instances of reportable fraud for the year ended 31 March 2021 and 31 March 2020.

V.R. ASSOCIATES Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

(18) Derivatives

Disclosure with respect to outstanding Cross Currency Interest Rate Swap (CCIRS)

a) **Cross Currency Interest Rate Swap**

Particulars	March 31, 2021	March 31, 2020
i) The notional principal of swap agreements (USD)	-	90.00
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the agreements	-	-
iii) collateral required by the Bank upon entering into swaps	-	-
iv) concentration of credit risk arising from the swaps	-	-
v) fair value of the swap book	-	128.89

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark
Hedging	European Vanilla Option	USD LIBOR

b) **Exchange Traded Interest Rate Derivatives - Not applicable**

c) **Disclosures on Risk Exposure in Derivatives**

Qualitative Disclosure

The Company's treasury function is responsible for company's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the company including currency risk, market risk and liquidity risk. In course of managing these risks, the company may use various market instruments as permissible for the company based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the management. The Company does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes. The exposure as on March 31, 2020 is hedged exposure which is towards external commercial borrowings borrowed.

Quantitative Disclosure

Sr. No.	Particulars	March 31, 2021		March 31, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) (USD)	-	-	90.00	-
	a) For hedging*	-	-	-	-
	b) For trading	-	-	-	-
(ii)	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	128.89	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure (USD)	200.00	-	110.00	-

* Pertains to cross currency interest rate swap

V.R. Nair & Co. Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

(19) Asset Liability Management (ALM)

Maturity pattern of assets and liabilities as on 31 March 2021

Sr. No.	Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-	-	-
2 (i)	Advances (Loan to Customer)	16,540.24	2,449.98	4,950.96	11,804.03	9,318.95	11,717.10	2,814.43	45.37	5,603.06	-	65,244.12
2 (ii)	Interest accrued	2,445.14	114.82	99.31	25.15	1,570.39	114.66	-	-	-	-	4,369.47
3	Investments	3,511.25	-	-	-	-	-	-	-	-	-	3,511.25
	Total Inflows	**22,496.63**	**2,564.79**	**5,050.27**	**11,829.18**	**10,889.34**	**11,831.77**	**2,814.43**	**45.37**	**5,603.06**	**-**	**73,124.83**
4	Debt Securities	157.00	108.70	-	518.39	769.73	1,322.19	8,171.73	670.00	-	-	11,717.74
5	Borrowings (Other than Debt Securities)	582.49	357.10	2,306.18	1,248.07	1,255.35	9,058.08	5,316.57	14,992.61	-	-	35,116.45
6	Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
7	Foreign Currency Liabilities	-	-	-	-	-	-	-	14,700.94	-	-	14,700.94
	Total Outflows	**739.49**	**465.80**	**2,306.18**	**1,766.46**	**2,025.08**	**10,380.26**	**13,488.31**	**30,363.55**	**-**	**-**	**61,535.13**

Chartered Accou

KRAZBEE SERVICES PVT. LTD. BANGALORE

(20) Disclosure as per Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 issued by Reserve Bank of India (RBI) dated 13 March 2020

As on March 31, 2021

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1 & 2	64,903.31	2,026.95	62,876.36	251.51	1,775.44
Subtotal		**64,903.31**	**2,026.95**	**62,876.36**	**251.51**	**1,775.44**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	4,710.28	3,472.16	1,238.12	2,355.14	1,117.02
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**4,710.28**	**3,472.16**	**1,238.12**	**2,355.14**	**1,117.02**
(c) Other items	Stage 1 & 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1 & 2	64,903.31	2,026.95	62,876.36	251.51	1,775.44
	Stage 3	4,710.28	3,472.16	1,238.12	2,355.14	1,117.02
	Subtotal	**69,613.59**	**5,499.11**	**64,114.48**	**2,606.65**	**2,892.46**

As on March 31, 2020

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1 & 2	94,197.52	3,267.59	90,929.93	363.72	2,903.87
Subtotal		**94,197.52**	**3,267.59**	**90,929.93**	**363.72**	**2,903.87**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	3,433.24	2,510.90	922.34	1,716.62	794.28
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**3,433.24**	**2,510.90**	**922.34**	**1,716.62**	**794.28**
(c) Other items	Stage 1 & 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1 & 2	94,197.52	3,267.59	90,929.93	363.72	2,903.87
	Stage 3	3,433.24	2,510.90	922.34	1,716.62	794.28
	Subtotal	**97,630.76**	**5,778.49**	**91,852.27**	**2,080.34**	**3,698.15**

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

(21) Disclosures as required by RBI circular dated 17 April 2020 'COVID-19Regulatory Package - Asset Classification and Provisioning'

Particulars	As of 31 March 2021 (Rs. Lakhs)
Respective amounts in SMA/ Overdue categories where the moratorium/ deferment was extended in terms	1,06,08,18,045
Respective amount where asset classification benefit is extended	4,29,12,493
Provision made in terms of paragraph 5 of the circular (As per Para 4, applicable to NBFCs covered under	42,91,249
Provisions adjusted against slippages in terms of paragraph 6 of the circular	42,91,249
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	-

(22) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 :

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned,if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	2,21,882	1,38,25,46,332	-	-	-
Corporate Persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,21,882	1,38,25,46,332	-	-	-

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

***Note for Column E: The figures reflected under the Column E is Nil because if the Company would have been not provided the Resolution Plan the Number of Accounts in Column would have been be slipped to NPA category or written off bucket. As per the Cos Internal Policy the Company provides 50% of the Principal outstanding amount as otherwise as per the Aug 6th Notification Company has to provide additional 10% of the Principal outstanding amount.*

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(23) Disclosure on accounts subjected to restructuring for the year ended March 31 2021

The Bank has restructured accounts during the half year ended March 31 2021, as per the RBI circular dated August 06, 2020.

Sl. No.	Type of Restructuring → Asset Classification → Details ↓		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	88,256	20,789	-	58,199	1,67,244	88,256	20,789	-	58,199	1,67,244
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	49,42,70,476	7,64,86,188	-	23,92,21,091	80,99,77,955	49,42,70,476	7,64,86,188	-	23,92,21,091	80,99,77,955
		Provision thereon		-	-	-	-	-	-	-	-	-	19,77,082	3,82,43,194	-	-	4,02,20,276	19,77,082	3,82,43,194	-	-	4,02,20,276
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56	-	-	-	56	56	-	-	-	56
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5,34,510	-	-	-	5,34,510	5,34,510	-	-	-	5,34,510
		Provision thereon	-	-	-	-	-	-	-	-	-	-	79,737	-	-	-	79,737	79,737	-	-	-	79,737
4	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Write off/Recovery/Sale of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	9,652	8,685	-	9,733	28,070	9,652	8,685	-	9,733	28,070
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	6,39,07,298	5,86,73,216	-	5,99,73,226	18,37,51,741	6,39,07,298	5,86,73,216	-	5,99,73,226	18,37,51,741
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56	45,643	-	-	45,699	56	45,643	-	-	45,699
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5,34,510	12,99,33,632	-	-	13,04,68,142	5,34,510	12,99,33,632	-	-	13,04,68,142
		Provision thereon	-	-	-	-	-	-	-	-	-	-	79,737	3,37,21,702	-	-	3,38,01,439	79,737	3,37,21,702	-	-	3,38,01,439

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(24) Others

(a) Disclosure relating to Securitization
There are no such transactions during the current year and previous year

(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction
There are no such transactions during the current year and previous year

(c) Details of Assignment transactions undertaken by applicable NBFCs
There are no such transactions during the current year and previous year

(d) Details of non-performing financial assets purchased / sold - Not Applicable
There are no such transactions during the current year and previous year

(e) Exposure to Real estate sector - Not Applicable
There are no such transactions during the current year and previous year

(f) Exposure to Capital market - Not Applicable
There are no such transactions during the current year and previous year

(g) Details of financing of parent company products - Nil
There are no such transactions during the current year and previous year

(h) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC - Nil

(i) Registration obtained from other financial sector regulators - None

(j) Disclosure of Penalties imposed by RBI and other regulators

(k) Remuneration of non executive directors - Nil

(l) There are no prior period items in the current year . The financial statements for the current year have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer Note 2.19 on how the company adopted Ind AS. Subject to aforemention, there are no other changes in the accounting policies.

(m) There is no postponement of revenue recognition during the year which is subjected to resolution of significant uncertainities.

(n) Draw Down from Reserves
There has been no draw down from reserves during the year

(o) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
There are no overseas asset owned by the Company

(p) Off-balance Sheet SPVs sponsored
There are no off balance sheet SPVs sponsored.

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