V R ASSOCIATES

CHARTERED ACCOUNTANTS

Suite No. 106A, Pro-Menage Business Towers,
C-104, Sector-65, Noida-201301
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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.

V.R. ASSOCIATES * Chartered Accountants * Noida

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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

V R ASSOCIATES

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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

V R ASSOCIATES

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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	7,294.89
(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	6,485.06	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	93.30
	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: 07499376

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 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)	36	367.98	431.24
	(Nominal value per share - INR 10)			
	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	(18.09)	(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	619.28
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	20,357.11	(88,578.41)
Decrease in trade receivables	1,101.73	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	(350.04)	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	1,493.24
Debt securities issued/(repaid) (net)	(10,489.40)	28,271.49
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. 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: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

[illegible] PRIVATE LIMITED

Statement of changes in equity for the year ended [illegible]

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

(A) Equity share capital

	As at [illegible]		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	7,56,153	75.62	6,56,529	65.65	6,56,529	65.65
Add: Issued during the year	3,13,900	31.39	99,624	9.96	-	-
Balance at the end of the year	10,70,053	107.01	7,56,153	75.62	6,56,529	65.65

(B) Other equity

For the year ended 31 March 2021

Particulars	Reserves 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	891.34	25,649.73	961.44	3,024.37	2.32	29,611.20
Profit for the year	-	-	-	2,859.13	-	2,859.13
Other comprehensive income (net of tax)	-	-	-	-	(10.14)	(10.14)
Total comprehensive income	891.34	25,649.73	961.44	5,883.51	(8.17)	32,458.39
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	-	9,815.34	-	-	-	9,815.34
Share based payments	-	-	206.16	-	-	206.16
Balance as at 31 March 2021	1,451.77	35,465.06	1,167.60	5,323.08	(8.17)	52,481.34

For the year ended 31 March 2020

Particulars	Reserves 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	159.75	11,146.47	5.37	911.77	-	12,223.37
Profit for the year	-	-	-	1,115.42	-	1,115.42
Other comprehensive income (net of tax)	-	-	-	-	2.32	2.32
Total comprehensive income	159.75	11,146.47	5.37	2,027.19	2.32	13,341.10
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	631.59	-	-	(631.59)	-	-
Premium on issue of shares	-	1,503.26	-	-	-	1,503.26
Share based payments	-	-	956.07	-	-	956.07
Balance as at 31 March 2020	891.34	25,649.73	961.44	3,024.37	2.32	29,611.20

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

As per our report of even date
For P.B. ACHARYA
Chartered Accountants
Firm Registration No. [illegible]

[illegible]
Partner
Membership No. [illegible]

Place: Bangalore
Date: August 11, 2021

For and on behalf of the Board of Directors of
[illegible] Services Private Limited
CIN: [illegible]

[illegible]
Director
DIN: [illegible]

[illegible]
Director
DIN: [illegible]

Place: Bangalore,
Date: August 11, 2021

Place: Bangalore,
Date: August 11, 2021

[illegible]
Company Secretary
Membership No. [illegible]
Place: Bangalore
Date: August 11, 2021

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").

Noida
Chartered Accountants
KRAZYBEE SERVICES PVT. LTD.
BANGALORE

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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD.

(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.

V.R. & Associates Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

(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.

V.R. & ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

(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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. PANCHKULA

(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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KRAZYBEE SERVICES PVT. LTD. Bangalore

(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.

Noida
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KRAZYBEE SERVICES PVT. LTD.
BANGALORE

(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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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.

Noida

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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(vii)	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	(158.21)	9,608.96
(d)	Deposits		749.17	-	749.17
(e)	Other financial liabilities	h(viii)	261.18	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

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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	1,429.73	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		-	4.70	4.70
Gain/Loss on remeasurement of defined benefit plans				
(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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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	(58,249.38)	(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.

Noida

Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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)	-	1,085.08	1,229.15

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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 1092.21 each (31 March 2020: 2,34,203 units of INR 1,068.69 each, 1 April 2019: Nil)	2,511.20	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 9,05,726 units of INR 110.46 each (31 March 2020: Nil, 1 April 2019: Nil)	999.95	-	-
Corporate bonds, unquoted			
Uniti 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	349.69	228.02
Receivables from intermediaries*	8,029.32	1,980.12	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			
(2020: net of tax provision INR 2,221.19, 2019: INR 394.05)	654.45	666.85	13.53
	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

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

11 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	1.09	1.47	-	2.56	33.99
Office equipments	21.68	0.76	-	22.44	2.58	4.83	-	7.41	15.03
Computers	186.13	-	-	186.13	50.88	59.53	-	110.41	75.72
Total	245.36	0.76	-	246.12	54.55	67.83	-	122.38	123.74

	Gross block				Depreciation				Net block
	As at April 1, 2019	Additions	Deductions	As at 31 March 2020	As at April 1, 2019	For the year	On deductions	As at March 31, 2020	As at March 31, 2020
Owned assets									
Furniture and fixtures	5.22	31.33	-	36.55		1.09	-	1.09	34.46
Office equipments	10.69	11.99	-	22.68		2.58	-	2.58	19.10
Computers	67.84	118.29	-	186.13		50.88	-	50.88	135.24
Total	83.75	161.61	-	245.36	-	54.55	-	54.55	190.79

12 Intangible assets

	Gross block				Amortisation				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	9.09	10.91	-	20.00	14.24
Total	34.20	0.05	-	34.25	9.09	10.91	-	20.00	14.24

	Gross block				Amortisation				Net block
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year	On deductions	As at March 31, 2020	As at March 31, 2020
Computer software	27.84	6.36	-	34.20	-	9.09	-	9.09	25.11
Total	27.84	6.36	-	34.20	-	9.09	-	9.09	25.11

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. Gurugram

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(Amounts in INR Lakhs, unless otherwise stated)

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 term 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	1,113.27	-	-
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 redeemable 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	> 3 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: 14.00% 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: 14.00% 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.

Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(Amounts in INR Lakhs, unless otherwise stated)

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)	29,108.22	11,941.32	-	41,049.59
01-Apr-19	Interest rate: 13% to 28% 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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KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(Amounts in INR Lakhs, unless otherwise stated)

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	3.40
Lease liability	92.97	217.63	159.15
Others	315.42	875.14	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	135.30	376.92	126.08
Payable to related party - Barttee 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	48.41	18.25	8.47
Provision for compensated absences	29.68	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	92.34	289.60	284.06
Interest received but not due	289.90	814.24	168.58
Total	382.24	1,103.84	452.64

VR ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
Amounts in INR Lakhs, unless otherwise stated

11 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: 606,526 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	6,06,526	60.65	1,27,540	12.75
Add: Issued during the year	3,13,900	31.39	99,807	9.98	5,05,994	52.90
Outstanding at the end of the year	10,70,233	107.02	7,56,333	75.63	6,06,526	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
Finsevo 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
Finsevo Private Limited	10,64,333	99%	7,50,433	99%	6,46,526	99%

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 (Finsevo Pte. Ltd.) at an issue price of INR 6,710 per share (including the premium of INR 6,700 per share).

V.R. ASSOCIATES Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021

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	565.95	-
Add: current year transfer	564.43	635.39	565.95
Closing balance	1,365.77	801.34	565.95
(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	3,098.19	513.11	629.06
Add: Net Profit for the current year	2,802.34	3,138.95	-
Add: Other comprehensive income	110.49	2.52	-
Less: Transfer to statutory reserves	564.43	635.39	565.95
Closing balance	5,209.49	3,098.19	513.11
Total reserves and surplus	53,565.81	29,653.69	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 schemes. The share options outstanding account represents amount recognised 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 changes 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.

R AND ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(Amounts in INR Lakhs, unless otherwise stated)

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**

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD.

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31 March 2021

(Amounts in INR Lakhs, unless otherwise stated)

34 Other expenses

	March 31, 2021	March 31, 2020
a) Rent, rates and taxes	166.74	120.48
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 (inclusive 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	0.80
On ESOP expense	78.18	26.29	1.53
On expected credit loss	1,330.14	1,337.53	249.59
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

V.R. ASSOCIATES Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(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	69.22
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	(100.17)
Amounts recognized 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

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)

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	2,802.54	3,136.35
Weighted average number of equity shares for basic EPS (face value of INR 10 each)	7,61,493	7,30,699
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	39.30

(B) Other plans provisions

	March 31, 2021	March 31, 2020	April 1, 2019
a) Defined benefit plans: Gratuity payable to employees	48.43	18.25	8.47
b) Other long-term benefits: Compensated absences for Employees	29.85	11.93	7.34

Defined benefit plans: 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)	5.50%	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	11.84
Actuarial (gain) / loss on obligations	14.02	(4.73)
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	11.84
Interest cost	1.23	0.65
Total expenses recognized in the Statement Profit and Loss*	**16.15**	**12.49**

*Included in Employee benefits expense (Refer Note 32). actuarial loss of INR 14.02 (31 March 2020: gain of INR 4.73) 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	(1.88)	(1.91)
1% decrease	1.37	2.05
Change in Rate of Salary Increase		
1% increase	1.20	2.08
1% decrease	(1.94)	(1.71)
Change in Rate of Employee Turnover		
1% increase	(1.82)	(0.98)
1% decrease	1.95	1.07

V.R. & ASSOCIATES Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

(vii) Maturity profile of defined benefit obligation:

Year	Employee's gratuity fund	
	March 31, 2021	March 31, 2020
1st Following Year	1.60	0.82
2nd Following Year	1.82	0.83
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	15.61	9.75
Sum of Years 11 and above	16.70	31.86

38 Employee Stock Option Scheme(ESOP)

The Parent Company's Board approved ESOP plan 2014 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	5,99,190	-	5,88,260	-
Add:				
Options granted during the year	8,49,000	-	12,430	-
Less:				
Options exercised during the year	-	-	-	-
Options lapsed during the year	75,356	-	1,510	-
Options outstanding, at the end of year	14,73,833	-	5,99,190	-
Option exercisable at the end of year	-	-	-	-

In accordance with the above mentioned ESOP Scheme, INR 286.16 (Previous Year INR 99.37) 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%-5.50%	6.26% - 7.15%
Expected life of share options (years)	3.48	3.97
Expected volatility (%)	52.67% - 61.41%	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)(i)(a) Details of right-of-use assets are as follows:

Particulars	Category of ROU asset
	Premises
Balance as at 01 April 2019	199.13
Additions	170.61
Amortization (refer Note 33)	109.56
Balance as at 31 March 2020	220.13
Amortization (refer Note 33)	133.27
Balance as at 31 March 2021	86.93

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRATYBEE SERVICES PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31 March 2021
(Amount in INR lakhs unless otherwise stated)

(iv) Lease liabilities

Particulars	
Balance as at 01 April 2019	199.19
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

(v) 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

(vi) 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

(vii) 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

(viii) 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 descriptions 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 Vedu, Director

(c) Relatives of KMP
Helen Snodagar (spouse of Madhusudan Ekambaram)
Shanmuga Nursing Home (company of Madhusudan Ekambaram's Father)
Vibha Vedu (mother of Vivek Vedu)
Yani Jain (wife of Vivek Vedu)
Krishnaswamy Bhanumathi (mother of Karthikeyan Krishnaswamy)
Sowmithi 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	1,456.47	1,530.38
Purchase of services:		
Finnovation Tech Solutions Private Limited	403.38	2,261.32
Kartbee Technologies Private Limited	448.08	180.86
Share issued during the year (refer Note 23(a) and 23(d)):		
Finnov Private Limited (Equity share of INR 10 each)	35.39	9.58
Securities premium on the shares issued	21,035.31	5,485.26
Finance cost		
Finnov Private Limited	291.54	409.33
Krishnaswamy Bhanumathi	3.89	3.41
Madhusudan Ekambaram	7.69	-
Helen Snodagar	5.17	0.01
Shanmuga Nursing Home	6.64	7.13
Krishnamurthy Ekambaram	1.95	-
Latha	1.96	-
Manjula	1.95	-
Sowmithi Sattanathan	3.89	3.41
Yani Jain	7.68	3.41
Vibha Vedu	0.23	-
Vivek Vedu	0.23	-

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)

Issue of non-convertible debentures		
Krishnamurthy Bhamanathi	-	40.00
Madhusudan Dhanbarae	50.00	-
Nalan Sowdagar	40.00	20.00
Shanmuga Nursing Home	-	110.00
Sooraldhi Sattanathan	-	40.00
Vani Jain	40.00	40.00
Vibha Veda	20.00	-
Vivek Veda	20.00	-
Borrowings		
Flexor Private Limited	-	14,136.00
	March 31, 2021	March 31, 2020
B) Balance as at year end		
Receivable		
Finnovation Tech Solutions Private Limited	-	398.52
Kartber Technologies Private Limited	-	165.58
Payable		
Finnovation Tech Solutions Private Limited	1,258.47	-
Kartber Technologies Private Limited	64.55	-
Flexor Private Limited	0.02	0.01
Borrowings		
Flexor Private Limited	14,700.94	15,477.16
Non-convertible debentures (incl. accrued interest)		
Krishnamurthy Bhamanathi	-	40.09
Madhusudan Dhanbarae	99.45	-
Nalan Sowdagar	40.16	20.04
Shanmuga Nursing Home	-	110.21
Sooraldhi Sattanathan	-	40.09
Vani Jain	40.57	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 Guarantees aggregating to INR 31,484.08 (2020: INR 47,498.27) in favour of the company for its business requirements.

(e) The Bank overdraft availed by the Company aggregating to INR 0.29 (2020: INR 2,891.22) 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 categorised 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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KRAZYBEE SERVICES PVT. LTD.

(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 spread 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	14,200.94	15,077.58	-

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	71.50
INR	-50	(71.50)
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	14,200.94	15,077.58	-
Net exposure to foreign currency risk (liabilities)	14,200.94	15,077.58	-

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	142.01
	-100	(142.01)
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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KRAZYBEE SERVICES PVT. LTD. Gurugram

(I) 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.

(II) 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 taken 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 ongoing 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	14,723.37	9,089.17	7,394.89
Bank balances other than above	371.12	786.92	447.04
Derivative financial instruments	-	128.89	-
Trade receivables	-	1,403.73	1,383.09
Loans*	64,903.31	94,997.52	54,877.42
Investments	3,511.25	2,544.15	104.05
Other financial assets	8,485.86	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 borrowers 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 amortised 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 these 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 fulfilled the qualitative aspect to 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 instalments 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 recognise 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	2,472.16	5,499.11
Net carrying value	62,876.36	2,238.12	64,114.48

As at 31 March 2020

Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	94,197.32	3,433.24	97,630.56
Allowance for ECL	2,267.59	2,509.90	5,778.49
Net carrying value	91,929.73	923.34	91,852.07

As at 01 April 2019

Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	14,827.47	85.92	14,913.39
Allowance for ECL	808.82	49.65	858.47
Net carrying value	14,018.65	36.12	14,054.92

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 9,846.00 (31 March 2020 INR 17,337.16). 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, new 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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KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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	560.03	-	560.03
	29,841.92	18,833.66	48,675.58
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

42 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	29,680.23	22,954.45
Debt securities	(ii)	11,717.74	22,207.14	1,935.65
Borrowings other than debt securities	(iii)	35,116.74	54,126.77	9,628.96
Deposits	(iv)	-	100.00	749.17
Total debt	(v)=(ii)+(iii)+(iv)	46,834.48	76,433.91	12,313.78
Less: cash and bank balances	(vi)	(5,094.99)	9,830.09	8,041.93
Net debt	(vii) = (v)-(vi)	51,929.49	66,597.83	4,271.85
Overall financing	(viii)=(i)+(vii)	105,679.33	96,247.13	27,226.30
Gearing ratio	(vii)/(viii)	0.49	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	54,126.77	(18,633.79)	(376.24)	35,116.74
Deposits	100.00	(100.00)	-	-
Total liabilities from financing activities	76,433.91	(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	45,356.63	941.18	54,126.77
Deposits	749.17	(649.17)	-	100.00
Total liabilities from financing activities	12,313.78	65,178.95	941.18	76,433.91

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

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)

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 based 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-motto 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 stand 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 stand 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 ascertainable 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 aforementioned exercise of crediting the benefit to the respective accounts of eligible borrowers within the prescribed timelines.

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 - Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Directions'). Refer Annexure 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 recognized 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. 003219C

ABHINANDAN CHAUHAN

Partner
Membership No.400175

Place:Lucknow
Date: August 11, 2021

For and on behalf of the Board of Directors of
Krazybee Services Private Limited
CIN U65100KA2016PTC088490

MADHUSUDAN
DHAMANAM
Director
DIN:00943537

Place: Bengaluru
Date: August 11, 2021

KARTHIKEYAN
KRISHNASWAMY
Director
DIN: 07490324

Place: Bengaluru
Date: August 11, 2021

PALLAVI LINGARAJU

Company Secretary
Membership No. A56715

Place: Bengaluru
Date: August 11, 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.

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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 recognized 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.

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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					
	(a)	Debentures :				
		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 LEE 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. Chartered Accountants

KRAZYBEE SERVICES PVT. LTD.

(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**	1,026.95	1,267.59
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	5.58	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 Loan		
Total	1.78%	0.94%

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KRAFTEE SERVICES PVT. LTD. BANGALORE

(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	7,268.10	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	3,472.14	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	1
(b) No. of complaints received during the year	2,198	409
(c) No. of complaints redressed during the year	2,211	388
(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	-	120.09

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 (+)	-	-	120.09	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure (USD)	200.00	-	110.00	-

* Pertains to cross currency interest rate swap

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

[vi] Asset Liability Management (ALM)

Maturity pattern of assets and liabilities as on 31 March 2021

Sr. No.	Particulars	1 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 (Bank's Customers)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
2 (ii)	Advances (others)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	[illegible]
3	Investments	[illegible]	-	-	-	-	-	-	-	-	-	[illegible]
	Money Lendings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
4	Debt Securities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	[illegible]
5	Borrowings other than debt securities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]
6	Foreign currency assets	-	-	-	-	-	-	-	-	-	-	[illegible]
7	Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
	Total outflows	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]

[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

(11) Disclosure as required by RBI circular dated 17 April 2020 "COVID-19 Regulatory Package - Asset Classification and Provisioning"

Particulars	As of 31 March 2021 (Rs. Lakhs)
Regular/Standard amount in SMA/ Overdue categories where the moratorium/ deferment was extended in terms	7,08,09,18,040
Regular/Standard amount where asset classification benefit is extended	4,29,71,401
Provision made in terms of paragraph 5 of the circular (as per Para 4, applicable to NBFCs covered under	47,91,249
Provisions adjusted against slippages in terms of paragraph 6 of the circular	42,91,249
Residual provision as of March 31, 2021 in terms of paragraph 5 of the circular	-

(12) Disclosure 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	2,21,081	1,38,25,46,332	-	-	-
Corporate Persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,21,081	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 in the Impact of the Company would have not provided the Resolution Plan the Number of Accounts in Column would have been be slipped in NPA category or written off books. As per the Co-lending Policy the Company provides 10% of the Principal outstanding amount as information as per the slippage classification Company has to provide additional 10% of the Principal outstanding amount.*

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

[illegible]

Sr. No.	Type of Transaction (Name Classification) Details	[illegible]					[illegible]					Others					Total				
		Guarantee	Sale Guarantee	Security	Loan	Total	Guarantee	Sale Guarantee	Security	Loan	Total	Guarantee	Sale Guarantee	Security	Loan	Total	Guarantee	Sale Guarantee	Security	Loan	Total
1	[illegible]	No. of Transactions																			
	[illegible]	Amount outstanding										-					-				
		Provision thereon																			
2	[illegible]	No. of Transactions										[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
		Amount outstanding										[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
		Provision thereon										[illegible]	[illegible]			[illegible]		[illegible]			[illegible]
3	[illegible]	No. of Transactions										[illegible]				[illegible]	[illegible]				[illegible]
	[illegible]	Amount outstanding										[illegible]				[illegible]	[illegible]				[illegible]
		Provision thereon										[illegible]				[illegible]	[illegible]				[illegible]
4	[illegible]	No. of Transactions																			
	[illegible]	Amount outstanding																			
		Provision thereon																			
5	[illegible]	No. of Transactions										[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
	[illegible]	Amount outstanding										[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
		Provision thereon																			
6	[illegible]	No. of Transactions										[illegible]	[illegible]			[illegible]	[illegible]	[illegible]			[illegible]
	[illegible]	Amount outstanding										[illegible]	[illegible]			[illegible]	[illegible]	[illegible]			[illegible]
		Provision thereon										[illegible]	[illegible]			[illegible]	[illegible]	[illegible]			[illegible]

V.R.P. Chartered Accountants

KRAZYBEE SERVICES PVT. LTD.

(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.

V.R. ASSOCIATES Noida Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. BANGALORE