CONTENTS

- CORPORATE INFORMATION
- NOTICE OF AGM
- DIRECTORS' REPORT
- AUDITORS' REPORT
- BALANCE SHEET
- PROFIT & LOSS ACCOUNT
- CASH FLOW STATEMENT
- SCHEDULES TO ACCOUNTS
- NOTES FORMING PART OF FINANCIAL STATEMENTS
- MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Madhusudan Ekambaram	Director
Mr. Karthikeyan Krishnaswamy	Director
Mr. Vivek Veda	Director
Mr. Adesh Kumar Gupta	Independent Director
Mr. Abhishek Singhvi	Independent Director
Mr. Gopalakrishna Gurrappa	Independent Director

CIN: U65100KA2016PTC086990

COMPANY SECRETARY

Ms. Pallavi Lingaraju

REGISTERED OFFICE

3rd Floor, No.128/9, Maruthi Sapphire,
HAL Airport Road, Murgesh Palya,
Bangalore, Karnataka – 560017.

KEY COMMITTEES

Audit Committee
Grievance Redressal Committee
Nomination and Remuneration Committee
Corporate Social Responsibility Committee
Board Committee (Borrowings)
Asset-Liability Management Committee
Risk Management Committee
IT Strategy Committee
IT Steering Committee
Privacy Committee

STATUTORY AUDITOR	INFORMATION SYSTEM AUDITOR	INTERNAL AUDITOR
M/s. ASC & Associates, Chartered Accountants F-7, Lajpat Nagar -III, New Delhi – 110024.	M/S. BDO India LLP 2nd Floor, SV Towers, 80 Feet Rd, Near Soni Signal, 6th Block, Koramangala, Bengaluru, Karnataka 560095.	Mr. Aniket Jagnade, Chartered Accountant.

BANKERS

ICICI BANK LIMITED
Ground Floor, Commissariat Road, Ashok Nagar,
Bengaluru, Karnataka
1860 120 7777

YES BANK LIMITED
Ground Floor 3, Kasturba Road, Bengaluru,
Karnataka 560001
1800 1200

CREDIT RATING AGENCY

ACUITE RATINGS & RESEARCH LIMITED
708, Lodha Supremus Lodha iThink Techno Campus, Kanjurmarg East, Mumbai, Maharashtra 400042.

ICRA LIMITED
B-710, Statesman House 148, Barakhamba Road
New Delhi- 110001 India.

VALUATION AGENCY

ICRA ANALYTICS LIMITED (FORMERLY ICRA ONLINE LIMITED)
Infinity Benchmark, 17th Floor, Plot – G-1, Block GP,
Sector V, Salt Lake, Kolkata 700091, India.
Ph. No. 090044 00090

DEBENTURE TRUSTEE

IDBI TRUSTEESHIP SERVICES LIMITED
Asian Building, Ground Floor, 17, R. Kamani Marg,
Ballard Estate, Mumbai- 400001.
Ph. No. 022-40807000

CATALYST TRUSTEESHIP LIMITED
GDA House, First Floor, Plot No. 85
Bhusari Colony (Right), Kothrud,
Pune – 411038
Ph. No. 022-49220505

REGISTRAR & TRANSFER AGENT

NSDL DATABASE MANAGEMENT LIMITED
4" Floor, Trade World A Wing, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Ph. No. 022 4914 2597.

NOTICE OF THE 6TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 6th (Sixth) Annual General Meeting ('AGM') of the members of Krazybee Services Private Limited ('Company') will be held on Thursday, the 29th Day of September 2022 at 11.00 AM at the registered office of the Company at No.128/9, Maruthi Sapphire, HAL Airport Road, Murugesh Palya, Bangalore-560017, Karnataka, India to transact the following businesses:

ORDINARY BUSINESSE:

1. To receive, consider and adopt the audited annual financial statements of the Company for financial year ended March 31, 2022 together with the reports of the Board of Directors and the Auditors thereon; and pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited annual financial statements of the Company for financial year ended March 31, 2022, and the report of the Auditors and Directors' thereon, as laid before the Members, be and are hereby approved and adopted."

By order of the Board of Directors

Krazybee Services Private Limited

KRAZYBEE SERVICES PVT. LTD. Bangalore

Pallavi Lingaraju
Company Secretary
M. No. A56733
No, 1203, Prerana Nilaya, 23rd Main,
D' Group Layout, Park Road,
Srigandadakaval, Nagarbhavi,
Bangalore 560091
Email Id: pallavis@krazybee.com
Date: 11.08.2022
Place: Bangalore

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, DATED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.

2. a) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

b) The proxy holder shall prove his identity at the time of attending the Meeting. When a member appoints a proxy and both the member and proxy attend the Meeting, the proxy stands automatically revoked. Requisition for inspection of proxies shall have to be made in writing by members entitled to vote on any resolution 3 (three) days before the commencement of the meeting. Proxies shall be made available for inspection during 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.

3. Members are requested to notify any change in their registered address.

4. Meeting has been called with more than 21 clear days' notice, therefore the shorter notice pursuant to Section 101(1) of the Act with the consent given in writing/by electronic mode by not less than 95% (ninety-five) per cent is not required.

5. Corporate member intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution / power of attorney / authorization, authorizing their representative to attend and vote on their behalf at the meeting.

6. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least 7 (seven) days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 10:00 Hrs. and 12:00 Hrs. up to and including the date of the Annual General Meeting.

8. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder will be available for inspection at the 6th Annual General Meeting.

9. The Voting at the meeting shall be conducted by show of hands unless a poll in accordance with section 109 of the Companies Act, 2013 is demanded by any member. If a poll is demanded at the meeting, then the shareholders can vote by sending an email to the designated mail ID: pallavis@krazybee.com

10. Members may also note that the Notice of the 6th AGM and the Annual Report for 2021-22 will also be available on the Company's website at www.kbnbfc.in websites of the Stock Exchange, i.e., BSE Limited, at www.bseindia.

11. The copies of 6th Annual Report of the Company for the year ended 31st March 2022 will be shared electronically with the Members at their registered email address. Those Members who require a physical copy may send a request to the Company Secretary via email (email id: pallavis@krazybee.com).

12. Route map and prominent land mark for easy location of the venue of the 6th Annual General Meeting.



6TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Folio No.:

DP ID:

Client ID:

I_____ hereby record my presence at the 6th Annual General Meeting of the Company held on Thursday, the 29th Day of September 2022 at 11.00 AM at No.128/9, Maruthi Sapphire, HAL Airport Road, Murugesh Palya, Bangalore -560017 Karnataka, India.

Name of the Shareholder (In Block Letters):

Signature of the Shareholder or Proxy:

Notes:

1. Please complete this attendance slip and hand it over at the entrance of the hall.

2. The registration counter will open at 10:00 am on the day of the 6th Annual General Meeting.

FORM MGT – 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	Krazybee Services Private Limited
Registered Office	3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore, Karnataka - 560017
CIN	U65100KA2016PTC086990

Name of the member(s):
Registered Address:
Email ID :
Folio No :

We, being holder(s) of Equity shares of the above-named Company, hereby appoint:

1, Name:

Email Address:

Signature: _____

Affix Revenue Stamp

Or failing him

2. Name:

Email Address:

Signature: _____

as our proxy to attend and vote (on a poll) for us and on our behalf at the 6th Annual General Meeting of the Company, to be held on Thursday, the 29th Day of September 2022 at 11.00 AM at 3 Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore, Karnataka - 560017 India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution 1: Adoption of the Audited Financial Statements the reports of Board of Directors and Auditors for the Financial Year 2021-22.

Signature of Shareholder
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BOARD'S REPORT

To,
The Members of
KRAZYBEE SERVICES PRIVATE LIMITED

Your Company's Board of Directors have the pleasure in presenting the 6th Annual Report along with the audited financial statements for the year ended 31st March 2022. This Report read with the Management Discussion and Analysis includes the details of macro-economic scenario, Company's performance, various initiatives by the Company as well as its approach to risk management.

BACKGROUND

Krazybee Services Private Limited (the **'Company'**) is a Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC-ND-SI"), holding a certificate of registration dated 25th May, 2017, from the Reserve Bank of India (**'RBI'**).

1. Financial Performance

The Company's Financial Performance for the financial year ended on 31st March 2022 under review along with previous year Figures are given hereunder:

PARTICULARS	**(in Rs. lakhs)**	**(in Rs. lakhs)**
	As on 31.03.2022	**As on 31.03.2021**
Revenue from operations	33,659.45	22,339.15
Other Income	27.92	38.40
Total Income	33,687.37	22,377.55
Total Expenses	29,548.84	18,748.35
Profit or (Loss) before Tax	4138.53	3,629.20
Less: Tax Expenses		
Current Tax	2056.35	1,028.15
Deferred Tax (credit)/charges	(859.67)	(201.09)
Tax in respect of earlier years	62.91	-
Profit / (Loss) for the year	**2878.94**	**2,802.14**
Other Comprehensive Income	**16.87**	**(10.49)**
Total Comprehensive Income for the year	**2,895.81**	**2,791.65**
Earnings per Equity Share	261.43	367.98

The Company's asset size increased from Rs.1,03,598 lakhs in FY 2020-21 to Rs. 1,44,107 lakhs in FY 2021-22. Gross Income increased by 50.54% and stood at Rs. 33,687.37 Lakhs (FY 2020-21: Rs. 22,377.55 Lakhs). The Company's Profit Before Tax was Rs. 4138.53 Lakhs (FY 2020-21: Rs. 3,629.20 Lakhs) and the Profit After Tax increased by about 2.74% to Rs. 2878.94 Lakhs (FY 2020-21: Rs. 2,802.14 Lakhs).

2. Review of business operations

i. Revenue from Operations:

Revenue from the operations of the Company for the financial year 2021-22 were Rs. 33,659.45 Lakhs. It is 50.67 percent higher than Rs. 22,339.15 Lakhs in the previous year 2020-21. Overall operational expenses for the financial year 2021-22 were Rs. 29,548.84 Lakhs, against Rs. 18,748.35 Lakhs in the previous year. Profit after tax for the year stood at Rs. 2,895.81 Lakhs higher by 2.74 percent over Rs. 2,802.14 Lakhs, in the previous year.

ii. Capital Adequacy

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 40.55 percent as on March 31, 2022, well above the regulatory minimum level of 15 percent prescribed by the Reserve Bank of India for Systemically Important Non-Deposit Taking NBFCs. Of this, the Tier I CRAR was 39.35 percent.

iii. Net Interest Margin (NIM)

The Net Interest Margin ("NIM") for FY 2021-22 increased by 22.83% and stood at Rs. 99.7 crore (FY 2020-21: Rs. 82.7 crore).

As at March 31, 2022, the Gross and Net Non-Performing Assets ("NPAs") were at 2.86% and 0.75%, respectively compared to 7.2% and 2.0% respectively as at March 31, 2021. The Provision Coverage Ratio ("PCR") for FY 2021-22 stood at 74.34% (FY 2020-21: 73.71%). The Return on Average Assets and Return on Average Equity ratio for the year ended March 31, 2022, were at 2.4% and 5.0%, as against 2.6% and 6.7%, for the year ended March 31, 2021, respectively.

iv. Basis of preparations 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 Guidance note on Division III of Schedule II of the Companies Act, 2013 issued by the Institute of Chartered Accountants of India (ICAI). The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standards (Ind AS). Amounts in the financial statements are presented in Indian Rupees in lakhs.

These financial statements have been prepared in accordance with 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.

The financial statements till the year ended 31 March 2020 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). However, as per the requirements under the applicable provisions of Ind AS Company has implemented Ind AS for 31 March, 2021. The financial statements for the year ended 31 March 2021 are the first set of financial statements prepared in accordance with 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.

v. Finance

During FY 2021-22, the Company met its funding requirements through a combination of Short-Term debt (comprising Commercial Papers, Inter-Corporate Deposits ("ICDs") and Term Loans) and Long-Term debt (comprising Non-Convertible Debentures ("NCDs"), Market Linked Debentures, Bank Loans and External Commercial Borrowings ("ECBs").

The Company had raised funds, during FY 2021-22, under the following categories:

(Rs. In Lakhs)

Category	Amount
Secured Non-Convertible Debentures	20,150
Commercial Papers	3,000
Term Loans	48,750
Market Linked Debentures	10,000
External Commercial Borrowings	Nil

The aggregate debt outstanding as at March 31, 2022 was Rs. 794.48 Cr. The Debt / Net worth ratio as on March 31, 2022 was 1.31 times. The Company has been regular in repaying/servicing all its debt obligations.

3. Credit Ratings

During the year under review, your Company has been reaffirmed/issued Credit Ratings from 2 (two) SEBI registered and RBI accredited Credit Rating Agencies;

Credit Rating Agency	Programme	Ratings Assigned
ICRA Limited	Market-Linked Non-Convertible Debentures	BBB- (Stable)
Acuite Ratings & Research Limited	Secured Non-Convertible Debentures under Private Issue Bank Loan	ACUITE BBB+| Stable| Reaffirmed
Acuite Ratings & Research Limited	Commercial Paper	ACUITE A2+ | Reaffirmed

4. Transfer to Reserves

The Company has transferred an amount of Rs. 575.79 Lakhs to Statutory Reserve as required under Regulation 45-IC of Reserve Bank of India Act, 1934 issued by the Reserve Bank of India.

5. Dividend

With a view to conserve capital, the Board of Directors of your Company has not recommended any dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2022.

6. Deposits

Your Company is an NBFC "Non-Deposit Taking Systemically Important Company" registered with Reserve Bank of India. During the year under review, your Company has not accepted any deposits from the public within the meaning of the provisions of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and Chapter V of the Companies Act, 2013.

7. Share Capital

The Authorized Capital of the Company as on 31st March, 2022 is Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakhs) divided into 15,00,000 (Fifteen Lakhs) equity shares of Rs. 10/- each.

During the year under review, your Company has partly converted the External Commercial Borrowings into equity shares on 2nd September, 2021 as per the following details:

Sl. No.	External Commercial Borrowings (in USD)	Conversion Rate	Number of Equity Shares	Total Consideration
1	USD 5 Million	73.779744	53,619	Rs. 36,88,98,720/-

Accordingly, the paid-up share capital of the Company as on 31st March, 2022 stood at Rs. 1,12,38,520 (Rupees One Crore Twelve Lakhs Thirty-Eight Thousand Five Hundred and Twenty).

The Company has not issued any Equity Shares with Differential Rights and no Sweat Equity has been granted during the year. None of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

The Company has not offered Employee Stock Options to the employees of the Company pursuant to provisions of Section 62(1)(b) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

8. Change in the Nature of Business

During the year under review, there were no changes in the nature of the business of the Company.

9. Risk Management

The Risk Management Committee (RMC), functions in line with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Company understands that risk evaluation and risk mitigation is a function of the Board of the Company, and the Board of Directors are fully committed in developing a sound system for identification and mitigation of applicable risks viz., systemic and non-systemic. The Company has put in place a Risk Management policy which is approved by the Board.

The Risk Management policy acts as an umbrella policy which defines the overall risk management framework and the risk appetite of the Company. This covers all risk families including but not limited to Credit Risk, Market & Liquidity Risk, Compliance Risk, Operational Risk, Outsourcing Risk, Reputational Risk and Financial Risk. The said framework facilitates identification, measurement, mitigation and reporting of risks through constant monitoring of Key Risk Indicators (KRI) within the organisation. Involvement of the Senior Management team in implementation of the Risk Management framework ensures achievement of overall organisational objectives across all business units.

The risk management infrastructure operates on following key principles:

1. Objectively constructed Risk Appetite Statement covering all key aspects of a lending business
2. Independent governance and risk management oversight
3. Maintenance of well-documented risk policies with performance guardrails
4. Extensive use of risk and business analytics, and credit bureau as an integral part of decision-making

process. The Risk Management team is headed by the Head Risk, who is responsible for overseeing the risk functions including credit risk, market risk, compliance risk, operational risk, outsourcing risk, reputational risk and financial risk across all businesses, products and processes.

10. Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 31st March, 2022 and at the date of report.

11. Details of Significant and Material orders passed by the Regulators or Courts or Tribunals

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

12. Extract of the Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the website of the Company at https://www.kbnbfc.in/investor-relations.

13. Energy Conservation, Technology Absorption and Foreign Earning/Outgo

As your Company is a Non-Banking Financial Company and does not own any manufacturing unit, there are no particulars under Section 134 of the Companies Act, 2013 with regard to conservation of energy, technology absorption etc.

During the year under review, the foreign exchange earnings and outgo made by the Company are as below:

Sl. No.	Particulars	Rs. (In Lakhs)
1	Foreign Exchange Earnings	Nil
2	Outgo (Expenditure in foreign currency- Interest Expenses)	641.50

14. Directors and Key Managerial Personnel

a) Appointment/ Resignation of Directors

During the year under review, there was no change in composition of the Board of Directors.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the Reserve Bank of India Master Directions for NBFCs, the Company has received the 'Fit and Proper' declarations from all the Directors and same have been taken on the record by the Nomination and Remuneration Committee (NRC) and Board of the Company.

b) Appointment/ Resignation of Company Secretary

During the year under review, there was no change in the position.

15. Declaration by Independent Directors

The Company has received declaration from the Independent Director(s) of the Company declaring that they meet the criteria of independence, as per sub-section (6) and (7) of Section 149 of the Companies Act, 2013.

i. Mr. Adesh Kumar Gupta
ii. Mr. Abhishek Singhvi
iii. Mr. Gopalakrishna Gurrappa

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standard of integrity.

In terms of Section 150 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs.

16. Number of Meetings of the Board of Directors

During the financial year 2021-22, the Board met 7 (Seven) times, respectively on 01/06/2021, 13/08/2021, 17/09/2021, 12/11/2021, 07/01/2022, 09/02/2022 and 25/03/2022. The maximum gap between any two Board Meetings not exceeded 120 days.

The details of attendance are as under:

Name of the Director	Designation	Number of Board meetings	
		Held	Attended
Mr. Madhusudan Ekambaram	Director	7	4
Mr. Karthikeyan Krishnaswamy	Director	7	7
Mr. Vivek Veda	Director	7	7
Mr. Adesh Kumar Gupta	Independent Director	7	7
Mr. Abhishek Singhvi	Independent Director	7	7
Mr. Gopalakrishna Gurrappa	Independent Director	7	7

17. Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Asset Liability Management Committee, IT Strategy Committee, the Corporate Social Responsibility Committee, the Grievance Redressal Committee, the IT Steering Committee, the Non-Cooperative Borrowers Committee, the Review Committee, the Internal Complaint Committee, Privacy Committee and Board Committee (Borrowings).

i. Audit Committee

The composition of the Audit Committee is in line with the provision of the Section 177 of the Companies Act, 2013. The Company has constituted a well-qualified Audit Committee. The Audit Committee of the Company comprises of three members of the Board. All the members of the Committee are Non-Executive

Directors with majority of them being Independent Directors.

The Composition of Committee is as follows:

Name of the Members	Position held in the Committee	Category of the Director
Adesh Kumar Gupta	Chairman	Independent Director
Madhusudan Ekambaram	Member	Non-Executive Director
Gopalakrishna Gurrappa	Member	Independent Director

The Company has established a vigil mechanism to overseas the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

Audit Committee Meetings and Attendance

During the financial year 2021-22, the Audit Committee met 6 (Six) times, respectively on 01/06/2021, 13/08/2021, 17/09/2021, 12/11/2021, 09/02/2022 and 25/03/2022.

The details of attendance are as follows;

Name of the Members	Number of Audit Committee Meetings	
	Held	Attended
Adesh Kumar Gupta	6	6
Madhusudan Ekambaram	6	3
Gopalakrishna Gurrappa	6	6

ii. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in line with the provisions of Section 178 of the Companies Act, 2013. The Company has constituted a well-qualified Nomination & Remuneration Committee. The Nomination & Remuneration Committee of the Company comprises of three members of the Board. All the members of the Committee are Non-Executive Directors with majority of them being Independent Directors. The Company has duly adopted Nomination & Remuneration Policy which is annexed hereto and forms part of this report as "**Annexure I**" and also posted on the website of the Company. The Policy can be viewed at https://s3.ap-south-.amazonaws.com/uploads.kbnbfc.in/policies/Nomination+and+Remuneration+Policy.pdf.

The Composition of Committee is as follows;

Name of the Director	Position held in the Committee	Category of the Director
Abhishek Singhvi	Chairman	Independent Director
Adesh Kumar Gupta	Member	Independent Director
Madhusudan Ekambaram	Member	Non-Executive Director

Nomination & Remuneration Committee Meeting and Attendance

During the financial year 2021-22, the Nomination & Remuneration Committee met once on 09/02/2022.

The details of attendance are as follows;

Name of the Members	Number of Nomination & Remuneration Committee Meetings	
	Held	Attended
Adesh Kumar Gupta	1	1
Abhishek Singhvi	1	1
Madhusudan Ekambaram	1	0

iii. Corporate Social Responsibility Committee

The Company has constituted a well-qualified Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee of the Company comprises of three members of the Board.

The Composition of Committee is as follows;

Name of the Members	Position held in the Committee	Category of the Director
Vivek Veda	Chairman	Director
Adesh Kumar Gupta	Member	Independent Director
Abhishek Singhvi	Member	Independent Director

Corporate Social Responsibility Committee Meetings and Attendance

During the financial year 2021-22, the Corporate Social Responsibility Committee met 2 (two) times, respectively on 17/09/2021 and 09/02/2022.

The details of attendance are as follows;

Name of the Members	Number of Corporate Social Responsibility Committee Meetings	
	Held	Attended
Adesh Kumar Gupta	2	2
Abhishek Singhvi	2	2
Vivek Veda	2	2

iv. IT Strategy Committee

The Company has constituted an IT Strategy Committee in accordance with the Master Direction — Information Technology Framework for the NBFC Sector ("RBI Directions") issued by the Reserve Bank of India (RBI) vide its notification no. Master Direction DNBS.PPD.No. 04/66,15.001/2016-17 dated June 08, 2017.

The Composition of Committee is as follows;

Name of the Members	Position held in the Committee	Category of the Director/ Member
Abhishek Singhvi	Chairman	Independent Director

Karthikeyan Kishnaswamy	Member-CTO	Director
Madhusudan Ekambaram	Member	Director
Ashwin Prabhu	Member-CIO	Chief Information Officer

IT Strategy Committee Meetings and Attendance

During the financial year 2021-22, the IT Strategy Committee met 2 (two) times, respectively on 13/08/2021 and 08/02/2022.

The details of attendance are as follows;

Name of the Director	Number of IT strategy Committee Meetings	
	Held	Attended
Abhishek Singhvi	2	1
Madhusudan Ekambaram	2	2
Karthikeyan Krishnaswamy	2	2
Ashwin Prabhu	2	2

v. Asset Liability Management Committee

The Company has constituted a well-qualified Asset Liability Management Committee in accordance with the Master Direction & Guidelines issued by the Reserve Bank of India. The Committee shall oversee the asset liability position, interest rate risk, liquidity framework and funds management and investment portfolio functions of the Company and also work closely with the Risk Management Committee. The Committee shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company.

The Composition of Committee is as follows;

Name of the Directors	Position held in the Committee	Category of the Director
Vivek Veda	Chairman	Director
Adesh Kumar Gupta	Member	Independent Director
Abhishek Singhvi	Member	Independent Director
Madhusudan Ekambaram	Member	Director

Asset Liability Management Committee Meetings and Attendance

During the Financial Year 2021-22, the Committee met 3 (Three) times, respectively on 13/08/2021, 12/11/2021 and 09/02/2022.

The details of attendance are as follows:

Name of the Members	Number of Asset Liability Management Committee Meetings	
	Held	Attended
Adesh Kumar Gupta	3	2

Abhishek Singhvi	3	3
Madhusudan Ekambaram	3	1
Vivek Veda	3	3

vi. Risk Management Committee

The Company has constituted a well-qualified Risk Management Committee in accordance with the Master Direction & Guidelines issued by the Reserve Bank of India. The Committee shall oversee the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The Composition of Committee is as follows;

Name of the Members	Position held in the Committee	Category of the Director
Madhusudan Ekambaram	Chairman	Director
Vivek Veda	Member	Director
Karthikeyan Krishnaswamy	Member	Director

Risk Management Committee Meetings and Attendance

During the Financial Year 2021-22, the Committee met 3 (Three) times, respectively on 20/07/2021, 11/11/2021 and 08/02/2022.

The details of attendance are as follows:

Name of the Members	Number of Asset Liability Management Committee Meetings	
	Held	Attended
Madhusudan Ekambaram	3	2
Karthikeyan Krishnaswamy	3	3
Vivek Veda	3	3

vii. Grievance Redressal Committee.

The Company has constituted a well-qualified Grievance Redressal Committee in accordance with the Master Direction & Guidelines issued by the Reserve Bank of India. The Committee shall review the compliance of the grievance redressal mechanism of the Company, maintain and review track of complaints received, resolved and pending (along with reasons for pending complaints) and also determine in case any complaint or issue is to be taken up to the Board.

The Composition of Committee is as follows;

Name of the Members	Position held in the Committee
Ajeet Kumar	Member

Sauraw Kumar	Member
Vivek Veda (w.e.f. 12.11.2021)	Chairman
Puneet Parihar (w.e.f. 13.08.2021)	Member
Aniket Jagnade (w.e.f. 13.08.2021 till 12.11.2021)	Member
Chaitra Krishnappa (till 13.08.2021)	Member

Grievance Redressal Committee Meetings and Attendance

During the Financial Year 2021-22, the Committee met 4 (Four) times, respectively on 15/04/2021, 13/08/2021, 11/11/2021 and 08/02/2022.

The details of attendance are as follows:

Name of the Members	Number of Committee Meetings	
	Held	Attended
Ajeet Kumar	4	4
Sauraw Kumar	4	4
Puneet Parihar	2	2
Vivek Veda	1	1
Chaitra Krishnappa	2	2
Aniket Jagnade	1	1

viii. Board Committee (Borrowing)

The Company has constituted the Board Committee (Borrowing) to delegate the powers under Section 179(3) of the Companies Act, 2013 on such conditions prescribed under the act to ease out the operational procedure for the company.

The Composition of Committee is as follows;

Name of the Members	Category of the Director
Vivek Veda	Director - Chairman
Madhusudan Ekambaram	Director - Member
Karthikeyan Krishnaswamy	Director - Member

Board Committee (Borrowing) Meetings & Attendance

During the Financial Year 2021-22, the Committee met Twelve times, respectively on 05/04/2021, 21/04/2021, 27/09/2021, 25/10/2021, 03/12/2021, 10/12/2021, 20/12/2021, 27/12/2021, 06/01/2022, 24/02/2022, 11/03/2022 and 22/03/2022.

The details of attendance are as follows:

Name of the Director	Number of Committee Meetings	
	Held	Attended
Vivek Veda	12	12
Madhusudan Ekambaram	12	12
Karthikeyan Krishnaswamy	12	12

ix. IT Steering Committee

The Company has constituted an IT Steering Committee on December 14, 2020 in accordance with the Master Direction — Information Technology Framework for the NBFC Sector ("RBI Directions") issued by the Reserve Bank of India (RBI) vide its notification no. Master Direction DNBS.PPD.No. 04/66.15.001/2016-17 dated June 08, 2017.

The Composition of Committee is as follows;

Name of the Members	Positions held in the Committee	Category of Director/ Member
Karthikeyan Krishnaswamy	Chairman-CTO	Director
Madhusudan Ekambaram	Member	Director
Ashwin Prabhu	Member-CIO	Chief Information Officer
Ajeet Kumar	Member-COO	Chief Operating Officer

During the Financial Year 2021-22, no meeting held by the IT Steering Committee.

x. Committee for identification of non-cooperative borrowers

The Company has constituted the Committee for identification of non-cooperative borrowers on 13th August, 2021, pursuant to Paragraph 109 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 and Circular, DBR.No.CID.BC.54/20.16.064/2014-15, dated December 22, 2014 issued by the Reserve Bank of India. The Committee will oversee the transparent mechanism for classifying borrowers as non-cooperative should be in place. The Committee will determine and adopt the parameters for concluding whether a borrower is non- cooperative.

The Composition of Committee is as follows;

Name of the Members	Position held in the Committee	Category of the Director/Member
Vivek Veda	Chairman	Director
Puneet Parihar	Member	Head legal
Ajeet Kumar	Member	Chief Operating Officer

During the Financial Year 2021-22, the Identification of non-cooperative borrowers Committee met once on 11/11/2021.

The details of attendance are as follows;

Name of the Member	Number of Identification of Non-cooperative borrowers Committee meetings	
	Held	Attended

Adesh Kumar Gupta	1	1
Abhishek Singhvi	1	1
Madhusudan Ekambaram	1	0

xi. Review Committee

The Company has constituted the Review Committee of the Company on 13th August, 2021 pursuant to Paragraph 109 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 and Circular, DBR.No.CID.BC.54/20.16.064/2014- 15, dated December 22, 2014 issued by the Reserve Bank of India.

The Committee will review the order of the "Committee for Identification of Non-Cooperative Borrowers" (a Committee comprising Director and Senior Executives of the Company, the facts and record the fact of the Borrower being a Non-Co-operative Borrower) and confirm the same for the order to be considered final.

The Composition of Committee as of the date of this report is as follows;

Name of the Members	Position held in the Committee	Category of the Director
Vivek Veda	Chairman	Director
Abhishek Singhvi	Member	Independent Director
Gopalakrishna Gurrappa	Member	Independent Director

During the Financial Year 2021-22, no meeting held by the Review Committee.

xii. Privacy Committee

The Company has duly constituted a Privacy Committee pursuant to the "Privacy Policy - Protection of Personal data of Aadhaar Holders" in compliance to the relevant provisions of the Aadhaar Act, 2016; the Aadhaar and Other Laws (Amendment) Act, 2019; the Aadhaar (Authentication) Regulations, 2016; the Aadhaar (Data Security) Regulations; the Aadhaar (Sharing of Information) Regulations, 2016; and the Information Technology Act, 2000 on 19th July, 2022. The Committee will provide strategic direction on Privacy matters and also review and oversee the Privacy performance. The Committee will review on periodical basis the internal audit report submitted by Privacy Officer against compliance of Aadhaar Act 2016.

The Composition of Committee as of the date of this report is as follows;

Sl. No	Name of the Proposed Members	Proposed Capacity
1	Karthikeyan Krishnaswamy	Chairman
2	Ashwin Prabhu	Member
3	Puneet Parihar	Member
4	Vivek Veda	Member

18. Board Evaluation

The Board has carried out an annual evaluation of its own performance and of the individual Directors as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the Nomination and Remuneration Committee. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The criteria for evaluation of the Board as a whole, inter alia, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board & Management.

The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfillment of functions, long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board which was taken into consideration by the Board in carrying out the performance evaluation.

The performance evaluation criteria for independent directors is based on various factors which includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

19. Familiarization Programme

The Company is required to conduct the Familiarization Programme for Independent Directors (IDs) in terms of Schedule IV of the Companies Act, 2013 to familiarize them about the Company, their roles, rights, responsibilities in the Company and various updates and notifications under Companies Act, 2013 Reserve Bank of India Guidelines and other statutes applicable to the Company.

The details of which have been posted on the website of the Company at its web-link https://www.kbnbfc.in/investor-relations.

20. Separate Meeting of Independent Directors

During the year, the Independent Directors met on February 8, 2022 to discuss the following:

a) Review the performance of Non - Independent Directors and the Board as a whole;
b) To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the board to effectively and reasonably perform their duties.

The Meeting was attended by three Independent Directors and was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

21. Details of Subsidiary/Joint Ventures/Associate Companies

The Company has no subsidiaries, joint ventures or associate companies.

22. Vigil Mechanism / Whistle Blower Policy

Under the section 177 (9) of the Companies Act, 2013, company falls under the class or classes of companies to establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. The company has established the Vigil mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policy and it provides for adequate safeguards against victimization of persons who use it.

The policy is available on the website https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/policies/Viigil+Mechanism+Policy.pdf

23. Prevention of Insider Trading

The Board of Directors of the Company has adopted the Code of Conduct for prevention of Insider Trading and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' (UPSI) on account of applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is also available on the website of the Company viz., https://s3.ap-south-L.amazonaws.com/uploads.kbnbfc.in/Code+of+Practices+and+Procedures+fort+Fair+Disclosure+of+UPSL pdf

24. Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to any other bodies corporate or persons and acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, are not applicable to the Company, since the Company is a Non-Banking Financial Company.

25. Particulars of contracts or arrangements made with related parties made pursuant to section 188 of the Companies Act, 2013.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions executed by the Company with Promoters or Directors which may have a potential conflict with the interest of the Company. Particulars of transactions with Related party have been disclosed in the notes to accounts forming part of the Financial Statements.

Further all the necessary details of transaction entered with the related parties as defined under Section 188 of the Companies Act, as defined under Section 2 (76) of the said Act are attached herewith in form no, AOC-2 for your kind perusal and information as an **Annexure -II.**

The Policy on Related Party Transaction as approved by the Board has been posted on the website of the Company at its weblink https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/policies/Related+Party+Transaction+Policy.pdf.

The details of related party transactions as required to be disclosed by Indian Accounting Standard – 24 on "Related Party Disclosures" specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the notes to the Financial Statements.

26. Information pursuant to rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

27. Statutory Auditors

Pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013 and the guidelines prescribed by the Reserve Bank of India ("RBI") vide its Circular dated April 27, 2021 for Appointment of Statutory Central Auditors ("SCAs") / Statutory Auditors ("SAs") of Commercial Banks (excluding Regional Rural Banks), Urban Co-operative Banks ("UCBs") and Non-Banking Financial Companies ("NBFCs") (including Housing Finance Companies) ("RBI Guidelines"), M/s ASC & Associates, Chartered Accountants, (Firm Registration Number: 011863N), has been appointed as Statutory Auditor of the Company with effect from September 29, 2021, for a period of three consecutive years viz. FY 2021-22, FY 2022-23 and FY 2023-24 subject to the firm satisfying the eligibility norms each year.

In terms of the aforementioned RBI Guidelines, the Audit Committee of the Company and the Board has recommended for noting of members the appointment of M/s. ASC & Associates, Chartered Accountants as Statutory Auditors of the Company for further period of 2 years i.e., FY 2022-23 and FY 2023-24, after examining the eligibility of Statutory Auditor of the Company.

28. Secretarial Auditors

During the year, the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company.

29. Internal Auditor

Pursuant to the provisions of Section 138 and other applicable provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Accounts) Rules, 2014, the Company has been appointed Mr. Aniket Jagnade, AVP- Finance & Legal, as an Internal Auditor of the Company from the Financial Year 2021-22 to 2023-24.

30. Information System Auditor

During the year, pursuant to the Paragraph 5 of the Master Direction - Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India, the Company has appointed M/s. BDO India LLP as the Information System Auditor of the Company.

31. Cost Records & Cost Audit

As per the Companies (Cost Records) Rules, 2014, the Company is not required to include cost records in the books of account and audit of cost records is not applicable.

32. Internal Financial Controls

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. 'To ensure effective Internal Financial Controls, the Company has laid down the following measures:

1. The internal financial control systems are commensurate with the size and nature of its operations. Further, the company makes sure that systems are upgraded and best industry practices are implemented as and when company grows.

2. All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.

3. Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management.

4. The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguarding and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Board of Directors for their review and necessary action. Company makes sure that internal control systems are upgraded and best practices are implemented as and when the organizations grows.

33. Corporate Social Responsibility

As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

For FY 2021-22, the CSR budget of the Company spent towards projects and programmes covered under Schedule VII to the Act, as approved by the CSR Committee of the Board and the Board of Directors. The Annual Report on the CSR activities is enclosed as **Annexure III.**

Corporate Social Responsibility Policy is enclosed as **Annexure IV** and the same is available at Company's website at https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/CSR+Policy+_KB+(2)_Jun2022.pdf.

34. Management Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Master Direction - Non-Banking Financial Company - Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 forms part of the Annual Report enclosed as **Annexure V.**

35. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal and Statutory Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by Regulators as applicable to an Non-Banking Financial Company and other accounting principles generally accepted in India have been followed and that there are no material departures therefrom.

b) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;

c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) prepared the annual accounts on a going concern basis;

e) laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Financial Statements have been prepared in accordance with Ind-AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

36. Accounting Standards followed by the company

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act. Further, the Company follows the Master Directions issued by RBI for NBFCs.

The Financial Statements have been prepared on an accrual basis.

37. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditor in their reports

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report.

38. Reporting of Frauds by Auditors

There have been no frauds reported by the Auditors of the Company under sub-section (12) of section 143 of the Companies Act, 2013.

39. Reserve Bank of India Guidelines – Compliance

Your Company continues to carry on its business of Non-Banking Financial Company as a Non-Deposit taking Company and follows prudent financial management norms as applicable. Your Company appends a Statement containing particulars as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 along with the Statement of Balance Sheet disclosures for NBFCs with Assets Size of Rs. 500 crores as required in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

40. Secretarial Standard

The Company is following Secretarial Standard-I on Meetings of the Board of Directors and Secretarial Standard-II on General Meetings and all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

41. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

In terms of the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013 (the 'Act") which is in force from 9th December 2013, Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace and has formed an Internal Complaint Committee. During the year under review no complaints were received.

42. Transfer of amounts to Investor Education and Protection Fund

There were no circumstances before the Company to transfer the funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

43. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

There is no application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

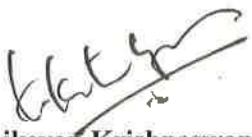
44. Repayment of loans/interest.

The Company has not defaulted in repayment of loans from banks and financial institutions and there were no delays or defaults in payment of interest/principle of any of its debt securities.

45. Acknowledgements

Your Directors would like to record their appreciation of the hard work and commitment of the Company employees and are grateful for the co-operation and support extended to the Company by the Bankers, Statutory Authorities, Financial Institutions(s) and all other establishments connected with the business of the Company.

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







Karthikeyan Krishnaswamy
Director
DIN: 07449376
Place: Bangalore
Date: 11.08.2022

Vivek Veda
Director
DIN: 07560229
Place: Bangalore
Date: 11.08.2022

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NOMINATION AND REMUNERATION POLICY
KRAZYBEE SERVICES PRIVATE LIMITED

Version	Approval Date	Approved by
V1	2nd June 2017	Board of Directors
V2	9th March 2020	Board of Directors
V3	23rd March 2021	Board of Directors

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INDEX

SL No.	PARTICULARS	PAGE No.
1	**Part A** Objective	3
2	Definitions	3
3	Role of NRC	3
4	Appointment and Removal of Director, KMP and Senior Management	4
5	Remuneration	4-6
6	Grant of ESOPs	6
7	Evaluation	6
8	Other Details	6
9	Part B Succession Plan	7
10	Annexure A	7-9

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Part A

A. Objective:

This Policy on Nomination and Remuneration ("**Policy**") of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (**NRC**) and Board of Directors ("**Board**") of KrazyBee Services Private Limited ("**Company**").

B. Definitions:

1. "**Act**" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "**Key Managerial Personnel**" (KMP) means: Managing Director, or Chief Executive Officer or Manager, Whole-time Director; Chief Financial Officer; Company Secretary; and such other officer as may be prescribed.
3. "**Senior Management**" means the personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising all members of Management one level below the Executive Directors, including the Functional Heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013, as may be amended from time to time shall have the meaning respectively assigned to them therein.

C. Role of NRC:

The NRC shall have the following responsibilities under this Policy:

1. identify persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board their appointment and/or removal;
2. carry out evaluation of every Director's performance;
3. formulate the criteria for determining qualifications, positive attributes and independence of a Director;
4. formation of succession plan (refer Part B) of the Policy
5. to devise Policy on remuneration including any compensation and related payments of the Directors, Key Managerial Personnel and other employees and recommend the same to the Board of the Company;
6. to carry out such other business as may be delegated by the Board from time to time or required by applicable law or considered appropriate in view of the general terms of reference and the purpose of the NRC.

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D. Appointment and Removal of Director, KMP and Senior Management

1. Appointment Criteria and Qualifications

A person being appointed as Director, KMP or in Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

2. Independent Director:

i. ***Qualifications of Independent Director:*** An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Operations or other disciplines related to the business of the Company.

ii. ***Positive attributes of Independent Directors:*** An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ***ethical*** standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the Act, rules and regulations.

4. Retirement

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing Policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

E. Remuneration

1. Directors:

i. ***Executive Directors (Managing Director, Manager or Whole-time Director):***

a. At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013;

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b. The remuneration shall be subject to the approval of the Members of the Company in General Meeting and in accordance with the provisions of the Companies Act, 2013;

c. The remuneration of the CEO & Managing Director is broadly divided into fixed and incentive pay.

d. In determining the remuneration (including the fixed increment and performance bonus) NRC shall consider the following:

- the relationship of remuneration and performance benchmark;
- balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered , the industry benchmarks and the current trends; and
- the performance of the Company vis-à-vis the annual budget achievement and individual performance.

***ii. Non-Executive Director*:**

a. The Non-Executive Independent Director may receive fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b. A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of NRC and in accordance with the provisions of the Act;

c. NRC may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.

d. In determining the quantum of commission payable to the Directors, NRC shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

e. The total commission payable to the Directors in any financial year shall not exceed 1% of the net profit of the Company to be computed in the manner as provided under the Act.

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f. The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

iii. **KMP & Senior Managerial Personnel**

a. The remuneration / compensation / commission etc. to the KMP and Senior Management will be determined and approved by NRC.

b. While approving the remuneration of the Key Managerial Personnel and Senior Management of the Company, NRC will consider maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

c. NRC shall consider and determine that the compensation of remuneration is reasonable and sufficient to attract retain and motivate KMP and senior management.

F. Grant of ESOPs

The Executive Directors, Non-Executive Directors, KMPs, Senior Management, other employees of the Company, subsidiary (ies), holding company & associate companies shall be eligible for employee's stock options of the Company. The Independent Directors of the Company shall not be eligible for the Employee's stock options of the Company.

G. Evaluation

The NRC shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly). The NRC shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole.

H. Other Details:

1. Membership

NRC shall consist of a minimum 3 Non-Executive Directors, majority of them being Independent Directors. The Chairperson of the Committee shall be an Independent Director. The term of NRC shall be continued unless terminated by the Board of Directors.

2. Frequency of Meetings

The meeting of NRC shall be held at such regular intervals as may be required. NRC may invite such Executives, as it considers appropriate, to be present at its meetings.

3. Secretary

The Company Secretary of the Company shall act as Secretary of NRC. In absence of Company Secretary, NRC may designate any other official(s).

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Part B

Succession Plan

Framework on Succession Planning: The framework in relation to identification and implementation of succession planning in respect of the Identified Persons has been detailed in Annexure A to the Nomination and Remuneration Policy. Under the framework, the following officers have been identified as a part of succession planning:

i. Directors Company of including the Independent Directors;
ii. Chief Executive Officer (CEO);
iii. Chief Financial Officer (CFO);
iv. Chief Operating Officer (COO);
v. Chief Technology Officer (CTO);
vi. Chief Risk Officer (CRO); and
vii. Compliance Officer (CO).

Annexure A

FRAMEWORK ON SUCCESSION PLANNING

1. BACKGROUND

Pursuant to section 178 of the Companies Act, 2013 ('Companies Act'), the Company is required to develop a succession plan for the Identified Persons (as specified in Para 3) and the implementation of the same will be entrusted to the Nomination and Remuneration Committee ("NRC") under the Nomination and Remuneration Policy.

2. OBJECTIVE

2.1. A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with talents. The Company recognizes the importance of the process to Succession Planning to provide for continuity in the smooth functioning of the organization.

2.2. Therefore, the objective of the succession planning program shall, inter-alia, include the following:

2.2.1. To identify and nominate suitable candidates for the Company's approval (including Nomination and Remuneration Committee) to fill the vacancies which arises in respect of an Identified Persons from time to time.

2.2.2. To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.

2.2.3. To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements and other unexpected

occurrence.

3. APPLICABILITY OF THE FRAMEWORK:

3.1. This Framework on Succession Planning for the Company (hereinafter referred to as the "Framework") shall be applicable for succession planning of the following:

3.1.1. Company of Directors including the Independent Directors;
3.1.2. Chief Executive Officer (CEO);
3.1.3. Chief Financial Officer (CFO);
3.1.4. Chief Operating Officer (COO);
3.1.5. Chief Technology Officer (CTO);
3.1.6. Chief Risk Officer (CRO);
3.1.7. Compliance Officer (CO);
3.1.8. Any other positions within the Company in consultation with the Company.

3.2. The NRC shall oversee and review succession plans from time to time and recommend the same to the Company

4. SUCCESSION PLAN FOR THE IDENTIFIED PERSONS:

4.1. The NRC shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed (in case of a director) as an Identified Person based on his educational qualification, experience & track record, and every such person shall meet the 'fit and proper' criteria as Reserve Company of India may stipulate from time to time and accordingly any appointment or re-appointment (in case of a director) of an Identified Person shall be subject to prior approval by NRC.

4.2. The Company shall strive to fill such vacancy from within internal modes through elevation or otherwise subject to availability and in case no suitable candidate is available to fill the position, external candidates shall be considered.

4.3. The prevailing HR standards for promotions / transfers shall be designed in such a way that the existing / proposed senior managerial personnel shall get all-round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities for discharging their functions effectively. Every member of the senior management team shall always endeavour to add capability inhouse and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him. In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

4.4. Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement/relieving of the concerned officer to ensure the smooth transition.

4.5. The Identified Person shall from time to time identify high-potential employees who merit

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faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.

4.6. Every member of the senior management team, including the Identified Persons shall always endeavour to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.

5. REVIEW OF THE FRAMEWORK:

In case of any amendment (s), clarification (s), circular (s) etc. issued by the regulatory authorities, not being consistent with the provisions laid down under this Framework, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Framework and this Framework shall stand amended accordingly, subject to the prior / post-facto approval of the NRC and the Company may replace / amend this Framework with a new framework/ policy on recommendation by the NRC.

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"Annexure II"
Form No. AOC-2

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

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

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

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

SL. No.	Particulars	Details	Details
a)	Name (s) of the related party & nature of relationship	Finnovation Tech Solutions Private Limited, Fellow Subsidiary	Kartbee Technologies Private Limited, Fellow Subsidiary
b)	Nature of contracts/ arrangements/ transactions	Sale & Purchase of Services	Sale & Purchase of Services
c)	Duration of the contracts/ arrangements/ transactions	Continuing nature	Continuing nature
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of services Rs. 13,132.09/- Lakhs Purchase of Services Rs. 809.09/- Lakhs	Sale of services Rs. 2,831.89/- Lakhs Purchase of Services Rs. 9.04/- Lakhs
e)	Date of approval by the Board	March 23, 2021	March 23, 2021
g)	Amount paid as advances, if any	-	-

By order of the Board
For KRAZYBEE SERVICES PRIVATE LIMITED

KRAZYBEE SERVICES PVT LTD Bangalore

Vivek Veda
Director
DIN: 07560229

Karthikeyan Krishnaswamy
Director
DIN: 07449376

Place: Bangalore
Date: 11.08.2022

Annexure III

CSR Report for the Financial Year 2021-22

1. **A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs.**

   Krazybee Services Private Limited ('Company') focus on the CSR activities defined under the broad framework of Schedule VII of the Companies Act, 2013. In the current financial year, Company has primarily focused on strengthening the fight against Covid-19 and promote trust which provides better access to healthcare, education, sanitation and hygiene across the nation.

2. **The Composition of the CSR Committee**

Sl No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Vivek Veda	Chairman – Executive Director	2	2
2	Adesh Kumar Gupta	Member - Independent Director	2	2
3	Abhishek Singhvi	Member- Independent Director	2	2

   During the financial year 2021-22, the Corporate Social Responsibility Committee met 2 (Two) times, respectively on 17/09/2021 and 09/02/2022.

3. **The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed:**
   https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/policies/Corporate+Social+Responsibility+Policy.pdf

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:**
   Not applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year:**

   Nil

6. **Average net profit of the Company as per Section 135(5): Rs. 35,04,66,281/-**

Financial Year	Net profit computed u/s 198 and adjusted as per rule 2(1)(f) of Companies (CSR Policy) Rules, 2014
2018-19	12,23,79,726
2019-20	54,59,93,023
2020-21	38,30,26,095
Average net profit for last 3 F.Y.	35,04,66,281

7. **(a) Two percent of average net profit of the company as per section 135(5):** Rs. 70,09,326/-
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(c) Amount required to be set off for the financial year: Nil
(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 70,09,326/-

8. **(a) CSR amount spent or unspent for the financial year:** Rs. 70,10,000/-
(b) Details of CSR amount spent against ongoing projects for the financial year:
Not Applicable.
(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project State & District**	**Amount spent for the project (in Rs.)**	**Mode of implementation-Direct (Yes/No)**	**Mode of implementation-Through implementing agency, Name & CSR registration number**
1	Education and health care	(i) & (ii)	No	Pan India	10,00,000	Yes	Jivan Jyot Foundation, a Trust
2	Education and health care	(i) & (ii)	No	Pan India	10,00,000	Yes	Motiba Memorial Seva SamajTrust
3	Education and health care	(i) & (ii)	No	Pan India	10,00,000	Yes	Raginiben Bipinchandra Sevakarya Trust
4	Healthcare	(i)	No	Pan India	5,00,000	Yes	Shree Hiraba Charitable Trust
5	Education and health care	(i) & (ii)	No	Pan India	5,10,000	Yes	Samarpann, a trust registered under Bombay Public Trust

							Act
6.	Healthcare	(i)	No	Pan India	15,00,000	Yes	Humanist Centre For Medicine Trust
7	Socio economic development and relief and welfare of the schedule caste, tribes, other backward, classes, minorities and women	(viii)	No	Pan India	15,00,000	Yes	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND) NA

(d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment: Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 70,10,000/-
(g) Excess amount for set off: Nil

Sl No.	Particulars	Amount [in Rs.]
(i)	Two percent of average net profit of the company as per section 135(5)	70,09,326/-
(ii)	Total amount spent for the Financial Year	70,10,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	674/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	674/-

9. **(a) Details of Unspent CSR amount for the preceding three financial years:** Nil
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not applicable.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

For **Krazybee Services Private Limited**



Vivek Veda

Chairman

DIN: 07560229

Place: Bangalore

Date: 11.08.2022

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CORPORATE SOCIAL RESPONSIBILITY POLICY
KRAZYBEE SERVICES PRIVATE LIMITED

Version	Approval Date	Approved by
V1	5th April 2019	Board of Directors
V2	9th March 2020	CSR Committee and Board of Directors
V3	24th September 2020 & 21st October 2020	CSR Committee and Board of Directors

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INDEX

Sl No.	Particulars	Page No.
A	PREAMBLE	3
B	PURPOSE	3
C	DEFINITIONS	3
D	LIST OF CSR PROJECTS	4-5
E	COMPOSITION OF CSR COMMITTEE	5-6
F	DECISIONS BY THE CSR COMMITTEE	6
G	DECISIONS BY THE CSR COMMITTEE	6
H	CSR CORPUS	6-7
I	MONITORING MECHANISM	7
J	REPORTING MECHANISM	7
K	TO BE PUBLISHED ON WEBSITE	7
L	EXCEPTIONS	8
M	AMENDMENTS	8

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(A) PREAMBLE

KrazyBee Services Private Limited (**"KrazyBee", "Company"**) understands the responsibility it has against its stakeholders, society and the public. Krazybee recognize that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long-term success, competitiveness and sustainability. Further, Corporate Social Responsibility ("CSR") makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

Through Corporate Social Responsibility (**"CSR"**), KrazyBee shall engage in impactful welfare-driven activities in India which shall contribute towards the betterment of the life of the neighbors in the communities that the Company has presence in.

(B) PURPOSE

This CSR Policy establishes the scope, funding priorities and process associated with the CSR goals of KrazyBee. This CSR Policy shall operate as the Corporate Social Responsibility Policy of KrazyBee for the purposes of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time, and other applicable laws and regulations.

(C) DEFINITIONS

(1) "Act" – Companies Act, 2013, as amended and modified from time to time;

(2) "Board" – Board of directors of KrazyBee;

(3) "CSR Activities" – shall be undertaken by Krazybee as stated in this Policy, as projects or programmes or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business. The CSR activities which are exclusively for the benefit of Krazybee employees or their family members shall not be considered as CSR activity.

(4) "CSR Committee" – the committee of the Board constituted to implement, supervise and manage the CSR initiatives of KrazyBee;

(5) "CSR Corpus" – shall mean the corpus accumulated by KrazyBee pursuant to Clause (H) of this CSR Policy for conducting its CSR Activities;

(6) "CSR Policy" – this CSR Policy of KrazyBee Services Private Limited;

(7) "CSR Rules" – the Companies (Corporate Social Responsibility) Rules, 2014 issued by the Ministry of Corporate Affairs, as amended and modified from time to time;

(8) "Net Profit" – shall have the meaning ascribed to it in the CSR Rules;

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(D) LIST OF CSR PROJECTS:

The following is the list of CSR Projects or Programs which Krazybee plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

(i) Taking measures to eradicate extreme hunger and poverty;

Eradicating hunger, poverty and malnutrition, [''promoting health care including preventinve health care''] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(ii) Promoting education;

Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) Promoting gender equality and empowering women;

Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) Ensuring environmental sustainability:

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

(v) Protection of national heritage, art and Culture:

Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) Armed forces and their dependents

Measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

(vii) Sports

Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.

(viii) PM CARES Fund

Contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine.

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(a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(c) Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for Financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that – (i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.

(x) Rural development projects

(xi) Slum area development - For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

KrazyBee may, in its sole discretion, update the above list as per Section 135 and Schedule VII of the Companies Act, 2013, as amended from time to time.

(E) COMPOSITION OF CSR COMMITTEE

(1) The CSR Policy and programs of KrazyBee shall be implemented, managed and supervised by the CSR Committee of KrazyBee.

(2) The CSR Committee shall comprise of 3 (three) or more directors, out of which atleast one director shall be an Independent Director. Subject to the requirements of the Act, the Board may increase or decrease the strength of the CSR Committee by passing a resolution.

(3) The current members of the Committee shall be the following:

Name	Title
Mr. Adesh Gupta	Independent Director - Chairman
Mr. Abhishek Singhvi	Independent Director - Member
Mr. Vivek Veda	Director - Member

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(4) Invitees to the CSR Committee

The CSR Committee may, at its discretion, invite such members of senior management of KrazyBee from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy. It is clarified that while the persons nominated in accordance with this Clause (4) shall be entitled to participate in the deliberations of the CSR Committee, such persons shall not be entitled to vote at the meetings of the CSR Committee.

(5) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

(F) DECISIONS BY THE CSR COMMITTEE

(1) The CSR Committee shall at all times act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.

(2) The CSR Committee shall endeavor to arrive at all decisions by a consensus of all members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Committee may take decisions with the consent of the majority of the members present and entitled to vote; however, such decisions shall need to be ratified by the Board.

(3) The CSR Committee shall be responsible to determine the modalities of the implementation of this CSR Policy and actions taken under it.

(G) MEETING OF THE CSR COMMITTEES

(1) The CSR Committee shall meet as frequently as it determines necessary, but not less one time in a year.

(2) The CSR Committee shall maintain minutes in relation to each of its meetings.

(3) The CSR Committee shall review any proposed projects and make recommendations for implementation and funding of approved projects/activities to the board of directors in accordance with the CSR policy.

(4) The final decision with regarding to the acceptance or rejection of a CSR Proposal shall be with the Board.

(H) CSR CORPUS

(1) The CSR Corpus of KrazyBee shall comprise of the following:

(a) 2% (two percent) of the average Net Profits of KrazyBee for the last 3 (three) financial years;

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(b) any income arising from the CSR Corpus; and

(c) surplus arising out of CSR activities, if any.

(2) The CSR Corpus shall be used exclusively for undertaking the CSR Activities in compliance with the requirements of the Act and CSR Rules.

(3) For the avoidance of doubt, it is expressly clarified that the surplus arising out of CSR Activities shall not form part of the business profits of KrazyBee.

(I) MONITORING MECHANISM

The Company shall devise a transparent monitoring mechanism for various CSR projects/ programs/ activities undertaken by the Company. Company shall also obtain feedback from various beneficiaries of the CSR Activities undertaken by the Company to measure their benefits.

(J) REPORTING MECHANISM

The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.

The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.

The Board shall furnish a report on CSR Activities ("**Report**") pertaining to a financial year, and shall contain the following particulars:

(1) A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs;
(2) The composition of the CSR Committee;
(3) Prescribed CSR expenditure (two per cent of the amount as stipulated in clause J.3;
(4) Details of the CSR amount spent during the financial year – with the total amount allocated, the amount that has been unspent, and the manner in which the amount was spent during the financial year;
(5) If the two per cent has not been spent, the Report shall also contain the reasons why it had not been spent; and
(6) A responsibility statement by the CSR Committee that the implementation of the Policy is in line with its CSR objectives of the Company and is compliant with all applicable laws.

The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

(K) TO BE PUBLISHED ON WEBSITE

The Board of Directors of KrazyBee shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy and disclose contents of such Policy in its report and the same shall be displayed on the KrazyBee's website, if any, as per the particulars specified above.

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(L) EXCEPTIONS

Any exceptions to this Policy or procedure must be approved in writing in advance by the Chairman of the CSR Committee and the Board.

(M) AMENDMENTS

The Board of the Company shall have the power to revise /modify/ amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSRCommittee, if any.

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ANNEXURE-V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **Industry and Economic Scenario & Outlook**

Economy Outlook

The Indian economy expanded in FY22, surpassing pre-pandemic levels of output. As per the Central Statistical Organization, Real GDP grew by 8.7% after contracting 6.6% in FY21. Nominal GDP saw a growth of 19.5% in FY2 after contracting 1.4% in FY21. The major contributing factors to this were the reopening of the economy, pick-up in vaccination rate and investment (supported by Government capital expenditure) and strong export growth. In addition, the RBI kept its stance accommodative and policy rates unchanged at 4% in FY22 and announced measures to provide liquidity support, some of them being extension of TLTRO scheme, providing on-tap liquidity window for contact intensive sectors and extension on priority sector lending. This was reflected in the credit growth for both Banks and NBFCs where the larger, well-funded ones witnessed a swifter recovery on the back of ebbing third wave of COVID-19 and easing of restrictions.

While India's growth outlook for the year ahead remains bright, driven by private consumption and elevated public spending, but risks remain, the biggest of which is inflation. Inflation has been a persistent problem in India and the economy has been fighting the challenge of rising prices for a long time now. Higher prices weighed on consumer wallets and production costs. The panic and the search for safer havens amongst global investors led to capital outflows from emerging countries, India being one, resulting in currency depreciation and higher import bills.

The recent geopolitical tensions has caused supply chain disruptions which has led to higher commodity prices; if this gets prolonged, it can further fuel the inflation. The depreciating Rupee can become another issue as India is one of the biggest importers of crude oil leading to likely rise in trade deficit in FY 2022-23. As Rupee depreciates and import prices go up, taming inflation can become an uphill task for the central bank. A slower than expected global growth recovery may affect the demand for exports.

Industry Outlook

India is amongst the fastest growing Fintech markets in the world and there are 6,636 FinTech startups in India. The Indian FinTech industry's market size is $50 Bn in 2021 and is estimated at ~$ 150 Bn by 2025. Fintech has emerged as one of India's immensely growing sectors and has garnered increasing interest from all stakeholders, both within and outside the country. India's fintech adoption rate is at 87% as against the global average of 64%. India's payment landscape over the last decade has developed into the most advanced payment system with regards to digital payments by volume (CAGR 50%) and value (CAGR 6%). The Fintech transaction value size is set to grow from US$ 66 Bn in 2019 to US$ 138 Bn in 2023, at a CAGR of 20%. The Indian Fintech industry ecosystem sees a wide range of subsegments, including Payments, Lending, Wealth Technology (WealthTech), Personal Finance Management, Insurance Technology (InsurTech), Regulation Technology (RegTech), etc. The industry has seen funding of $8.53 Bn (in 278 deals) in

FY22 and cumulative funding of $30 Bn+ since 2014. As of May 2022, India's Unified Payments Interface (UPI) has seen participation of 323 banks and has recorded 5.9 Bn monthly transactions worth over $130 Bn. As of June 2022, India has 23 Fintech companies, which have gained 'Unicorn Status' with a valuation of over $1 Bn.

The major trends driving fintech revolution in India can be classified under supply side and demand side factors.

Supply side factors:

- Governmental initiatives: Government support has been key in providing critical enabling assistance. Increased internet access in rural areas or digital literacy, various government programs like Startup India, Digital India program, India Stack, E-RUPI, license for payments banks, Jan Dhan Yojana, recognition of P2P lenders as NBFCs, National Common Mobility Card (NCMC), regulatory sandboxes by RBI, and IRDAI for Fintech, have accelerated the growth of the Fintech industry in India. A robust public digital infrastructure aided with Aadhar, UPI, account aggregation etc. and a supportive regulatory environment has eased and augmented the technological transition in India. Regulators (RBI, IRDAI, and SEBI) have undertaken numerous measures to ensure increased accountability and the uninterrupted availability of secure and affordable digital financial systems.
- Investments in India's Fintech sector: The industry has seen funding of $8.53 Bn (in 278 deals) in FY22 and cumulative funding of $30 Bn+ since 2014. According to S&P Global Market Intelligence, despite the pandemic, the Asia-Pacific region managed a steady inflow of investments. In 2020, India topped among Asia-Pacific (APAC) countries in Fintech investment with 121 deals amid COVID-19 led disruptions in the funding ecosystem. It must be noted that investments into the Indian fintech landscape were almost double that of China.
- Demographic opportunities in India: The total number of internet users in India has increased from 795 Mn as of December 2020 to 825 Mn as of March 2021. This number is further expected to expand, mainly driven by high rate of rural adoption. It is further estimated that by 2030, India will add 140 Mn middle-income and 21 Mn high-income households, driving the demand and growth for the Indian Fintech space.

Demand side factors:

- Tech-saving consumer base: India's fast emerging tech-savvy consumer base led by millennials is leading the adoption of mobile-first products and services. Across various parts of the country, especially in tier-2 and 3 cities and smaller towns, consumers have leapfrogged cards and wire transfers and moved directly to smartphone banking, wherein it is easier to onboard new customers.
- Technological advancements: New and cutting-edge technologies like blockchain, AI, ML and cloud infrastructure, helps bringing in efficiency in processes and also brings in a sense of security among consumers.
- Contribution of Fintech's: Fintech has helped in augmenting financial inclusion by not only normalizing credit but also by bringing gender parity as studies suggest that overall trend

of savings and investments among women in India has improved with increased usage of mobile apps, wallets, and platforms. Fintech is significantly contributing towards bridging the social gap in India by providing employment as well as democratizing education by providing solutions to overcome the challenges posed by the traditional financing practices.

2. **Financial & Operational Performance**

Financial performance highlights of FY 2021-22 are as under

- Disbursements increased by 161% yoy to 3,61,881 lakhs in FY22
- AUM for the company increased 78% yoy to 1,16,156 lakhs as of March 31, 2022
- Raised funds from multilateral institutions/ banks and from money markets to support the growth of its businesses at competitive interest rates without compromising the right mix of long and short-term borrowings and thereby maintaining a healthy asset liability position
    - Raised 81,900 lakhs across borrowings from banks, NBFCs and HNIs in the form of term loans, working capital limits, overdraft limits, commercial paper and non-convertible debentures
    - As at the end of FY22, the company's debt outstanding was 79,448 lakhs, compromising of bank term loans (11%), loans availed from NBFCs and other private institutions (56%) and non-convertible debentures borrowings (33%)
- Revenue increased 51% yoy to 33,687 lakhs in FY22
- Company has adopted the RBI circular dated November 12, 2021 pertaining to reclassification of NPA accounts on a prudent basis and has not opted for deferment as allowed by RBI till September 2022
- Asset quality as on March 2022 represented by stage 3 assets had stood at 2.86% with a healthy provision coverage ratio of 74.3%
- Profit after tax (PAT) stood at 2,879 lakhs after considering an additional write-off of 1,268 lakhs on account of COVID-19
- The capital adequacy ratio stood at 40.6%, well above the minimum stipulated RBI norms
- Comfortable liquidity position with 1.3x debt to equity and 1.1x net debt to equity
- Credit rating upgraded to BBB+ with Stable Outlook

3. **Risk Management**

The Company being a NBFC is mainly engaged in the business of providing loans and therefore it is exposed to various financial risks such as credit, market, interest rate and liquidity risks associated with financials products. However, the Company has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with financial products and ensure that the Company accomplishes its desired financial objectives. The Company has a Risk Management Policy in accordance with the provisions of Master Direction — Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India.

4. **Evolving regulatory landscape**

Over the past few years, NBFCs have emerged as important financial intermediaries, particularly for the small-scale and retail sectors, in underserved areas and unbanked sectors. NBFCs have

turned out to be growth engines in an arena where increased importance is assigned to financial inclusion. The growing importance of the NBFC segment in the Indian financial system has led to a changing landscape of the NBFC framework. With a view to bridge the regulatory gaps between the Banks and NBFCs, NBFCs are now increasingly being subject to regulations and guidelines at par with banks. Some of the key regulations and guidelines aimed at bringing this regulatory convergence between the Banks and NBFCs are:

- ***RBI has tightened the norms around appointment of Auditors [Apr 27, 2021]*** with issue of 'Guidelines on appointment of Statutory Auditors' with a view to strengthen governance relating to appointment of auditors and to improve the overall quality and standards of financial reporting of RBI regulated entities.
- ***RBI further leveraged the Video based Customer Identification Process (V-CIP) and simplified the process of periodic updation of KYC [May 10, 2021]*** RBI allowed the regulated entities to carry out the Customer Due Diligence via V-CIP mode to ease the overall KYC process of the regulated entities during the second wave of Covid.
- ***Scale Based Regulations [Oct 22, 2021]*** where NBFCs would be classified into layers on the basis of their size, activity and perceived risk. Effective October 2022, the said regulations would put in place enhanced regulatory standards pertaining to Capital, Prudential and Governance requirements. NBFCs which warrant enhanced regulatory requirements based on a set of parameters and scoring methodology will feature in the upper layer, while the middle layer will comprise of deposit-taking NBFCs irrespective of asset size, non-deposit-taking NBFCs with assets worth Rs 1,000 crore or more, as well as Housing Finance Companies.
- ***Prompt Corrective Action (PCA) framework [Dec 14, 2021]*** prescribed for NBFCs as a tool for effective market discipline, to enable supervisory intervention at appropriate time which require NBFCs to initiate and implement remedial measures in a timely manner, so as to restore its financial health. With the NBFC sector witnessing a high growth trajectory over the past decade and substantial inter-connectedness within the financial ecosystem, this framework is expected to further strengthen the supervisory tools available to the regulator to manage NBFCs.
- ***RBI circular dated November 12, 2021, pertaining to asset classification of NBFCs,*** whereby certain aspects such as classification of an account as Special Mention Account (SMA) and Non-Performing Asset (NPA) were clarified. This has again been brought to ensure uniformity in the implementation of Income Recognition, Asset Classification and Provisioning norms across all lending institutions.

While the parity in regulations is expected to improve the overall health and shore up the governance standards for the NBFCs in the medium to long term, the sector may face some headwinds in the immediate to short term.

5. **Opportunities & Threats**

The backbone of the FinTech Industry, in which the company operates, are the Non-banking finance companies (NBFCs) who play an important role in nation building and financial inclusion

by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation. NBFCs' ground-level understanding of their customers' profile and their credit needs gives them an edge, as does their ability to innovate and customize products as per their clients' needs. This makes them the perfect conduit for delivering credit to MSMEs. Last two years were challenging on account of the pandemic during which both business and collections were severely impacted. However, from Q2 FY 2021-22, credit growth has picked up significantly due to receding impact of COVID shutdowns, the pent-up demand in the economy and an uptick in multiple economic indicators.

However, NBFCs operate under certain regulatory constraints, which put them at a disadvantage compared to the banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realize their full potential and thereby perform their duties with greater efficiency. Moreover, with the banking system clearly constrained in terms of expanding their lending activities, the role of NBFCs becomes even more important now, especially when the government has a strong focus on promoting entrepreneurship so that India can emerge as a country of job creators instead of being one of job seekers.

While Fintech adoption in India has been unprecedented, it continues to face certain challenges like risk of data security and privacy leak, platform downtimes, lack of financial literacy and awareness in India, as well as differential adoption rates among MSMEs that dominate Indian economy. Further, rapidly changing regulations due to the evolving nature of the sector also poses cost-related challenges for users and businesses. For example, regulations for investment exits, cryptocurrency, payment regulations, data, infrastructure security, and consumer protection are still evolving.

In the backdrop of business conduct and customer protection concerns arising out of the spurt in digital lending activities, RBI had constituted a working group on digital lending including through online platforms and mobile apps on January 13, 2021. The working group came out with its report on November 18, 2021 with the thrust of the report on enhancing customer protection and making the digital lending ecosystem safe and sound while encouraging innovation. The report was placed on the RBI website for comments from stakeholders and members of the public which were to be submitted by Dec 31, 2021. With evolution of Buy Now Pay Later (BNPL) service and prepaid payment instruments (PPI), RBI had raised concerns on PPIs being loaded through credit lines, as it could lead to systemic risks. Via circular dates 21st June 2022, RBI asked non-bank PPI issuers not to load their wallets and cards from credit lines or preset borrowing limits. RBI said that while they encourage innovation, but it should not be based on regulatory arbitrage. RBI has explicitly declared that all PPIs should be loaded via banking instruments i.e. account transfers, debit cards or credit cards. This directive is likely to hit the business models of a growing number of fintech firms.

6. **Internal Control Systems**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. It is supplemented by an extensive program of internal audits conducted by the Internal Auditor and tested by the Statutory Auditors

of the Company. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

7. **Segment Reporting**
   The Company being a Non-Banking Financial Company operates under a single segment viz providing unsecured loans to the borrowers.

8. **Material Developments in Human Resources**
   The Company continues with the philosophy of thrust and focus on human resources for its continued success. In order to strengthen our human resources for meeting the future challenges and expansion plans, we have focused on hiring the best resources available and retaining and developing our existing talent pool. The total employee strength as on 31st March, 2022 was 427.

For Krazybee Services Private Limited

KRAZYBEE SERVICES PVT. LTD. Bangalore

Vivek Veda
Director
DIN: 07560229

Karthikeyan Krishnaswamy
Director
DIN: 07449376

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

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Phones : 29835500-01, 41715991

ascassociates92@gmail.com

Independent Auditors' Report on the Ind AS Financial Statements

To the Members of KrazyBee Services Private Limited

Opinion

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

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

Basis for opinion

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



Key audit matters

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

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

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



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



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

Information other than the financial statements and auditors' report thereon

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



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

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

Responsibilities of Management for the Ind AS Financial Statements

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

(Formerly known as Arun Singh & Co.)

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

Phones : 29835500-01, 41715991

ascassociates92@gmail.com

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

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

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

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

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

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

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

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

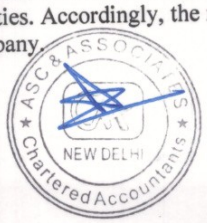
(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

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

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

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

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



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

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

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

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

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

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

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

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

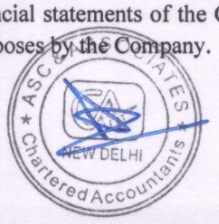
(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



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

Meaning of Internal Financial Controls Over Financial Reporting

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

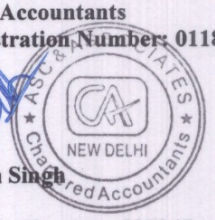
Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

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

Opinion

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

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



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

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

KRAZYBEE SERVICES PRIVATE LIMITED
Balance Sheet
(All amounts are in INR Lakhs, unless otherwise stated)

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

Summary of significant accounting policies 2

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

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

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

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

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

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

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

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of Profit and Loss
(All amounts are in INR Lakhs, unless otherwise stated)

S.No	Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
(i)	Interest income	22	17,500.34	14,374.28
(ii)	Fees and commission income	23	15,969.40	8,075.76
(iii)	Net gain/(loss) on fair value changes	24	189.71	(110.89)
1	**Total revenue from operations**		**33,659.45**	**22,339.15**
2	Other income	25	27.92	38.40
3	**Total income (1+2)**		**33,687.37**	**22,377.55**
	Expenses			
(i)	Finance costs	26	7,532.88	6,104.06
(ii)	Fees and commission expense	27	1,679.41	1,105.92
(iii)	Impairment on financial instruments	28	16,183.78	9,666.61
(iv)	Employee benefits expenses	29	2,562.77	1,018.75
(v)	Depreciation and amortization expense	30	267.43	211.83
(vi)	Other expenses	31	1,322.57	641.18
4	**Total expenses**		**29,548.84**	**18,748.35**
5	**Profit before tax (3-4)**		**4,138.53**	**3,629.20**
	Tax expense:	32		
	(1) Current tax		2,056.35	1,028.15
	(2) Deferred tax (credit) / charge		(859.67)	(201.09)
	(3) Tax in respect of earlier years		62.91	-
6	**Total tax expense**		**1,259.59**	**827.06**
7	**Profit for the year (5-6)**		**2,878.94**	**2,802.14**
8	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss Gain/(Loss) on remeasurement of defined benefit plans		22.55	(14.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.68)	3.53
	Other comprehensive income		**16.87**	**(10.49)**
9	**Total comprehensive income for the year (7+8)**		**2,895.81**	**2,791.65**
10	**Earnings per equity share**	33		
	Basic and diluted (INR)		261.43	367.98
	(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 ASC & Associates
Chartered Accountants
Firm Registration No: 011863N

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

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

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

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

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

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

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

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 018863N

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

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

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

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

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

KRAZYBEE SERVICES PRIVATE LIMITED
Statement of Changes in Equity
(All amounts are in INR Lakhs, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the year	10,70,233	107.02	7,56,333	75.63
Add: Issued during the year	53,619	5.36	3,13,900	31.39
Balance at the end of the year	**11,23,852**	**112.38**	**10,70,233**	**107.02**

(B) Other equity

For the year ended March 31, 2022

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

For the year ended March 31, 2021

Particulars	Reserve and surplus				Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability	
Balance as at March 31, 2020	801.34	25,649.73	104.44	3,054.67	3.52	29,613.70
Profit for the year	-	-	-	2,802.14	-	2,802.14
Other comprehensive income (net of tax)	-	-	-	-	(10.49)	(10.49)
Total comprehensive income	**801.34**	**25,649.73**	**104.44**	**5,856.81**	**(6.97)**	**32,405.35**
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	560.43	-	-	(560.43)	-	-
Premium on issue of shares	-	21,031.31	-	-	-	21,031.31
Share based payments	-	-	206.16	-	-	206.16
Balance as at March 31, 2021	**1,361.77**	**46,681.04**	**310.60**	**5,296.38**	**(6.97)**	**53,642.82**

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

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

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

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

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

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

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

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

1 General information

Krazybee Services Private Limited (the "Company") is a private limited company domiciled in India and was incorporated on March 16, 2016, under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at 3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bangalore, Karnataka - 560017. The Company is a non-banking finance company ('NBFC') registered with the Reserve Bank of India ('RBI') with effect from May 25, 2017, with Registration No. N-02.00281. The Company became non-deposit taking systematically important non-banking financial company as on quarter ended June 30, 2019. The Company is engaged in the business of consumer lending.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of preparation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in lakhs.

(a) **Statement of compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time).

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

The financial statements for the year ended March 31, 2022 were authorized and approved for issue by the Board of Directors on May 25, 2022.

(a) **Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-
i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
ii) Share based payment transactions

(b) **Use of estimates**

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

2.2 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives

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

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

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Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.
Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.
Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Other intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.
The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer software	3 years

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

2.4 Foreign currency transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

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

2.5 Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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





2.6 Revenue recognition

The effective interest rate method

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

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

Interest income

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

Revenue from contracts with customers:

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 *Revenue from contracts with customers,* outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

Fees and commission income

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

Business support services

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

2.7 Dividend income

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

2.8 Taxes

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

(a) Current income tax

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





(b) Deferred tax

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

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

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

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

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

(c) Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:
When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

2.9 Leases

The Company as a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU asset is depreciated using the straight line method from the date of initial application over the shorter of useful life of ROU asset or lease term. ROU asset are tested for impairment whenever there is any indication that their carrying amount may not be recoverable. Impairment loss, if any will be recognized in the statement of profit or loss.

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

2.10 Impairment of non-financial assets

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

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

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

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2.11 Provisions and contingent liabilities

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

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

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

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

2.12 Cash and cash equivalents

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

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

2.13 Financial instruments

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

(a) Financial assets

(i) (a) Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities and borrowings when funds reach the Company.

(i) (b) Initial recognition and measurement

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

(i) (c) Day 1 profit and loss

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

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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





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

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

Reclassification within classes of financial assets

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

(iii) Impairment of financial assets

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

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

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

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

With the view of the short term nature of the loans, Company is not performing discounting on the loans.

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

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

The Company has decided to use probability weights for each scenario based on management expert judgement. The probability weights should be reviewed periodically and amended based on the forward-looking information (i.e. a period of reduced growth forecasts may result in putting more weightage on a worst case scenario or in future once more data is available the Company can use statistical approach etc.). Any change to the probability weighting will need to be approved by the Risk Management Committee.

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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





(v) Write-off

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

(b) Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

(iii) Derecognition

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

(c) Embedded derivatives

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

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

(d) Offsetting financial instruments

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

2.14 Employee Benefits

(a) **Short-term obligations**

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

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(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

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

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

(ii) **Defined benefit plans**

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

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

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

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

2.15 Contributed equity

Equity shares are classified as equity share capital.

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

2.16 Earnings per share

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

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

2.17 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

(b) Taxes

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

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 37.

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

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

Judgements

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

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

(c) Effective Interest Rate (EIR) method
The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

(d) Impairment of financial asset
The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:
- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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





(e) Provisions and other contingent liabilities

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

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

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:
(i) Impairment of financial assets based on expected credit loss model.
(ii) Effective interest rate used in calculation of security deposit.

2.18 Operating segments

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

2.19 Statement of cash flows

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

2.20 Dividend payable

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

2.21 Modification of financial assets

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

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

2.22 Derivative financial instrument and hedge accounting

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

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





Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:
Cash flow hedge:
A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

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

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

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

The Company did not have any fair value hedges.

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

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

2.24 Share based payment transaction

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

2.25 Financial guarantees

As issuer of financial guarantees

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

As beneficiary of financial guarantees

The Company avails financial guarantees from its parent and fellow subsidiaries towards borrowings availed from various lenders. The Company does not account for such financial guarantees received in the capacity of beneficiary.





KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

		March 31, 2022	March 31, 2021
3 (i) Cash and cash equivalents			
Balances with banks in current accounts		7,616.12	3,647.96
Fixed deposits with original maturity of less than three months		-	21,075.02
Total	(I)	**7,616.12**	**24,722.98**
(ii) Bank balance other than cash and cash equivalent			
Balances with Banks in fixed deposit accounts with original maturity of more than three months		1,179.30	371.72
Total other bank balances	(II)	**1,179.30**	**371.72**
Total cash and bank balances	(I+II)	**8,795.42**	**25,094.70**

Note

The fixed deposit aggregating to INR 300 (March 31, 2021: INR 200) placed with Banks has a lien for the financial arrangement availed by the Company.

The fixed deposit aggregating to INR 11.2 (March 31, 2021: INR 11.2) placed with Banks has a lien for the credit card facility availed by the Company.

Balance with bank in current account is net of overdraft balances.

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

	March 31, 2022	March 31, 2021
4 Trade receivables		
Considered good -Unsecured	9,540.55	-
	9,540.55	**-**
Less: Allowance for impairment loss	-	-
Total trade receivables	**9,540.55**	**-**
Trade receivables include debts due by:		
i) Private company in which director is a director or a member (Refer Note 37)	6,688.09	-
ii) Trade receivables include (Refer Note 37)		
Receivables from Finnovation Tech Solutions Private Limited	6,688.09	-
Receivables from Kartbee Technologies Private Limited	2,852.46	-

Trade Receivables ageing schedule as at March 31, 2022

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

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
5 Loans		
Unsecured (carried at amortised cost)		
Loan to customer	1,16,156.30	65,244.12
Interest accrued	5,125.65	4,369.47
Less: Impairment loss allowance	(9,785.18)	(5,499.11)
Total	**1,11,496.77**	**64,114.48**
6 Investments		
Investments carried at fair value through profit or loss		
Liquid mutual funds, quoted	6,197.98	3,511.25
Total	**6,197.98**	**3,511.25**
Liquid mutual funds, quoted		
DSP Overnight Fund - Growth 4,08,987.55 units of INR 1138.38 each (March 31, 2021: 2,27,839 units of INR 1097.21 each)	4,655.83	2,511.21
Nippon Overnight Fund - Growth 9,05,226.23 units of INR 114.12 each (March 31, 2021: 9,05,226 units of INR 110.46 each)	1,033.04	1,000.04
Baroda BNP Paribas Over Night Fund - Growth 45,680.60 units of INR 1114.51 each	509.11	-
All the above investments are in India.		
7 Other financial assets		
Security deposit	96.58	197.16
Receivables from intermediaries*	4,440.71	8,029.32
Others receivables	248.43	258.58
Total	**4,785.72**	**8,485.06**

*Note : The amount represents balance of loans repaid by borrower, which as at the balance sheet date is pending settlement by the intermediary e- wallet/ platform to the Company, this in-line with common business practices of settlement of amounts on a Transaction plus one/ two (T+1/ T+2) banking days basis.

Other receivables include (Refer note 37)		
Receivable from related party - Kartbee Technologies Private Limited	-	36.33
8 Current tax assets (net)		
Advance income tax	654.45	654.45
Total	**654.45**	**654.45**

Note: Pertains to income tax receivables for the financial year 2019-20

9 Deferred tax assets (net)		
Deferred tax assets (Refer note 32)	2,323.29	1,469.30
Total	**2,323.29**	**1,469.30**





KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR Lakhs, unless otherwise stated)

10 Property, plant and equipment - tangible assets

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

	Gross block				Depreciation				Net block
	As at April 1, 2020	Additions	Deductions	Up to March 31, 2021	As at April 1, 2020	For the year	On deductions	Up to March 31, 2021	As at March 31, 2021
Owned assets									
Furniture and fixtures	36.55	-	-	36.55	1.89	3.47	-	5.36	31.19
Office equipment's	22.68	0.76	-	23.44	3.18	4.65	-	7.83	15.61
Computers	186.13	-	-	186.13	59.50	59.53	-	119.03	67.10
Total	**245.36**	**0.76**	**-**	**246.12**	**64.57**	**67.65**	**-**	**132.22**	**113.90**

11 Intangible assets

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

	Gross block				Amortization				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year	On deductions	As at March 31, 2021	As at March 31, 2021
Computer software	34.20	0.05	-	34.25	9.95	10.91	-	20.86	13.39
Total	**34.20**	**0.05**	**-**	**34.25**	**9.95**	**10.91**	**-**	**20.86**	**13.39**





KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amounts in INR Lakhs, unless otherwise stated)

		March 31, 2022	March 31, 2021
12	**Other non-financial assets**		
	Prepaid expenses	50.56	54.76
	Advance to suppliers	34.53	0.02
	Total	**85.09**	**54.78**
13	**Payables**		
(I)	**Trade payables**		
(a)	Total outstanding dues of micro enterprises and small enterprises	40.70	22.16
(b)	Total outstanding dues creditors other than micro enterprises and small enterprises	680.06	1,567.52
	Total	**720.76**	**1,589.68**

Trade payables ageing schedule as at March 31, 2022

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

Trade payables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	22.05	-	0.11	-	22.16
(ii) Others	1,524.68	40.75	2.09	-	1,567.52
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - others	-	-	-	-	-

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

Particulars		
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	40.70	22.16
Interest	0.64	-
Total		
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.64	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.64	-

Trade payables include (Refer Note 37):		
Payable to Finnovation Tech Solutions Private Limited	186.88	1,258.47
Payable to Kartbee Technologies Private Limited	55.13	100.88

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE *

	March 31, 2022	March 31, 2021
14 Debt securities		
At amortized cost		
Secured		
Privately placed reedeemable non-convertible debentures	26,113.48	11,717.74
Total	**26,113.48**	**11,717.74**

*All the Debt securities are in India

Notes:

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

Year ended	Terms of debt	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2022	Interest rate: 11.95% to 15% Repayment terms: Bullet repayments, Bullet (interest monthly/quarterly payable) and equated monthly installments (total 66 installments)	18,715.20	7,398.28	-	26,113.48
March 31, 2021	Interest rate: 13.50% to 16% Repayment terms: Bullet repayments and equated monthly installments (total 68 installments)	11,048.28	669.46	-	11,717.74

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

iii The non-convertible debentures are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

15 Borrowings (other than debt securities)		
At amortized cost, secured		
Term loans		
i. From Banks	9,039.13	8,164.97
ii. From others	32,924.80	12,250.54
External commercial borrowings	11,371.07	14,700.94
Total	**53,335.00**	**35,116.45**
Borrowings in India	41,963.93	20,415.51
Borrowings outside India	11,371.07	14,700.94

Notes:

i. Terms of repayment of term loans:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2022	Interest rate: 9.70% to 13.5% Repayment terms: Bullet repayments (monthly interest payable), Bullet repayment (Roll over facility), Monthlly interest and semi-annually/quraterly Principal repayment and Equated monthly installments (total of 129 installments)	40,340.00	1,623.93	-	41,963.93
March 31, 2021	Interest rate: 7.75% to 17% Repayment terms: Bullet repayments and Equated monthly installments (total of 112 installments)	16,952.54	3,462.97	-	20,415.51

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KRAZYBEE SERVICES PVT. LTD. ★ BANGALORE

Borrowings (other than debt securities)

ii. Terms of repayment of external commercial borrowings:

Year ended	Terms of borrowings	0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
March 31, 2022	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	11,371.07	-	-	11,371.07
March 31, 2021	Interest rate: 6 month Libor plus 4.5% Repayment terms: Bullet repayment	-	14,700.94	-	14,700.94

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

iv. The term loans are guaranteed by fellow subsidiary, Finnovation Tech Solutions Private Limited.

v. There are no defaults as on balance sheet date in repayment of borrowings and interest thereon.

vi. External commercial borrowing has been raised from Holding Company, Finnov Private Limited, Singapore.

vii. The Company has been sanctioned working capital limits of INR 2,500 from banks on the basis of security of current assets of the Company. The Company has also filed all the monthly/quarterly statements/returns with the banks as per the terms and conditions of the facility agreement.

		March 31, 2022	March 31, 2021
16	**Other financial liabilities**		
	Interest accrued but not due on borrowings	921.61	121.78
	Employee benefits payable	45.00	29.84
	Director fees payable	1.50	-
	Lease liability	191.65	92.97
	Others	3.05	6.81
	Total	**1,162.81**	**251.40**
17	**Current tax liabilities (net)**		
	Current tax liabilities	800.89	712.79
	(Net of advance income tax of INR 1,308.15, 2021: INR 315.35)		
	Total	**800.89**	**712.79**
18	**Provisions**		
	Provision for gratuity	55.87	48.43
	Provision for compensated absences	57.21	29.65
	Total	**113.08**	**78.08**
19	**Other non - financial liabilities**		
	Statutory dues	223.44	92.36
	Interest received but not due	987.01	289.92
	Total	**1,210.45**	**382.28**

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amounts in INR Lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
20 Equity share capital		
The Company has only one class of share capital having a par value of INR 10 per share, referred to herein as equity shares.		
Authorized		
15,00,000 equity shares of INR 10 each (March 31, 2021:15,00,000 equity shares of INR 10 each)	150.00	150.00
Issued, subscribed and paid up share capital		
11,23,852 equity shares of INR 10 each (March 31, 2021: 10,70,233 equity shares of INR 10 each)	112.38	107.02
Total	**112.38**	**107.02**

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

	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	10,70,233	107.02	7,56,333	75.63
Add: Issued during the year	53,619	5.36	3,13,900	31.39
Outstanding at the end of the year	**11,23,852**	**112.38**	**10,70,233**	**107.02**

(b) Rights, preferences and restrictions attached to shares

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

(c) Shares held by holding company

Finnov Private Limited		
11,17,952 (31 March 2021: 10,64,333) equity shares of INR 10 each fully paid	11,17,952	10,64,333

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

Name of the shareholder	March 31, 2022		March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Finnov Private Limited	11,17,952	99.48%	10,64,333	99.45%

*As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

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

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(h) Details of shareholding of promoters in the company:

Name of the promoter	March 31, 2022		
	Number of shares	% of holding in the class	% Change during the year
Madhusudan Ekambaram	5,890	0.52%	-0.03%
Karthikeyan Krishnaswamy	10	0.00%	0.00%

Name of the promoter	March 31, 2021		
	Number of shares	% of holding in the class	% Change during the year
Madhusudan Ekambaram	5,890	0.55%	-0.23%
Karthikeyan Krishnaswamy	10	0.00%	0.00%

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amounts in INR Lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
21 Other equity		
(a) Statutory reserve u/s 45-IC of the RBI Act, 1934		
Opening balance	1,361.77	801.34
Add: current year transfer	575.79	560.43
Closing balance	**1,937.56**	**1,361.77**
(b) Securities premium account		
Opening balance	46,681.04	25,649.73
Add : securities premium credited on share issue	3,683.63	21,031.31
Closing balance	**50,364.67**	**46,681.04**
(c) Share options outstanding account		
Opening balance	310.60	104.44
Add: Transferred during the year	316.30	206.16
Less: Transfer to equity	-	-
Closing balance	**626.90**	**310.60**
(d) Retained earnings		
Opening balance	5,289.41	3,058.19
Add: Net Profit for the current year	2,878.94	2,802.14
Add: Other comprehensive income	16.87	(10.49)
Less: Transfer to statutory reserves	575.79	560.43
Closing balance	**7,609.43**	**5,289.41**
Total reserves and surplus	**60,538.56**	**53,642.82**

Nature and purpose of reserves

(a) Statutory reserve u/s 45-IC of the RBI Act, 1934

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

(b) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) Share options outstanding account

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

(d) Retained earnings

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





KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amounts in INR Lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
22 Interest income		
At amortized cost		
Interest on loans	17,187.98	13,885.45
Interest income from investments	-	3.34
Interest on deposits with Banks	304.11	472.96
Other interest Income	8.25	12.53
Total	**17,500.34**	**14,374.28**
23 Fees and commission income		
Fees from platform	2,715.57	1,040.02
Income from deficiency	13,253.83	7,035.74
Total	**15,969.40**	**8,075.76**
24 Net gain/(loss) on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- derivatives	-	(128.89)
- investments	206.96	18.00
- remeasurement gain/(loss)	(17.25)	-
Total net gain/(loss) on fair value changes	**189.71**	**(110.89)**
Fair value changes:		
- realised	107.48	(122.31)
- unrealised	82.23	11.42
Total net gain/(loss) on fair value changes	**189.71**	**(110.89)**
25 Other income		
Income from business support services	-	36.33
Miscellaneous income	27.92	2.07
Total	**27.92**	**38.40**
26 Finance costs		
On financial liabilities measured at amortized cost		
Interest on borrowings	4,062.25	4,012.70
Interest on debt securities	2,844.75	2,443.15
Interest on lease liability	42.67	24.45
Interest on shortfall of advance tax	224.10	-
Applicable net (gain) / loss on foreign currency transactions and translation	359.11	(376.24)
Total	**7,532.88**	**6,104.06**
(i) Expenditure in foreign currency (for ECB)		
Interest expenses	641.50	791.54
27 Fees and commission expense		
Commission to platforms	818.13	851.36
Commission to payment gateways	22.75	1.86
Credit assessment charges	838.53	252.70
Total	**1,679.41**	**1,105.92**
28 Impairment on financial instruments		
On financial instruments measured at amortised cost		
Loans	16,183.78	9,666.61
Total	**16,183.78**	**9,666.61**
29 Employee benefit expenses		
Salaries and wages	2,073.52	705.59
Gratuity expense	30.07	16.15
Leave benefits expense	32.92	18.29
Contribution to provident and other funds	106.19	43.43
Share based payments to employees	306.93	230.96
Staff welfare expenses	13.14	4.33
Total	**2,562.77**	**1,018.75**

ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PVT. LTD. BANGALORE

	March 31, 2022	March 31, 2021
30 Depreciation and amortization expense		
on tangible assets	56.54	67.65
on right of use asset	200.25	133.27
on intangible assets	10.64	10.91
Total depreciation and amortization expense	**267.43**	**211.83**
31 Other expenses		
a) Rent, rates and taxes	218.85	166.74
Director's fees, allowances and expenses	14.40	7.90
Auditor's fees and expenses	13.08	15.50
Legal and Professional charges	128.96	164.98
Bank charges	12.81	25.41
Technical expenses	469.11	72.76
Collection charges	182.10	12.79
Office expenses	186.87	95.03
Expenditure towards Corporate Social Responsibility (CSR) activities	70.10	50.55
Other expenditure	26.29	29.52
Total	**1,322.57**	**641.18**
Note : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)		
b) **As auditor:**		
For statutory audit	12.00	7.00
For tax audit	1.00	1.00
For certificates	0.08	7.50
Total	**13.08**	**15.50**

c) Corporate Social Responsibility (CSR)

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

Gross amount required to be spent	70.09	50.55
Amount spent during the year		
i. construction/acquisition of any asset		
-under control of the Company for future use	-	-
-not under control of the Company for future use	-	-
ii. On purpose other than (i) above	70.10	50.55
iii. Shortfall at the end of the year	-	-
iv. Reason for shortfall	Not applicable	Not applicable
iv. Nature of CSR activities		
Education & Medical	35.10	20.00
Medical	20.00	-
Assistance and relief in Emergency Situations fund	15.00	30.55
Total	**70.10**	**50.55**

32 Income tax

(A) Deferred tax relates to the following:

Deferred tax assets		
On provision for employee benefits	34.13	19.65
On income taxable u/s 43D	-	74.23
On ESOP expense	-	78.18
On expected credit loss	2,354.51	1,330.14
On leases	6.70	1.52
On depreciation and amortisation	8.75	-
On others	29.84	23.27
	2,433.93	**1,526.99**
Deferred tax liabilities		
On depreciation and amortisation	-	1.02
On borrowings EIR	84.68	53.80
On others	20.28	2.86
	104.96	**57.69**
Deferred tax asset, net	**2,328.97**	**1,469.30**

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE

	March 31, 2022	March 31, 2021
32 Income tax (contd):		
(B) Reconciliation of deferred tax assets/(liabilities) (net):		
Opening balance at the beginning of the year	**1,469.30**	**1,264.68**
Tax liability recognized in Statement of Profit and Loss:		
On borrowings EIR	(30.88)	90.57
On property plant and equipment	-	3.67
On others	(17.41)	(3.65)
Tax asset recognized in Statement of Profit and Loss:		
On provision for employee benefits	14.49	12.06
On property plant and equipment	9.77	-
On income taxable u/s 43D	(74.23)	25.01
On others	11.74	0.03
On ESOP expense	(78.18)	51.89
On derivative instrument	-	32.44
On expected credit loss	1,024.37	(7.40)
Total deferred tax assets/(liabilities) (net)	**859.67**	**204.62**
Tax liability recognized in OCI:		
On re-measurements gain/(losses) of post-employment benefit obligations	(5.68)	-
Closing balance at the end of the year	**2,323.29**	**1,469.30**
(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
Tax liability	(48.29)	90.60
Amounts recognised in Statement of Profit and Loss account	907.96	114.02
	859.67	**204.62**
(D) Income tax expense		
- Current tax	2,056.35	1,028.15
- Adjustments in respect of current income tax of previous year	62.91	-
- Deferred tax (credit)/ charge	(859.67)	(201.09)
Income tax expense reported in the statement of profit or loss	**1,259.59**	**827.06**
(E) Income tax charged to OCI		
Net loss/(gain) on remeasurements of defined benefit plans	(5.68)	3.53
Income tax charged to OCI	**(5.68)**	**3.53**
(F) Reconciliation of tax charge		
Profit before tax	4,138.53	3,629.20
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expense	1,041.59	913.47
Tax effects of:		
Taxes pertaining to earlier periods	62.91	-
Non tax deductible expenses	74.53	15.33
Others	80.56	(101.74)
Income tax expense	**1,259.59**	**827.06**

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE *

	March 31, 2022	March 31, 2021
33 Earnings per share		
The following reflects the income and share data used in the basic and diluted EPS computations:		
Net profit attributable to equity holders	2,878.94	2,802.14
Weighted average number of equity shares for basic EPS (face value of INR 10 each)	11,01,229	7,61,493
Basic and diluted earnings per share (INR)	261.43	367.98

34 Employee benefits

(A) Defined contribution plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:		
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 29)	106.19	43.43

(B) Other plans provisions

a) Defined benefit plan: Gratuity payable to employees	55.87	48.43
b) Other long-term benefits: Compensated absences for Employees	57.21	29.65

Defined benefit plan: Gratuity plan

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

i) Actuarial assumptions

Discount rate (per annum)	5.15%	5.58%
Rate of increase in salary	10.00%	10.00%
Rate of attrition	30.00%	20.00%

ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	**48.43**	**18.26**
Interest cost	2.70	1.23
Current service cost	27.37	14.92
Benefit directly paid by employer	(0.08)	-
Actuarial (gain)/ loss on obligations	(22.55)	14.02
Present value of obligation at the end of the year*	**55.87**	**48.43**

*Included in provision for employee benefits

iii) Expense recognized in the Statement of Profit and Loss

Current service cost	27.37	14.92
Interest cost	2.70	1.23
Total expenses recognized in the Statement Profit and Loss*	**30.07**	**16.15**

*Included in Employee benefits expense (Refer Note 29). Actuarial gain of INR 22.55 (March 31, 2021: loss of INR 14.02) is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet:

Present value of unfunded obligation as at the end of the year	55.87	48.43
Unfunded net (asset) / liability recognized in Balance Sheet*	**55.87**	**48.43**

*Included in provision for employee benefits

v) Expected contribution to the fund in the next year

Gratuity	-	-

vi) A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact on defined benefit obligation:		
Change in Discount rate:		
1% increase	(2.18)	(3.08)
1% decrease	2.34	3.37
Change in Rate of Salary Increase:		
1% increase	2.20	3.20
1% decrease	(2.09)	(2.94)
Change in Rate of Employee Turnover:		
1% increase	(1.52)	(1.82)
1% decrease	1.58	1.95





	March 31, 2022	March 31, 2021
vii) Maturity profile of defined benefit obligation		
Year		
1st Following Year	3.87	1.60
2nd Following Year	4.83	1.82
3rd Following Year	11.93	3.85
4th Following Year	10.73	7.29
5th Following Year	9.02	7.42
Sum of Years 6 To 10	21.93	25.61
Sum of Years 11 and above	7.92	26.70

35 Employee Stock Option Scheme (ESOP)

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

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

Particulars	March 31, 2022		March 31, 2021	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	35,81,886	-	6,08,141	-
Add:				
Options granted during the year	3,43,905	-	1,82,246	-
Option transferred#	13,96,498		28,06,705	
Less:				
Options exercised during the year	1,945	-	-	-
Options Lapsed during the year	1,477	-	15,206	-
Options outstanding at the end of year	53,18,867	-	35,81,886	-
Option exercisable at the end of year	-	-	-	-

Pertains to options of the employees transferred from Group entity.

In accordance with the above mentioned ESOP Scheme, INR 306.93 (Previous Year INR 230.96) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended 31 March 2022 as Employee Stock Option Scheme Compensation.

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

Weighted average fair value of the options at the grant dates (INR)	1.40	1.15
Dividend yield (%)	0%	0%
Risk free interest rate (%)	4.82% - 5.71%	4.40% - 5.59%
Expected life of share options (years)	2.92	3.48
Expected volatility (%)	60.37% - 67.24%	62.67% - 63.41%
Weighted average share price (INR)	1.40	1.15

36 Leases

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

Operating leases where the Company is a lessee:

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

Particulars	**Category of ROU asset**	
	Premises	
	March 31, 2022	**March 31, 2021**
Opening Balance at the start of the year	**86.95**	**220.22**
Additions	278.34	-
Amortization (refer Note 30)	200.25	133.27
Closing balance at the end of the year	**165.04**	**86.95**





(ib) Lease liabilities

Particulars	Category of Lease Liability: Premises	
	March 31, 2022	March 31, 2021
Opening Balance at the start of the year	**92.97**	**217.63**
Additions	287.74	-
Lease payments	(231.73)	(149.11)
Interest on lease liabilities (refer Note 26)	42.67	24.45
Closing balance at the end of the year	**191.65**	**92.97**

(ii) Maturity analysis of lease liabilities

Particulars		
Upto one year	103.47	65.03
More than one year upto 5 years	88.18	27.94
Total	**191.65**	**92.97**

(iii) Amounts recognised in Statement of Profit and Loss

Particulars		
Interest on lease liabilities (refer Note 26)	42.67	24.45

(iv) Amounts recognised in Statement of Cash Flows

Particulars		
Total cash outflow for leases	231.73	149.11

37 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company for the years ended March 31, 2022 and March 31, 2021:

Holding Company
Finnov Private Limited, Singapore

Other related parties

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

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

Vivek Veda, Director

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





KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

	March 31, 2022	March 31, 2021
(B) Details of transactions with related party in the ordinary course of business for the year ended:		
(i) Particulars		
A) Transaction during the year		
Sale of services:		
Finnovation Tech Solutions Private Limited	13,132.09	6,645.56
Kartbee Technologies Private Limited	2,831.89	1,466.47
Purchase of services:		
Finnovation Tech Solutions Private Limited	809.09	403.28
Kartbee Technologies Private Limited	9.04	448.08
Reimbursement of expenses:		
Vivek Veda	2.17	-
Remuneration to directors:		
Vivek Veda	81.70	40.75
Non-executive/Independent Director sitting fees:		
Abhishek Singvi	4.50	4.55
Adesh Gupta	5.70	3.05
Gopalakrishna Gurrappa	4.20	0.30
Share issued during the year (refer Note 20(a) and 21(b)):		
Finnov Private Limited (Equity share of INR 10 each)	5.36	31.39
Securities premium on the shares issued	3,683.63	21,031.31
Finance cost		
Finnov Private Limited	641.49	791.54
Krishnaswamy Bhanumathi	-	3.89
Madhusudan Ekambaram	13.11	7.64
Nutan Soudagar	6.89	5.17
Shanmuga Nursing Home	-	4.64
Krishnamurthy Ekambaram	-	1.95
Latha	-	1.96
Manjula	-	1.95
Sreenidhi Sattanathan	-	3.89
Vani Jain	8.74	7.68
Vibha Veda	2.77	0.23
Vivek Veda	2.77	0.23
Issue of non-convertible debentures		
Madhusudan Ekambaram	90.00	90.00
Nutan Soudagar	70.00	40.00
Vani Jain	60.00	60.00
Vibha Veda	-	20.00
Vivek Veda	-	20.00
B) Balance as at year end		
Receivable (Net of Payables)		
Finnovation Tech Solutions Private Limited	6,501.21	-
Kartbee Technologies Private Limited	2,797.33	-
Payable		-
Finnovation Tech Solutions Private Limited	-	1,258.47
Kartbee Technologies Private Limited	-	64.55
Finnov Private Limited	0.02	0.02
Director fees	1.50	-
Borrowings		
Finnov Private Limited	11,371.07	14,700.94
Non-convertible debentures (incl. accrued interest)		
Madhusudan Ekambaram	90.39	90.85
Nutan Soudagar	70.31	40.38
Vani Jain	60.26	60.57
Vibha Veda	20.23	20.22
Vivek Veda	20.23	20.22





37 Related Party Disclosures:

(C) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(D) Finnovation Tech Solutions Private Limited, a fellow subsidiary has issued Corporate Guarantee's aggregating to INR 46,503.84 (2021: INR 21,496.08) in favour of the company for its business requirements.

(E) The Bank overdraft availed by the Company aggregating to INR 1,500 (March 31, 2021: INR 3,000) has been secured by way of liens on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

38 Segment reporting

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

39 Financial risk management objectives and policies

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

(A) Market risk

It is the risk that the value of on and off-balance sheet positions of the Company will be adversely affected by movements in market rates or prices such as interest rates, currency exchange rates or credit spreads resulting in a loss to earnings and capital.

(i) Interest rate risk

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

	March 31, 2022	March 31, 2021
Interest rate risk exposure		
Below is the overall exposure of the Company to interest rate risk:		
Variable rate borrowings	49,441.52	14,700.94

Interest rate sensitivity

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

	Increase/(decrease) in basis points	Effect on profit before tax
2022		
INR	+50	247.21
INR	-50	(247.21)
2021		
INR	+50	73.50
INR	-50	(73.50)

(ii) Foreign currency risk

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

Foreign currency risk exposure:

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

Financial liabilities (in USD Million)	15.00	20.00
External Commercial Borrowing	11,371.07	14,700.94
Net exposure to foreign currency risk (liabilities)	11,371.07	14,700.94

Foreign currency sensitivity

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

	Increase/(decrease) in basis points	Effect on profit before tax
2022		
INR	+100	113.71
INR	-100	(113.71)
2021		
INR	+100	147.01
INR	-100	(147.01)

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

39 Financial risk management objectives and policies:

(B) Credit risk

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

(i) Credit risk management

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

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

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

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

MACRO ECONOMIC VARIABLES:

The Company adjusts the expected credit loss model parameters for forward looking information, macro-economic variables and economic forecasts which have a reasonable correlation with the collection performance and portfolio risk. These include economic indicators such as inflation rates, unemployment index, GDP growth rates, etc. The Company recalibrates the model periodically as and when portfolios mature by:
1. using the available incremental and recent information, except where these informations do not represent the future outcome; and
2. assessing changes to its statistical techniques for a granular estimation of ECL.
Accordingly, the incremental information of the portfolio for certain period of the pandemic have not been considered in the model due to the distortion caused by the pandemic induced lockdown resulting in very low economic activity, unforseen distortion of customers' financial position and volitile repayment behaviour, leading to RBI announcing installment moratoriums and resolutions. These distortions do not represent the current portfolio at risk & collection performance and have been considered as outliers.

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

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

	March 31, 2022	March 31, 2021
Financial assets that expose the entity to credit risk:		
Low credit risk		
Cash and cash equivalents	7,616.12	24,722.98
Bank balances other than above	1,179.30	371.72
Trade receivables	9,540.55	-
Loans to customers*	1,13,739.16	64,903.31
Investments	6,197.98	3,511.25
Other financial assets	4,785.72	8,485.06
Moderate credit risk		
Loans to customers*	4,216.27	-
High credit risk		
Loans to customers*	3,326.52	4,710.28

* Represents gross values of the financial assets

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

39 Financial risk management objectives and policies:

Cash & cash equivalents and Bank deposits

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

Investments

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

Loans

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

Trade receivables

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

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits, receivables from intermediaries, monies held by fintech platforms in escrow for onward disbursements to customers and others miscellaneous receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

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

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

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low/negligible.

- For Investments in mutual funds and Corporate bonds - Credit risk is considered low/negligible because the Company deals with high quality assets and instruments with strong credit ratings.

- For Trade receivables - Credit risk is considered low because these balances are with group companies with strong financial resources and the balances are held for shorter periods.

- For security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature. Additionally, these balances are held in escrow for onward disbursements as well as collections from customers pending settlement.

Expected credit loss for loans

Credit default risk

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

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

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

Expected credit loss measurement

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

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

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

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





39 Financial risk management objectives and policies:

Significant increase in credit risk

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

Measuring ECL - explanation of inputs, assumptions and estimation techniques

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

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

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

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

Probability of default (PD) computation model

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

Loss given default (LGD) computation model

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

Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Quantitatively, accounts whose overdue days have exceed 180 days are written-off. The outstanding contractual amounts of such assets written off during the year ended March 31, 2022 was INR 11,897.69 (March 31, 2021 INR 9,946.00). However, collection efforts continue on such accounts as these are legally due to the Company.

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

As at March 31, 2022 Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	1,13,739.16	4,216.27	3,326.52	1,21,281.95
Less: Allowance for ECL	4,805.07	2,507.21	2,472.90	9,785.18
Net carrying value	**1,08,934.09**	**1,709.06**	**853.62**	**1,11,496.77**
ECL Coverage Ratio	**4.22%**	**59.47%**	**74.34%**	**8.07%**

As at March 31, 2021 Particulars	Stage 1 & 2	Stage 3	Total
Gross carrying value	64,903.31	4,710.28	69,613.59
Less: Allowance for ECL	2,026.95	3,472.16	5,499.11
Net carrying value	**62,876.36**	**1,238.12**	**64,114.48**
ECL Coverage Ratio	**3.12%**	**73.71%**	**7.90%**

(C) Liquidity risk

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

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

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KRAZYBEE SERVICES PVT LTD * BANGALORE

39 Financial risk management objectives and policies:

(C) Liquidity risk :

March 31, 2022	Less than 1 year	1 to 3 years	Total
Debt Securities	18,715.20	7,398.28	**26,113.48**
Borrowings other than debt securities	51,711.07	1,623.93	**53,335.00**
Trade payables	718.21	2.55	**720.76**
Other financial liabilities	1,074.63	88.18	**1,162.81**
	72,219.11	**9,112.94**	**81,332.05**
March 31, 2021			
Debt Securities	11,048.28	669.46	**11,717.74**
Borrowings other than debt securities	16,952.54	18,163.91	**35,116.45**
Trade payables	1,546.73	42.95	**1,589.68**
Other financial liabilities	223.46	27.94	**251.40**
	29,771.01	**18,904.26**	**48,675.27**

40 Capital management

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

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

		March 31, 2022	March 31, 2021
Total equity	(i)	60,650.94	53,749.84
Debt securities	(ii)	26,113.48	11,717.74
Borrowings other than debt securities	(iii)	53,335.00	35,116.45
Total debt	**(iv)=(ii)+(iii)**	**79,448.48**	**46,834.19**
Less: Cash and bank balances & liquid investments	(v)	14,993.40	28,605.95
Net debt	**(vi) = (iv)-(v)**	**64,455.08**	**18,228.24**
Overall financing	(vii)=(i)+(vi)	1,25,106.02	71,978.08
Gearing ratio	**(vi)/(vii)**	**0.52**	**0.25**

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

41 Change in liabilities arising from financing activities

Particulars	March 31, 2021	Net Cash flows	Non-cash adjustments	March 31, 2022
Debt securities	11,717.74	14,395.74	-	**26,113.48**
Borrowings other than debt securities	35,116.45	21,548.43	(3,329.88)	**53,335.00**
Total liabilities from financing activities	**46,834.19**	**35,944.17**	**(3,329.88)**	**79,448.48**

Non- Cash Adjustment includes Conversion of External Commercial Borrowing of USD 5mn to Equity in the current year.

Particulars	March 31, 2020	Net Cash flows	Non-cash adjustments	March 31, 2021
Debt securities	22,207.14	(10,489.40)	-	**11,717.74**
Borrowings other than debt securities	56,126.77	(20,634.08)	(376.24)	**35,116.45**
Deposits	100.00	(100.00)	-	-
Total liabilities from financing activities	**78,433.91**	**(31,223.48)**	**(376.24)**	**46,834.19**

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KRAZYBEE SERVICES PVT. LTD. ★ BANGALORE

42 Financial instruments and fair value disclosures

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

	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Fair value
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	7,616.12	**7,616.12**	7,616.12
Bank balances other than above	-	-	1,179.30	**1,179.30**	1,179.30
Trade receivables	-	-	9,540.55	**9,540.55**	9,540.55
Loans	-	-	1,11,496.77	**1,11,496.77**	1,11,496.77
Investments	6,197.98	-	-	**6,197.98**	6,197.98
Other financial assets	-	-	4,785.72	**4,785.72**	4,785.72
Total financial assets	**6,197.98**	**-**	**1,34,618.46**	**1,40,816.44**	**1,40,816.44**
Financial liabilities					
Trade payables	-	-	720.76	**720.76**	720.76
Debt securities	-	-	26,113.48	**26,113.48**	26,113.48
Borrowings (other than debt securities)	-	-	53,335.00	**53,335.00**	53,335.00
Other financial liabilities	-	-	1,162.81	**1,162.81**	1,162.81
Total financial liabilities	**-**	**-**	**81,332.05**	**81,332.05**	**81,332.05**
As at March 31, 2021					
Financial assets					
Cash and cash equivalents	-	-	24,722.98	24,722.98	24,722.98
Bank balances other than above	-	-	371.72	371.72	371.72
Loans	-	-	64,114.48	64,114.48	64,114.48
Investments	3,511.25		-	3,511.25	3,511.25
Other financial assets	-	-	8,485.06	8,485.06	8,485.06
Total financial assets	3,511.25	-	**97,694.24**	**1,01,205.49**	**1,01,205.49**
Financial liabilities					
Trade payables	-	-	1,589.68	1,589.68	1,589.68
Debt securities	-	-	11,717.74	11,717.74	11,717.74
Borrowings (other than debt securities)	-	-	35,116.45	35,116.45	35,116.45
Other financial liabilities	-	-	251.40	251.40	251.40
Total financial liabilities	-	-	**48,675.27**	**48,675.27**	**48,675.27**

Fair value measurement of financial assets and liabilities

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

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

42 Financial instruments and fair value disclosures:

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

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

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2021:

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Investments	3,511.25	-	-	**3,511.25**

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KRAZYBEE SERVICES PVT. LTD. BANGALORE

42 Financial instruments and fair value disclosures:

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

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

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

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

	March 31, 2022	March 31, 2021
43 Contingencies and commitments:		
Loan commitments*	30,218.12	-
	30,218.12	**-**

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

44 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

45 In accordance with the RBI notification no. RBI/DNBR/2016-17/45 - Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the "Master Direction"). Refer Annexures for additional NBFC disclosures.

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

As per our report of even date
For ASC & Associates
Chartered Accountants
Firm Registration No: 001863N

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

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

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

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

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

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

Annexures to the Financial Statements

Additional RBI disclosures from Notes 1 to 23 have been prepared as per RBI Circulars / Directives based on Ind-AS Financial Statements.

Schedule to the Balance sheet (Rs. In Lakhs)

Particulars			March 31, 2022		March 31, 2021	
Liabilities side			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**					
		Debentures:				
	(a)	Secured	26,113.48	-	11,717.74	-
		Unsecured	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	41,963.93	-	20,415.51	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	-	-
	(f)	Public Deposits	-	-	-	-
	(g)	Bank Overdraft	-	-	-	-
	(f)	Other Loans (External Commercial Borrowings)	11,371.07	-	14,700.94	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**					
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)	Other public deposits	-	-	-	-

Assets side				March 31, 2022	March 31, 2021
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**				
	(a)	Secured		-	-
	(b)	Unsecured		1,11,496.77	64,114.48
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:**				
	(i)	Lease assets including lease rentals under sundry debtors:			
		(a)	Financial lease	-	-
		(b)	Operating lease	-	-
	(ii)	Stock on hire including hire charges under sundry debtors:			
		(a)	Assets on hire	-	-
		(b)	Repossessed Assets	-	-
	(iii)	Other loans counting towards asset financing activities:			
		(a)	Loans where assets have been repossessed	-	-
		(b)	Loans other than (a) above	-	-
(5)	**Break-up of Investments**				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	6,197.98	3,511.25
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	-
			(b) Preference	-	-
		(ii)	Debentures and Bonds	-	-
		(iii)	Units of mutual funds	-	-
		(iv)	Government Securities	-	-
		(v)	Others (please specify)	-	-

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

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

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

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

**** As per Accounting Standard of ICAI (Please refer Note 3)**

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

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

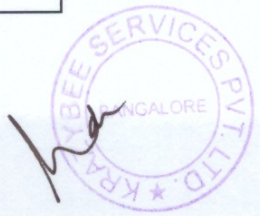
(8) Other information

Particulars			March 31, 2022	March 31, 2021
(i)	Gross Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	3,326.52	4,710.28
(ii)	Net Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	853.62	1,238.12
(iii)	Assets acquired in satisfaction of debt		-	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as updated from time to time.
2. Provisioning norms shall be applicable as prescribed in the aforementioned Master Directions in point 1 above.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments is disclosed irrespective of whether they are classified as long term or current in (5) above.





KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(9)

Capital to Risk Assets Ratio	March 31, 2022	March 31, 2021
CRAR %		
CRAR - Tier I Capital (%)	39.35%	63.48%
CRAR - Tier II Capital (%)	1.20%	1.12%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount rasied by issue of Perpetual Debt Instruments	-	-

(10) Investments

Particulars	March 31, 2022	March 31, 2021
1) Value of Investments		
i) Gross value of investments		
- In India	6,197.98	3,511.25
- Outside India	-	-
(ii) Provisions for depreciation on investments		
- in India	-	-
- Outside India	-	-
(iii) Net value of investments		
- In India	6,197.98	3,511.25
- Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off /write back of excess provision during the year	-	-
iv) Closing balance	-	-

(11)

Particulars	March 31, 2022	March 31, 2021
Unsecured Advances	1,11,496.77	64,114.48

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

Rating Agency	Programme	Ratings assigned	Migration during the year
Acuite Ratings & Research	Bank Loan Ratings	Acuite BBB+ Stable	New Rating
	Bank Loan Ratings	Provisional Acuite A (CE) Stable	New Rating
	Commercial Paper	Acuite A2+	New Rating
	Non Convertible Debentures	PP-MLD Acuite BBB+ Stable	New Rating
	Non Convertible Debentures	Acuite BBB+ Stable	New Rating
ICRA	Term Loan	ICRA BBB- (Positive)	Rating withdrawn
	Commercial Paper	ICRA A3	Rating withdrawn
	Market Linked Debentures	PP-MLD ICRA BBB- (Positive)	Nil
Infomerics Ratings	Non Convertible Debentures	NA	Rating withdrawn

(13) Provisions and Contingencies

Particulars	March 31, 2022	March 31, 2021
Provision for depreciation on Investment	-	-
Provision towards non performing assets*	2,472.90	3,472.16
Provision for standard assets**	7,312.28	2,026.95
Provision towards income tax	2,056.35	1,028.15
Provision for compensated absences	57.21	29.65
Provision for gratuity	55.87	48.43

* Represents provision on Stage 3 advances.

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

ASC & ASSOCIATES ★ NEW DELHI ★ Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. ★ BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(14) a) Concentration of assets

i. Concentration of Advances

Particulars	March 31, 2022	March 31, 2021
Total Advances to twenty largest borrowers	114.59	120.28
Percentage of Advances of twenty largest borrowers to Total Advances of the Company**	0.10%	0.18%

** Represents the total principal outstanding as at the Balance Sheet date.

ii.Concentration of exposures

Particulars	March 31, 2022	March 31, 2021
Total exposure to twenty largest borrowers	114.59	84.04
Percentage of exposure of twenty largest borrowers to total exposure of the Company on borrowers **	0.09%	0.13%

** Represents the total principal outstanding and undrawn credit limits as at the Balance Sheet date.

iii.Concentration of NPA

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top four NPA accounts	9.36	5.50

iv. Sector wise distribution of credit impaired loans

Sector	Percentage of Impairment loss to Total Advances in that sector	
	March 31, 2022	March 31, 2021
Agriculture and allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	0.70%	1.78%
Auto Loans	-	-
Other Personal Loans	-	-
Total	**0.70%**	**1.78%**

b) Concentration of liabilities

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

Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
4	29,845.42	N/A	35.76%

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

(ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits)

- The Company has not raised any deposits. Accordingly, this disclosure is not applicable.

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

Amount	% of Total Borrowings
48,266.05	60.75%

(iv) Funding Concentration based on significant instrument/product

Name of the Instrument	Amount	% of Total Liabilities
Loans from NBFCs	32,924.80	39.45%
External commercial borrowings	11,371.07	13.63%
Term loan from banks	7,539.13	9.03%
Working capital/Overdraft loans from banks	1,500.00	1.80%
Debt Securities	26,113.48	31.29%

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE

(14) a) Concentration of assets

(v) Stock Ratios

Particulars	Total Public Funds %	Total Liabilities %	Total Assets %
Commercial papers as a % of total public funds, total liabilities and total assets	-	-	-
Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	23.56%	22.43%	12.99%
Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets	5.04%	4.80%	2.78%

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

(15) Movement of credit impaired loans

Particulars	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	0.72%	1.87%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	4,710.29	3,433.24
(b) Additions during the year	10,513.94	11,223.04
(c) Reductions during the year	(11,897.71)	(9,945.99)
(d) Closing balance	**3,326.52**	**4,710.29**
(iii) Movement of Net NPAs		
(a) Opening balance	1,238.12	922.34
(b) Additions during the year	(384.50)	315.78
(c) Reductions during the year	-	-
(d) Closing balance	**853.62**	**1,238.12**
(iv) Movement of Provision for NPAs		
(a) Opening balance	3,472.17	2,510.90
(b) Impairment loss allowance made during the year	10,898.44	10,907.26
(c) Write off/ write back of excess allowance	(11,897.71)	(9,945.99)
(d) Closing balance	**2,472.90**	**3,472.17**

(16) Customer complaints

Particulars	March 31, 2022	March 31, 2021
(a) No. of complaints pending at the beginning of the year	8	21
(b) No. of complaints received during the year	437	2,198
(c) No. of complaints redressed during the year	413	2,211
(d) No. of complaints pending at the end of the year	32	8

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PVT. LTD. * BANGALORE

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

Particulars	March 31, 2022	March 31, 2021
a. Persons involved		
Customers	5.30	-
Total	**5.30**	-
b. Type of fraud		
Others	5.30	-

(18) Derivatives

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

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2022	March 31, 2021
i) The notional principal of swap agreements (USD)	-	-
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the agreements	-	-
iii) collateral required by the Bank upon entering into swaps	-	-
iv) concentration of credit risk arising from the swaps	-	-
v) fair value of the swap book	-	-

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark
Hedging	Not Applicable	Not Applicable

b) Exchange Traded Interest Rate Derivatives - Not applicable

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

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

Quantitative Disclosure

Sr. No.	Particulars	March 31, 2022		March 31, 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount) (USD)	-	-	-	-
	a) For hedging*	-	-	-	-
	b) For trading	-	-	-	-
(ii)	Marked to Market Positions	-	-	-	-
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure (USD Million)	15.00	-	20.00	-

* Pertains to cross currency interest rate swap

ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PVT LTD BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(19) Asset Liability Management (ALM)

Maturity pattern of assets and liabilities as on March 31, 2022:

Sr. No.	Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-	-	-
2	Advances (Loan to Customer)	17,916.66	5,644.32	9,526.77	18,149.45	13,388.47	30,724.11	16,634.06	845.69	3,326.77	-	1,16,156.30
3	Investments	-	-	-	-	6,197.98	-	-	-	-	-	6,197.98
	Total Inflows	**17,916.66**	**5,644.32**	**9,526.77**	**18,149.45**	**19,586.45**	**30,724.11**	**16,634.06**	**845.69**	**3,326.77**	**-**	**1,22,354.28**
4	Debt Securities	277.32	-	6,216.24	1,037.25	1,040.26	8,116.77	3,818.20	5,607.44	-	-	26,113.48
5	Borrowings (Other than Debt Securities)	4,104.76	612.85	2,097.50	3,222.90	3,811.24	15,120.63	11,371.80	1,622.25	-	-	41,963.93
6	Foreign Currency Liabilities	-	-	-	-	-	-	11,371.07	-	-	-	11,371.07
7	Loan Commitments pending disbursal*	2,014.54	2,014.54	2,014.54	-	-	-	-	-	-	-	6,043.62
	Total Outflows	**6,396.62**	**2,627.39**	**10,328.28**	**4,260.15**	**4,851.50**	**23,237.40**	**26,561.07**	**7,229.69**	**-**	**-**	**85,492.10**

*** Based on the expected disbursals of the Company.**

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KRAZYBEE SERVICES PVT. LTD. ★ BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

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

As on March 31, 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1	1,13,739.16	4,805.07	1,08,934.09	1,899.82	2,905.25
	Stage 2	4,216.27	2,507.21	1,709.06	16.91	2,490.30
Subtotal		**1,17,955.43**	**7,312.28**	**1,10,643.15**	**1,916.73**	**5,395.55**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	3,326.52	2,472.90	853.62	332.65	2,140.25
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**3,326.52**	**2,472.90**	**853.62**	**332.65**	**2,140.25**
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1	1,13,739.16	4,805.07	1,08,934.09	1,899.82	2,905.25
	Stage 2	4,216.27	2,507.21	1,709.06	16.91	2,490.30
	Stage 3	3,326.52	2,472.90	853.62	332.65	2,140.25
	Subtotal	**1,21,281.95**	**9,785.18**	**1,11,496.77**	**2,249.38**	**7,535.80**





KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

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

As on March 31, 2021

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1 & 2	64,903.31	2,026.95	62,876.36	1,578.75	448.20
Subtotal		**64,903.31**	**2,026.95**	**62,876.36**	**1,578.75**	**448.20**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	4,710.28	3,472.16	1,238.12	471.03	3,001.13
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		**4,710.28**	**3,472.16**	**1,238.12**	**471.03**	**3,001.13**
(c) Other items	Stage 1 & 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1 & 2	64,903.31	2,026.95	62,876.36	1,578.75	448.20
	Stage 3	4,710.28	3,472.16	1,238.12	471.03	3,001.13
	Subtotal	**69,613.59**	**5,499.11**	**64,114.48**	**2,049.78**	**3,449.33**

ASC & ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PVT. LTD. BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(Amount in INR lakhs unless otherwise stated)

(21) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution 1.0) & RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution 2.0):

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A) #	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal loans	14,522.66	5.30	1,619.51	963.51	11,934.35
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

* As defined in Section 3(7) of the insolvency and Bankruptcy Code, 2016

Previous half-year ended September 30, 2021.





KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(22) Disclosure on accounts subjected to restructuring for the year ended March 31, 2022

(Amount in INR lakhs)

Sl. No.	Type of Restructuring → / Asset Classification → / Details ↓		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56	45,643	-	-	45,699	56	45,643	-	-	45,699
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.35	1,299.34	-	-	1,304.69	5.35	1,299.34	-	-	1,304.69
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.80	337.24	-	-	338.04	0.80	337.24	-	-	338.04
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	6,208	6,208	-	-	-	6,208	6,208
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	369.87	369.87	-	-	-	369.87	369.87
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	184.93	184.93	-	-	-	184.93	184.93
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Write- offs/ Recovery/ Sale of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56	45,643	-	6,208	51,907	56	45,643	-	6,208	51,907
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.35	1,299.34	-	369.87	1,674.56	5.35	1,299.34	-	369.87	1,674.56
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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KRAZYBEE SERVICES PVT. LTD. * BANGALORE

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(Amount in INR lakhs unless otherwise stated)

(23) Others

(a) Disclosure relating to Securitization:
There are no such transactions during the current year and previous year.

(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:
There are no such transactions during the current year and previous year.

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

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

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

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

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

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

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

(j) Disclosure of Penalties imposed by RBI and other regulators - None.

(k) Remuneration of non executive directors - INR 14.40 Lakhs.

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

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

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

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

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



