8TH ANNUAL REPORT
KRAZYBEE SERVICES PRIVATE LIMITED
FINANCIAL YEAR 2023-2024

3rd Floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Murugesh Palya, Bangalore – 560017
CIN No. U65100KA2016PTC086990
www.kbnbfc.in 080-44292555 reachus@kbnbfc.in

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Madhusudan Ekambaram	Non-Executive Director
Mr. Karthikeyan Krishnaswamy	Non-Executive Director
Mr. Vivek Veda	Executive Director
Mr. Adesh Kumar Gupta	Independent Director
Mr. Abhishek Singhvi	Independent Director
Mr. Gopalakrishna Gurrappa (Ceased to be an Independent Director w.e.f. July 22, 2024)	Independent Director
Mrs. Shashikala Ramachandra (Appointed as an Independent Director w.e.f. July 19, 2024)	Independent Director
COMPANY SECRETARY Ms. Pallavi Lingaraju	**REGISTERED OFFICE** 3rd Floor, No.128/9, Maruthi Sapphire, HAL Airport Road, Murgesh Palya, Bengaluru, Karnataka – 560017.
CIN: U65100KA2016PTC086990	**Website: https://www.kbnbfc.in/**

KEY COMMITTEES

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Asset-Liability Management Committee
- Grievance Redressal Committee
- IT Strategy Committee
- Information Security Committee
- Corporate Social Responsibility Committee
- IT Steering Committee
- Board Committee (Borrowings)
- Review Committee
- Privacy Committee
- Internal Complaint Committee
- Committee for Identification of Non-Cooperative Borrower
- New Product Committee

COMPOSITION OF COMMITTEE

AUDIT COMMITTEE	**NOMINATION AND REMUNERATION COMMITTEE**
Mr. Adesh Kumar Gupta, Chairman Mr. Gopalakrishna Gurrappa, Member *(Ceased to be a member w.e.f July 22, 2024)* Mr. Madhusudan Ekambaram, Member Mrs. Shashikala Ramachandra, Member *(Appointed as member w.e.f. July 17, 2024)* Mr. Abhishek Singhvi, Member *(Appointed as member w.e.f. July 17, 2024)*	Mr. Abhishek Singhvi, Chairman Mr. Adesh Kumar Gupta, Member Mr. Madhusudan Ekambaram, Member *(Ceased to be a member w.e.f July 17, 2024)* Mrs. Shashikala Ramachandra, Member *(Appointed as member w.e.f. July 17, 2024)*
STAKHOLDER RELATIONSHIP COMMITTEE	**RISK MANAGEMENT COMMITTEE**
Mr. Abhishek Singhvi, Chairman Mr. Karthikeyan Krishnaswamy, Member Mr. Vivek Veda, Member	Mr. Madhusudan Ekambaram, Chairman Mr. Karthikeyan Krishnaswamy, Member Mr. Vivek Veda Director, Member Mr. Abhishek Singhvi, Member Mrs. Shashikala Ramachandra *(w.e.f. July 17, 2024)*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	GRIEVANCE REDRESSAL COMMITTEE
Mr. Vivek Veda, Chairman Mr. Adesh Kumar Gupta, Member Mr. Abhishek Singhvi, Member	Mr. Vivek Veda, Chairman Mr. Ajeet Kumar, Member Mr. Sauraw Kumar, Member Mr. Puneet Parihar, Member
BORROWING COMMITTEE	**ASSET LIABILITY MANAGEMENT COMMITTEE**
Mr. Vivek Veda, Chairman Mr. Madhusudan Ekambaram, Member Mr. Karthikeyan Krishnaswamy, Member	Mr. Vivek Veda, Chairman Mr. Adesh Kumar Gupta, Member Mr. Abhishek Singhvi, Member Mr. Madhusudan Ekambaram, Member Mr. Gopalakrishna Gurrappa, Member (*Ceased to be a member w.e.f July 22, 2024)*
IT STRATEGY COMMITTEE	**IT STEERING COMMITTEE**
Mr. Adesh Kumar Gupta, Chairman Mr. Abhishek Singhvi, Member Mr. Ashwin Prabhu, Member Mr. Karthikeyan Krishnaswamy, Member Mr. Madhusudan Ekambaram, Member	Mr. Karthikeyan Krishnaswamy, Chairman Mr. Madhusudan Ekambaram, Member Mr. Ajeet Kumar, Member Mr. Ashwin Prabhu, Member Mr. Mukesh Solanki, Member
INFORMATION SECURITY COMMITTEE	**COMMITTEE FOR IDENTIFICATION OF NON-COOPERATIVE BORROWER**
Mr. Sidharth Vishwanathan, Chairman Mr. Satish Kumar Dwibhashi, Member Mr. Ashwin Achutha Prabhu, Member	Mr. Vivek Veda, Chairman Mr. Ajeet Kumar, Member Mr. Puneet Parihar, Member
REVIEW COMMITTEE	**INTERNAL COMPLAINT COMMITTEE**
Mr. Vivek Veda, Chairman Mr. Abhishek Singhvi, Member Mr. Gopalakrishna Gurrapa, Member *Ceased to be a member w.e.f July 22, 2024)* Mrs. Shashikala Ramachandra, Member *(Appointed as member w.e.f. July 17, 2024)*	Mrs. Ranu Khandelwal, Presiding Officer Mr. Puneet Parihar, Member Mr. Rajamurugan Siva, Member Ms. Meghna Shah, External Member Mrs. Anisha Jayaram, Member
NEW PRODUCT COMMITTEE	**PRIVACY COMMITTEE**
Mr. Madhusudan Ekambaram, Chairman Mr. Ajeet Kumar, Member Mr. Vivek Veda, Member Mr. Sidharth Vishwanathan, Member Mr. Puneet Parihar, Member Mr. Prince Kumar, Member	Mr. Karthikeyan Krishnaswamy, Chairman Mr. Vivek Veda, Member Mr. Ashwin Achutha Prabhu, Member Mr. Puneet Parihar, Member
AUDITORS	
Statutory Auditors **M/s. ASC & Associates,** Chartered Accountants Address: F-7, Lajpat Nagar -III, New Delhi – 110024.	**Secretarial Auditor** **M/S. Vinod Kothari and Company,** Company Secretaries in Practice Address: 1006-1009, Krishna Building, 224 AJC Bose Road, Kolkata – 700 017.
Information System Auditor **M/S. BDO India LLP** Address: 2nd Floor, SV Towers, 80 Feet Rd, Near Soni Signal, 6th Block, Koramangala, Bengaluru, Karnataka 560095.	**Internal Auditor** Mr. Aniket Jagnade, Chartered Accountant

BANKERS	
ICICI Bank Limited Ground Floor, Commissariat Road, Ashok Nagar, Bengaluru, Karnataka 560025	**YES Bank Limited** Ground Floor 3, Kasturba Road, Bengaluru, Karnataka 560001

STOCK EXCHANGES	
BSE Limited, Mumbai	
CREDIT RATING AGENCY	
CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076. **CARE Ratings Limited** 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022	**Acuite Ratings & Research Limited** 708, Lodha Supremus Lodha iThink Techno Campus, Kanjurmarg East, Mumbai, Maharashtra 400042.
REGISTERED VALUER FOR SECURITIES FOR FINANCIAL ASSETS	
Mr. Rahul Murarka	Intelligent Money Managers Private Limited, Category I Merchant Banker
Mr. Kunal Shah	Kunvarji Finstock Private Limited Category I Merchant Banker
DEBENTURE TRUSTEE	
IDBI Trusteeship Services Limited GR FLR, Universal Insurance BLDG, Sir Phirozshah Mehta Rd, Fort Bazargate Mumbai Maharashtra - 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
Vardhman Trusteeship Private Limited The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. Ph. No. +91(22) 40140832	**MITCON Credentia Trusteeship Services Limited (MCTSL)** 1402/1403, 14th Floor, Dalamal Tower, B-Wing, 211, Free Press Journal Marg, Nariman Point, Mumbai, Maharashtra 400021
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

Notice is hereby given that the Eighth Annual General Meeting ("*AGM*") of the members of Krazybee Services Private Limited ('Krazybee' or the 'Company') will be held on Friday, September 27th, 2024 at 03.30 P.M. IST through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') (hereinafter referred to as 'e-AGM') to transact the following:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Annual Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon;**

   To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** the Audited Annual Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon, be and are hereby received, considered, and adopted.

   RESOLVED FURTHER THAT any director of the Company or the Company Secretary be and is hereby authorized to do all such acts, deeds, and things as may be necessary to give effect to this resolution."

2. **To approve and confirm the payment of Interim Dividend**

   To approve and confirm the payment of interim dividend of Rs. 300 per Equity Share and Rs. 0.18 per Compulsory Convertible Preference Shares during the financial year 2023-24.

3. **To appoint Statutory Auditors of the Company**

   To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139,141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, , RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCS) dated April 27, 2021 as amended from time to time, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the Articles of Association of the Company and based on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Tattvam & Co, Chartered Accountants (Firm Registration No. 015048N) be and is hereby appointed as the Statutory Auditors of the Company for a period of 3 (three) years from the conclusion of the ensuing 8th AGM of the Company till the conclusion of 11th AGM of the Company proposed to be held in the calendar year 2027, on such terms including remuneration, reimbursement of expenses (if any) as may be determined and fixed by the Board of Directors of the Company in consultation with the said Auditors.

   RESOLVED FURTHER THAT the any director of the Company or Ms. Pallavi Lingaraju, Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
Krazybee Services Private Limited

Pallavi

KRAZYBEE SERVICES PVT. LTD. Bangalore

Pallavi Lingaraju
Company Secretary
M. No. A56733
No. 1203, Prerana Nilaya Park Road, 23rd Cross,
D Group Layout, Nagarbhavi,
Bangalore 560091
Email Id: pallavis@krazybee.com
Date: September 05, 2024
Place: Bangalore

NOTES:

1. *The Ministry of Corporate Affairs ("MCA") has vide its circular dated December 28th 2022, April 8, 2020 read with circular April 13, 2020, May 5, 2020, June 15, 2020, September 28, 2020, December 31, 2020, January 13, 2021, June 23, 2021, 8th December 2021, 14th December 2021 and May 5 2022 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No.SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2024/4 dated January 5, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and all other relevant circulars issued from time to time permitted the holding of Annual General Meeting ('AGM') through Video Conferencing/ Other Audio Visual Means (VC/OAVM), without the physical presence of the Members at a common venue up to 30th September 2023. Further, vide circular dated 25th September, 2023, MCA has granted extension of timeline for conducting AGM through video conference or other audio-visual means or transact items through postal ballot up to 30th September, 2024. Accordingly, in compliance with the provisions of the Companies Act, 2013 and MCA Circulars, this AGM of the Company is being conducted through VC/OAVM.*
2. *Since this AGM is being held through VC/OAVM facility, physical attendance of the members has been dispended with. Accordingly, the facility to appoint proxy to attend and cast vote for the members is not available at this AGM and hence Proxy Form and Attendance slips are not annexed to this notice.*
3. *In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.*
4. *The attendance of the members attending the AGM through Video Conferencing/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.*
5. *Members may also note that the Notice of the AGM is available on the website of the Company at https://www.kbnbfc.in/ and website of the Stock Exchange i.e BSE Ltd. at www.bseindia.com.*
6. *The details of zoom link for joining this meeting via Video conference/ OAVM are as follows:*

   Zoom meeting ID for participation through video-conferencing,
   Join Zoom Meeting https://us02web.zoom.us/j/6905378444
   Meeting ID: 690 537 8444
7. *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.*
8. *Corporate Members are requested to send a duly certified scanned copy (PDF/JPG Format) of the Board Resolution or Power of Attorney authorizing their representative(s) pursuant to Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the AGM.*
9. *As per MCA above mentioned circulars, the notice of the AGM has been sent through electronic mode to all members. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours. The Statutory Registers, as applicable to the Company, are available for inspection of the Members through electronic mode. Members desiring inspection of Statutory Registers during the AGM may send their request in writing to the Company at legal@krazybee.com.*
10. *Members seeking any information with regard to the matters to be placed at the AGM, are requested to write to the Company Secretary at legal@krazybee.com. The same shall be taken up in AGM and replied by the Company suitably.*
11. *Since the AGM is being held through VC/ OAVM, route map has not been annexed in this Notice.*
12. *The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the Annual General Meeting.*
13. *Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications from the Company electronically with RTA at email id sachin.shinde@nsdl.com*
14. *In line with the said Circulars issued by the MCA and SEBI, the Annual Report for the financial year ended 31st March, 2024 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith including Notice of the 8th AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email (unless specifically requested for hard copies by the shareholders), to all the Shareholders whose Email IDs are registered with the Company for communication purposes to the Shareholders and to all other persons so entitled.*
15. *The relevant Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of business given in this notice in item no. 3 annexed hereto*

Explanatory Statement as per the provisions of Section 102 of the Companies Act, 2013

Item No.3: To appoint Statutory Auditors of the Company

The Reserve Bank of India vide its Circular No. RBI/2021- 22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Circular"), has issued guidelines with respect to the appointment of Statutory Auditors in Banks read with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023. Pursuant to the said circular, the Company has adopted a policy for the appointment of Statutory Auditors. In order to protect the independence of the auditors, the Company is required to appoint the Statutory Auditors for a continuous period of three years, subject to the firm satisfying the eligibility norms specified therein for each financial year. An Audit firm would not be eligible for reappointment in the same entity for six years (two tenures) after completion of full or part of one term of an audit tenure.

M/s ASC & Associates, Chartered Accountants, New Delhi (Firm Registration No. 011863N) was appointed as the Statutory Auditors ("Existing Auditors") of the Company for a period of 3 years starting from the 5th Annual General Meeting (AGM) of the Company and till the conclusion of 8th AGM of the Company. The tenure of M/s ASC & Associates is going to expire in this AGM.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on August 13, 2024 has proposed to the Members of the Company, the appointment of M/s Tattvam & Co. Chartered Accountants (Firm registration No. 015048N) as the Statutory Auditors of the Company for the period of 3 years starting from this 8th AGM till the conclusion of 11th AGM.

M/s Tattvam & Co. being eligible in terms of RBI Circular have provided their consent to act as Statutory Auditors along with the Eligibility Certificate as required under the provision of Companies Act, 2013 & the RBI Circular.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are interested in the abovesaid resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 for the approval of Members.

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 Park Road, 23rd Cross,
D Group Layout, Nagarbhavi,
Bangalore 560091
Email Id: pallavis@krazybee.com
Date: September 05, 2024
Place: Bangalore

BOARD'S REPORT

Dear Members,

Your Board of Directors (the **"Board"**) takes immense pleasure in presenting the 8th Board's Report of KrazyBee Services Private Limited (**"the Company or KrazyBee"**) along with the Audited Financial Statements for the year ended 31st March 2024 (**"during the year under review"** or **"the year"** or **"FY24"**).

BACKGROUND

KrazyBee is a Non-Deposit taking Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and classified in the Middle-Layer pursuant to the Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (holding a certificate of registration, no. N-02.00281 dated 25th May, 2017) and also the Company has been classified as High Value Debt Listed Entity ('HVDLE') during FY 2023-24. KrazyBee is founded by a group of experienced entrepreneurs and finance professionals with a mission to tackle some of India's most pressing challenges in the lending space by offering a unique proposition through the use of innovative new generation technology and availability of credit, with a vision to be the primary choice of credit for the borrowers in India.

1. **Financial Summary and Highlights**

The Financial Performance of the Company during year under review for the financial year ended on 31st March 2024 along with previous year Figures are given hereunder:

PARTICULARS	In (Rs. Lakhs) As on 31.03.2024	(in Rs. lakhs) As on 31.03.2023
Revenue from operations	1,39,925.71	71,700.79
Other Income	107.01	67.11
Total Income	1,40,032.72	71,767.90
Total Expenses	1,13,194.05	63,018.13
Profit or (Loss) before Tax	26,838.67	8,749.77
Less: Tax Expenses		
Current Tax	11,229.53	2,247.31
Deferred Tax (credit)/charges	(4,544.64)	(89.74)
Tax in respect of earlier years	117.96	83.35
Profit / (Loss) for the year	**20,035.82**	**6,508.85**
Other Comprehensive Income	**(1.47)**	**(14.05)**
Total Comprehensive Income for the year	**20,034.35**	**6,494.80**
Earnings per Equity Share (basic)	1,787.12	579.22
Earnings per Equity Share (Diluted)	1,325.21	532.55

The Company's balance sheet size increased from Rs. 2,92,722.72 Lakhs in FY 2022-23 to Rs. 5,04,093.10 in FY 2023-24. Total Income increased by 95.12% and stood at Rs. 1,40,032.72 Lakhs (FY 2022-23: Rs. 71,767.90 Lakhs). The Company's Profit Before Tax was Rs. 26,838.67 Lakhs (FY 2022-23: Rs. 8,749.77 Lakhs) and the Profit After Tax increased by about 207.82% to Rs. 20,035.82 Lakhs (FY 2022-23: Rs. 6,508.85 Lakhs).

2. **Review of business operations**

   i. **Revenue from Operations:**

Revenue from the operations of the Company for the financial year 2023-24 were Rs. 1,39,925.71 Lakhs. It is 95.15% higher than Rs. 71,700.79 Lakhs in the previous year. Total expenses for the financial year 2023-24 were Rs. 1,13,194.05 Lakhs, against Rs. 63,018.13 Lakhs in the previous year. Profit after tax for the year stood at Rs. 20,035.82 Lakhs higher by 207.82% percent over Rs. 6,508.85 Lakhs, in the previous year.

ii. **Capital Adequacy**

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 33.89% as on March 31, 2024 which is well above the regulatory minimum level of 15 percent prescribed by the RBI and the Tier I CRAR was 32.64% percent.

iii. **Basis of preparations of financial statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as notified on October 19, 2023 vide circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 and updated from time to time.

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

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

iv. **Finance**

During FY 2023-24, the Company met its funding requirements through a combination of Short-Term debt (comprising Commercial Papers, and Term Loans) and Long-Term debt (comprising Non-Convertible Debentures ("NCDs"), Bank Loans, Term Loans).

The Company had raised funds, during FY 2023-24, under the following categories:

(Rs. In Lakhs)

Category	Amount
Secured Non-Convertible Debentures	1,10,220
Commercial Papers	24,275
Term Loans/ Working Capital Loan	1,92,523
Pass Through Certificates	17,981

The aggregate debt outstanding as at March 31, 2024 was Rs. 2,73,971.46 lakhs (including Overdraft facility). The Debt / Net worth ratio as on March 31, 2024 was 1.34 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 3 (Three) SEBI registered and RBI accredited Credit Rating Agencies and the details are given in the Corporate Governance Report.

During the year under review, the rating issued by Crisil Ratings Limited was upgraded from "CRISIL BBB+" to "CRISIL A"- and by Acuite Ratings & Research Limited was upgraded from "Acuite BBB+" to "Acuite A – ". The Company also received new rating from CARE ratings Limited wherein the long term rating assigned is "CARE A-".

The detailed list of all the credit ratings obtained are given below:

Credit Rating Agency	Programme	Ratings Assigned
Acuite Ratings & Research Limited	Bank Loan Ratings	Acuite A- Stable
	Commercial Paper	Acuite A2+
	Principal Protected Non-Convertible Debentures	PP-MLD Acuite A- Stable
	Non-Convertible Debentures	Acuite A- Stable
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A-/Stable
	Principal Protected Market Linked Debentures	CRISIL PPMLD A-/Stable
	Bank Loans	CRISIL A-/Stable
	Commercial Paper	CRISIL A1
CARE Ratings Limited	Bank Loans	CARE A-/ Stable
	Commercial Paper	CARE A1

4. Transfer to Reserves

The Company has transferred an amount of Rs. 4,007.16 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

During the year under review, the Board of Directors in the Board meeting held on 27th October 2023 declared Interim dividend of Rs. 300 per Equity Share and Rs. 0.18 per Compulsory Convertible Preference Shares. The Board of Directors do not recommend any final dividend on Equity and Compulsory Convertible Preference Shares for the FY 2024.

6. State of the Affairs of the Company:

Your Company has no multiple business segments. The Company operates and has its business presence across the Country. There has been no change in the status of the Company during the year. Also, there was no such material event that has occurred during year under review. The Company is led by a strong management team, with extensive experience, that is constantly working towards the vision of the Company.

The Company had made an application to the RBI seeking approval for change in shareholding of the Company exceeding regulatory threshold. The Company has received the approval from RBI.

During the year under review, Mr. Madhusudan Ekambaram and Mr. Karthikeyan Krishnaswamy were classified as Non-Promoters.

The Voluntary liquidation of Finnov Private Limited (Holding Company) is under process and pursuant the same the securities of Company held by Holding Company have been distributed to the shareholders of the Holding Company. Consequently, the shareholder of the Holding Company has become direct shareholders of the Company.

7. Deposits

Your Company is an NBFC "Non-Deposit Taking Non-Banking Financial 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.

8. **Share Capital**

Authorised Share Capital:

During the Financial Year 2023-24, the Authorized Share Capital of the Company is 30,00,000 (Thirty Lakhs) Equity Shares of face value of Rs. 10 (Ten) each and 5,60,000 (Five Lakhs Sixty Thousand) Compulsory Convertible Preference Shares of face value of Rs.18,000 (Eighteen Thousand) each.

Issued, Subscribed and Paid-up Share Capital:

During the Financial Year 2024, the Company has issued and allotted 9,361 Equity shares at face value of Rs. 10/- (Indian Rupees Ten only) each at an issue price of Rs. 24,175.13/- (Indian Rupees Twenty-Four Thousand One Hundred Seventy-Five point One Three only) each including premium of Rs. 24,165.13/- (Indian Rupees Twenty Four Thousand One Hundred and Sixty Five point One Three only) per share, on the basis of fair valuation report as obtained from the registered valuer, amounting up to Rs. 22,63,03,391.93/- (Indian Rupees Twenty Two Crores Sixty Three Lakhs Three Thousand Three Hundred and Ninety One Point Nine Three only).

Further, the Company had issued and allotted 88,217 (Eighty-Eight Thousand Two Hundred and Seventeen) 0.001% (Zero point Zero Zero One Percent) per annum, Non-Cumulative Series D Compulsorily Convertible Preference Shares "Series D CCPS" of the Company of face value of Rs. 18,000/- (Indian Rupees Eighteen Thousand only) each at an issue price of Rs. 24,175.13/- (Indian Rupees Twenty-Four Thousand One Hundred Seventy-Five point One Three only) including premium of Rs. 6,175.13/- (Indian Rupees Six Thousand One Hundred Seventy-Five Point One Three only) per share, on the basis of fair valuation report as obtained from the registered valuer, amounting up to Rs. 213,26,57,443.21/- (Indian Rupees Two Hundred and Thirteen Crores Twenty-Six Lakhs Fifty-Seven Thousand Four Hundred and Forty-Three and Point Two One only), which was duly approved by the shareholders of the Company during the Extraordinary General Meeting held on 26th March, 2024. These shares were fully subscribed and paid up.

Accordingly, the paid-up Equity share capital of the Company as on 31st March 2024 increased to INR. 1,12,73,140/- (Indian Rupees One Crores Twelve Lakhs Seventy-Three Thousand One Hundred and Forty only) and Preference share capital of INR. 860,15,88,000/- (Indian Rupees Eight Hundred and Sixty Crores Fifteen Lakhs Eighty-Eight Crores only)

Following are the details of authorised, issued, subscribed and paid-up share capital as on March 31, 2024:

Particulars	Amount (in Rs.)
AUTHORISED SHARE CAPITAL	
Equity Shares	3,00,00,000
Compulsorily Convertible Preference Shares	10,08,00,00,000
Total	**10,11,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Equity Shares	1,12,73,140
Compulsorily Convertible Preference Shares	8,60,15,88,000
Total	**8,61,28,61,140**

Issue of equity shares with differential rights:

During the year, the Company has not issued any Equity Shares with Differential Rights.

Issue of Sweat Equity Shares:

During the year under review, 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.

Employee Stock Options:

Pursuant to provisions of Section 62(1)(b) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, your Company is committed to promote employee participation in its growth and future prospects through implementation of Krazybee Employee Stock Option Plan – 2023 ("Plan"). In order to attract, retain and motivate the best available talents and to reward the employees for their performance, the Company increased its existing ESOP pool from 1,11,452 (One Lakh Eleven Thousand Four Hundred Fifty Two) employee stock options to 1,23,271 (One Lakh Twenty Three Thousand Two Hundred Seventy One) employee stock options convertible into equity shares of the Company. This will provide an opportunity to more employees to participate in the growth of the Company.

During the year under review, your Company has 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.

The details of Employees Stock Option Scheme ('ESOP'):

(a) options granted - 82,177
(b) options vested- NIL
(c) options exercised - NIL
(d) the total number of shares arising as a result of exercise of option : NIL
(e) options lapsed/ Cancelled: 173
(f) the exercise price: Exercise Price is 10/ESOP
(g) variation of terms of options: NA
(h) money realized by exercise of options- NA
(i) total number of options in force – 82,004
(j) employee wise details of options granted to:
(a) key managerial personnel; - Not applicable
(b) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year- There were three (3) Employees to whom ESOP was granted during the year:

Name of Employee	No. of Option granted
Mr. Vivek Veda	38,580
Mr. Sidharth Vishwanathan	18,378
Mr. Ajeet Kumar	9,440

(c) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant- There were two (2) Employees to whom ESOP was granted during the year:

Name of Employee	No. of Option granted
Mr. Vivek Veda	38,580
Mr. Sidharth Vishwanathan	18,378

Issue of Debentures, bonds or any convertible securities:

During the year under review, the Company has issued Non-Convertible Debentures, Compulsorily Convertible Preference Shares on a private placement basis, in various tranches.

Issue of Warrants:

During the year under review, the Company has not issued any warrants by way of preferential allotment or private placement.

9. Foreign Exchange Management (Non-Debt Instruments) Rules, 2019

The Company has not made any downstream investment during the financial year ended 31 March 2024, accordingly no certificate has been obtained from its statutory auditors.

10. Change in the Nature of Business

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

11. Risk Management

The Risk Management Committee (RMC), functions in line with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. 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:

i. Objectively constructed Risk Appetite Statement covering all key aspects of a lending business
ii. Independent governance and risk management oversight
iii. Maintenance of well-documented risk policies with performance guardrails
iv. 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 Risk Head, 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.

12. Material Changes and Commitments in the financial position of the Company

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, 2024 and the date of report.

13. 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.

14. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the website of the Company at https://www.kbnbfc.in/investor-relations.

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

As your Company is a Non-Banking Financial Company and has not undertaken any activity relating to conservation of energy and technology absorption and the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Rule 8 of the Companies (Accounts) rules, 2014 does not arise.

During the year under review, there has been no foreign exchange earnings or outgo.

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

16. Directors and Key Managerial Personnel

The Board of Directors of the Company has been constituted with optimum combination of executive and non-executive directors. The Company has six (6) Directors on its Board consisting of two (02) Non-Executive Director, one (01) Executive Director and three (03) Independent Directors. The Chairman of the Board is a Non-Executive Director. Your Company is in process to comply with the Regulation 17 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a) Appointment/ Resignation of Directors

I. The term of office of Mr. Vivek Veda, Director of the Company was ratified and further approval was granted for continuation of his office for another term of 5 years i.e. until 31st March 2029, in the Extra-Ordinary General Meeting 18th April 2024.
II. Mr. Adesh Kumar Gupta and Mr. Abhishek Singhvi were reappointed as Independent Directors for a term of 5 years i.e. until 29th May 2029.
III. Mr. Gopalakrishna Gurrappa (DIN – 06407040) resigned from the post of Non – Executive Independent Director of the Company w.e.f the close of business hours on July 22, 2024 due to his pre – occupation and other personal commitments.

IV. Mrs. Shashikala Ramachandra (DIN-08087460) as a Non – Executive Independent Woman Director of the Company w.e.f July 19, 2024 for an initial term of 5 (five years).

Declaration by 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.

17. Declaration by Independent Directors

During FY 2023-24, the Independent Directors of the Company, Mr. Adesh Kumar Gupta, Mr. Abhishek Singhvi & Mr. Gopalakrishna Gurrappa have given the Declaration(s) of Independence, Fit & proper criteria, Code of Conduct and Notice of Disclosure of Interest in other entities as required under the following:

a. Section 149, 150, 164 and 184 of the Act;
b. Regulation 25(8) and 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and
c. Master Direction – Reserve Bank of India (Non – Banking Financial Company – Scale Based Regulation) Directions, 2023

All Independent Directors are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/ her ability to discharge his/ her duties with an objective independent judgment and without any external influence.

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

Pursuant to the above, the Company has received Declarations of compliance under Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, from all the Independent Directors of the Company confirming that they have registered their names in the data bank of Independent Directors maintained with the IICA and passed an online exam wherever applicable.

18. Corporate Governance and Committees of the Board.

Your Company endeavors to achieve and adopt the best predominant Corporate Governance practices in all spheres of the Organization. A detailed report on Corporate Governance prepared in accordance with the requirements of Annex VII of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and the SEBI Listing Regulations, is made as an integral part of the Annual Report. Details of the Committees along with their charters, composition and meetings held during the year, are provided in the Corporate Governance Report, forming a part of this Board's Report as **Annexure I**.

19. Number of Board Meetings during the Financial Year 2023-24

The Board of Directors met nine (9) times during FY 23-24 on the following dates:

Sl. No.	Date of the Board Meeting
1	29.05.2023
2	11.08.2023
3	27.10.2023
4	07.11.2023
5	09.02.2024
6	19.03.2024
7	26.03.2024

The Board has constituted Statutory Committees as required under applicable laws and operational committees as per the requirements. The number of Committee meetings held during the year is provided in Annexure I – Corporate Governance Report.

20. Nomination and Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Senior Management in accordance with the provisions of section 178 of the Companies Act, 2013 and RBI Guidelines.

The policy is available on Company's website at the weblink: https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/Nomination+and+Remuneration+Policy.pdf

The Nomination and Remuneration Policy of the Company is annexed hereto and forms part of this report as **"Annexure II"**

21. 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. Accordingly, Independent Directors were explained in detail the compliances required from them under the Companies Act, 2013 and the recent Guidelines and Directions issued by Reserve Bank of India, applicable to the Company and other relevant regulations. Further, on an ongoing basis, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company and its operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of Familiarization Programmes held have been hosted on the website of the Company at its web-link https://www.kbnbfc.in/investor-relations.

22. Board Evaluation

In compliance with the requirement of the Act and SEBI Listing Regulations, 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 for the FY 2023-24. 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.

23. Directors' and Officers' Liability Insurance

The Company indemnifies all its past and present Directors and Officers in default, against certain liabilities and costs incurred by them in their respective capacities and has taken an insurance policy for its Directors and Officers (D & O policy).

24. Separate Meeting of Independent Directors

During the year, the Independent Directors met on March 26, 2024 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.

25. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any subsidiaries, joint ventures or associate companies.

26. Vigil Mechanism / Whistle Blower Policy

Under the section 177 (9) of the Companies Act, 2013 read with Regulation 22 of the SEBI Listing Regulations, 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, Employees and other stakeholders 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**

27. 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-1.amazonaws.com/uploads.kbnbfc.in/Code+of+Practices+and+Procedures+for+Fair+Disclosure+of+UPSI.pdf

28. 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.

29. 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 Promoter 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 -III.**

The Policy on Related Party Transaction as approved by the Board has been hosted 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.

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

The provisions of section 197 of the Companies Act, 2013 and Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

31. 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), 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.

Since the term of office of statutory auditor will expire in the ensuing Annual General Meeting of Shareholders, the Company will appoint new statutory auditors.

32. Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Companies Act 2013 read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2020 and other applicable provisions, if any, of the Companies Act 2013, the Board of the Company has appointed M/s. Vinod Kothari & Company as the Secretarial Auditors of the Company for the financial year 2023-24.

The Secretarial Audit Report for the FY 2023-24 forms part of the Board's Report as '**Annexure-IV**'.

33. Internal Auditor

The internal audit is an integral part of corporate governance. The objective of Internal Audit is to identify, assess and mitigate risks as well as to evaluate and contribute to the systems of internal controls and governance processes followed by the Company. Key elements of Internal Audit are assurance on Controls, Governance and Compliance, Business Risk Assessment and its Mitigation and Process Optimisation. The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls.

34. 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.

35. 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 get the audit of cost records done.

36. 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. Internal control systems at the Company are adequate and operate commensurate with its size and the nature of its operations 'To ensure effective Internal Financial Controls, the Company has laid down the following measures:

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

37. 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 2023-24, the CSR budget of the Company spent towards projects and programs 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 V.**

The Corporate Social Responsibility Policy is enclosed as **Annexure VI** and the same is available at Company's website at chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/Corporate+Social+Responsibility+Policy.pdf.

38. Management Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 forms part of the Annual Report enclosed as **Annexure VII.**

39. 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 2023-24.

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.

40. 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 the RBI for NBFCs.

The Financial Statements have been prepared on an accrual basis.

41. 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 Statutory Auditor or the Secretarial Auditor in their report.

42. 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.

43. Compliance with Reserve Bank of India Guidelines

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

44. Compliance with SEBI Regulations

During the year under review, applicability of Regulation 16 to Regulation 27 (the corporate governance provisions) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall become applicable on the Company as the Company has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above on comply & explain basis and hence the Company was classified as High Value Debt Listed Entity ('HVDLE'). The applicability of the provisions has been extended to be complied on 'Comply or Explain' basis till March 31, 2025 and mandatorily effective from April 1, 2025. Moreover, the Company is process of compliance with most of the Compliances, as applicable and any amendment from the existing practice shall also be complied within the prescribed timeline.

45. Secretarial Standard

The Company is following Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings and all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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

Your Company is committed to fostering a safe and respectful work environment for all employees. 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. The policy extends protections against sexual harassment, ensuring a safe and respectful work environment for everyone at the Company.

To ensure a fair and effective grievance redressal process, the company has established an Internal Complaint Committee.

During the year under review no complaints were received.

47. Transfer of amounts to Investor Education and Protection Fund

During the year under review, there were no circumstances before the Company to transfer the funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

48. 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.

49. 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.

50. Acknowledgements

Your Directors would wish to convey their gratitude and place on 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 of
Krazybee Services Private Limited

KRAZYBEE SERVICES PVT. LTD. Bangalore

Vivek Veda	**Karthikeyan Krishnaswamy**
Director	**Director**
DIN: 07560229	**DIN: 07449376**
Flat No. 1073, Shoba Daisy Apartment, Bellandur, Green Glay Layout, Bangalore, Karnataka, India-560103	**K-701, SNN Raj Lake View Apts,29th Main Road, NS Palya Main Road, BTM Layout Bengaluru, Karnataka India-560076**

Place: Bangalore
Date: September 05, 2024

"ANNEXURE I"

CORPORATE GOVERNANCE REPORT

Philosophy on Corporate Governance:

Your Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices. The Company's Corporate Governance philosophy envisage adherence to the highest standards of transparency, accountability and equity in all areas of its operations and in interactions with all its stakeholders, including its customers, shareholders, employees, Government and others. The basic objective of the Company's Governance policy is to enhance shareholder value continuously. Your Company recognizes the utmost importance of complying with all applicable laws, rules and regulations, not only in word but also in practice. The Company's Code of Business Conduct and Ethics and its well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders.

The integral component of Governance Framework of the Company is their Board of Directors who are at the core of its Corporate Governance practice, formulating, directing and overseeing how the Company and its management and all employees adhere to Corporate Governance norms, serve and protect the long-term interests of all the stakeholders of the Company. The Company believes that an active, well-informed, "Independent Board" shall ensure the highest standards of Corporate Governance. The Independent Directors of your Company with their professional expertise actively participate in ensuring proper Corporate Governance. The Board is supported by Committees to ensure that the Company's governance mechanisms are effectively implemented and its fiduciary duties towards all stakeholders are efficiently fulfilled.

Your Company acknowledges adherence to all the requirements with regard to Corporate Governance, as stipulated under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 ("RBI Master Directions"). A report on these is detailed below.

The total outstanding value of listed non-convertible debentures issued by the Company crossed Rs. 500 crores, pursuant to which the Company has been classified as High Value Debt Listed Entity ('HVDLE') during FY 2023-24.

I. BOARD OF DIRECTORS:

a) Composition of the Board

The Board of your Company provide leadership and strategic guidance to the Company's management and plays a crucial role in matters relating to the formulation of various policies and its implementation and strategic issues. The Board of Directors of your Company has an optimum and diverse mix of Executive and Non- Executive Directors and the same is in conformity with the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and RBI Master Directions.

As on 31st March, 2024, the Board of Directors of the Company comprised of 6 (Six) Directors, of whom 3 (three) are Non-Executive Independent Directors, 1(one) Executive Director and 2 (two) Non-Executive Directors. The Chairman of the Board is a Non- Executive Director. All of them bring in wide range of skills and experience to the Board and this makes the Board 'balanced' with optimal representation of experts from various realms. The Board has no Institutional Nominee Director.

b) Number of meetings of the Board of Directors held and dates of the same are as follows:

Board Meetings are convened with due notice, providing members with comprehensive information in the form of agenda items. This enables thorough deliberation on each item and facilitates informed decision-making, thereby guiding Management appropriately. During the Financial Year ended 2023-24, the Board met 7 (Seven) times on the following dates and the maximum gap between 2 meetings did not exceed one hundred and twenty days:

Sl. No.	Date of Board Meeting
1.	29-05-2023
2.	11-08-2023

3.	27-10-2023
4.	07-11-2023
5.	09-02-2024
6.	19-03-2024
7.	26-03-2024

The Composition and Category of the Board is enumerated below:

Sl. No	Name of Director and DIN	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Board Meetings		No. of other Directorships	No. of shares held in and convertible instruments held in the NBFC	Whether attended last AGM on 06.09.2023
				Held	Attended			
1	Mr. Madhusudan Ekambaram DIN: 07442577	16/03/2016	Non-Executive Director	7	6	1	1	Yes
2	Mr. Karthikeyan Krishnaswamy DIN: 07449376	16/03/2016	Non- Executive Director	7	6	1	0	No
3	Mr. Vivek Veda* DIN: 07560229	26/07/2016	Executive Director	7	7	0	0	Yes
4	Mr. Adesh Kumar Gupta** DIN: 00020403	28/05/2019	Non-Executive Independent Director	7	7	8	0	No
5	Mr. Abhishek Singhvi** DIN: 07972535	28/05/2019	Non-Executive Independent Director	7	7	2	0	No
6	Mr. Gopalakrishna Gurrappa*** DIN: 06407040	28/12/2020	Non-Executive Independent Director	7	7	5	0	Yes

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

*The re-appointment of Mr. Vivek Veda, Director of the Company has been ratified and approved by the shareholders for a term of 5 years i.e. till 31st March 2029, in the Extra-Ordinary General Meeting held on 18th April 2024.

**Shareholders of the Company in their meeting held on April 18, 2024 approved the reappointment of Mr. Adesh Kumar Gupta and Mr. Abhishek Singhvi as Independent Directors for a second term of 5 years i.e. until 29th May 2029.

*** Mr. Gopalakrishna Gurrappa (DIN – 06407040) resigned from the post of Non – Executive Independent Director of the Company from the close of business hours on July 22, 2024.

Further, the Nomination & Remuneration Committee & Board of Directors of the Company in their meeting held on July 17, 2024 and members of the Company in Extra – Ordinary General meeting held on July 19, 2024, appointed Mrs. Shashikala Ramachandra (DIN-08087460) as a Non – Executive Independent, Woman Director of the Company for an initial term of 5 (five years) w.e.f. 19th July 2024 to 19th July 2029, subject to the approval of Shareholders of the Company.

None of the Directors are interested / related to each other.

The details of remuneration are captured in Part III - Remuneration of Directors of the Report.

c) **Memberships of Directors in other company's Boards:**

As on 31 March 2024, following are the particulars of Directorships, Memberships of Board Committees held at other companies:

Sl. No.	Name of the Directors	Other Directorships held	Board Committees (in other companies)		Directorships in other listed entities including category of directorship	Shareholding
			Chairman	Member		
1	Mr. Madhusudan Ekambaram	1	0	1	-	0.0001%
2	Mr. Karthikeyan Krishnaswamy	1	0	1	-	-
3	Mr. Vivek Veda	0	0	0	-	-
4	Mr. Adesh Kumar Gupta	9	4	13	Grasim Industries Limited – Independent Director	0.01%
					India Pesticides Limited - Independent Director	-
					CARE Ratings Limited - Independent Director	-
					Krsnaa Diagnostics Limited - Independent Director	-
					Vinati Organics Limited – Independent Director	-
5	Mr. Abhishek Singhvi	2	0	0	-	-
6	Mr. Gopalakrishna Gurappa	5	6	7	-	-

In terms of Regulation 26 of LODR Regulations, none of the directors of the Company were members of more than 10 (ten) committees or acted as the chairperson of more than 5 (five) committees across all listed companies in India in which they were/ are a Director. Based on the disclosures received from the Directors, it is confirmed that none of the Directors are on the Board of more than 20 Companies, 10 Public Companies & 7 Listed Companies.

d) **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. Accordingly, Independent Directors were explained in detail the compliances required from them under the Companies Act, 2013 and the recent Guidelines and Directions issued by Reserve Bank of India, applicable to the Company and other relevant regulations. Further, on an ongoing basis, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

Pursuant to the provisions of Regulations 62 (1A) of s, the details of Familiarization Programmes held have been posted on the website of the Company at its web-link https://www.kbnbfc.in/investor-relations.

e) **Skill, Competence and Expertise of Board of Directors**

Sl No.	Skills, Competencies/	Mr. Madhusudan	Mr. Karthikeyan	Mr. Vivek	Mr. Adesh	Mr. Abhishek	Mr. Gopalakrishna

	Expertise	Ekambaram	Krishnaswamy	Veda	Kumar Gupta	Singhvi	Gurrappa
1	Industry experience including its entire value chain and in-depth experience in corporate strategy and planning	√	√	√	√	√	√
2	Understanding of the relevant laws, rules, regulations policies applicable to the Non- Banking Financial Companies	√	√	√	√	√	√
3	Experience in finance, tax, risk management, legal, compliance and corporate governance	√	√	√	√	√	√
4	Experience in Human Resource Management, Communication and Information Technology	√	√	√	√	√	√
5	Leadership Quality including integrity and high ethical standards	√	√	√	√	√	√
6	Social welfare orientation	√	√	√	√	√	√

f) Confirmation of the Board regarding fulfillment of independence criteria as provided in the Listing Regulations by the Independent Directors of the Company and that they are independent of the management.

Your Company has received all the necessary Declarations from all the Independent Directors of the Company that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. All Independent Directors also comply the code of conduct for independent directors as prescribed in Schedule IV to the Act.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015 and are independent of the management.

g) Detailed reason for the Resignation of Independent Director

No Independent Director has resigned from the Company during the Financial Year 2023-24.

h) Separate Meeting of Independent Directors

During the year under review, the Independent Directors held their separate meeting on March 26, 2024 without the presence of non-independent directors and members of the management to discuss the following:

a) To 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 all the Independent Directors and was conducted to enable the Independent Directors to discuss matters as required under applicable laws and regulations and put forth their combined views to the Board of Directors of the Company.

II. COMMITTEES OF THE BOARD

The Board constituted various committees as required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 & RBI Master Directions, to function in specific areas and to take informed decisions within delegated powers. Each committee exercises its functions within the scope and area as defined in its constitutional guidelines. With a view to have a more focused attention on business and for better governance and accountability and as per requirement of various provisions of the Companies Act, 2013, and relevant Master Directions and Regulations issued by Reserve Bank of India from time to time the Board has constituted the following Committees:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholder Relationship Committee
d) Risk Management Committee
e) Corporate Social Responsibility Committee
f) Grievance Redressal Committee
g) Asset Liability Management Committee
h) IT Strategy Committee
i) IT Steering Committee
j) Borrowing Committee
k) Committee for Identification of non – Cooperative borrower
l) Review Committee
m) Internal Complaint Committee
n) Privacy Committee
o) New Product Committee
p) Information Security Committee

a. Audit Committee

The Company has constituted a well-qualified Audit Committee which assists the Board with its responsibility of overseeing the quality and integrity of the accounting, auditing, financial performance and reporting practices of the Company and its compliance with the legal and regulatory requirements. The composition, meetings, quorum, powers, role and scope are in accordance with the provision of the Section 177 of the Companies Act, 2013, Regulation 18 of SEBI (LODR) Regulations, 2015 and RBI Master Direction. 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 Chairperson of the Committee is an Independent Director. All members of audit committee are financially literate. The Company Secretary of the Company acts as the Secretary of the Committee.

Frequency of Meeting

The meeting of Audit Committee shall be held on quarterly basis.

Terms of reference

The functions of the Audit Committee will be, inter alia, as follows:

1. Recommending for appointment, remuneration and terms of appointment of auditors of the Company;
2. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
3. Examining the financial statement and auditor's report;
4. Approving or subsequently modifying the transactions of the Company with related parties;

5. Scrutinising inter-corporate loans and investments;
6. Valuing undertakings or assets of the Company, wherever necessary;
7. Evaluating the internal financial controls and risk management systems of the Company; and
8. Monitoring the end use of funds raised through private placements and other instruments and related matters.
9. Appointment of Internal Auditor.
10. To monitor the vigil mechanism and have an access to Chairman of the Audit Committee for reporting under vigil mechanism in exceptional cases.
11. Review fraud cases involving amount of ` 1crore or more reported by the auditors in accordance with Section 143 of the Companies Act, 2013.
12. Review of Internal Audit Plan and status of achievement thereof; Implementation of Internal Audit Policy.
13. Review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
14. Audit Committee to ensure that an Information System (IS) Audit ("IS Audit") of the internal systems and processes is conducted.
15. Review of the KYC Audit Report on quarterly basis.
16. Review of unaudited financial results for the quarter on the basis of applicability to the Company.
17. Review of frauds of Rupees Twenty-Five Lakhs and above as and when reported in accordance with the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

Additionally, it is essential for the Audit Committee to ensure that an Information System (IS) Audit (**"IS Audit"**) of the internal systems and processes is conducted at least once in ayear to assess operational risks faced by the Company. The IS Audit will be undertaken prior to the statutory audit to make the IS Audit reports readily available to the statutory auditors well in time for examination and incorporation of comments in the audit report prepared by them. During the year under review, there were no changes in the constitution of the Committee.

Meetings of the Committee:
During the year under review, the Audit Committee met 6 (Six) times on following dates:

1. 29th May 2023
2. 11th August 2023
3. 27th October 2023
4. 07th November 2023
5. 09th February 2024
6. 26th March 2024

Composition and Attendance

The Composition and other details of the Committee are as follows;

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Adesh Kumar Gupta	09/03/2020	Chairman, Non-Executive Independent Director	6	6	0
2	Mr. Gopalakrishna Gurrappa*	23/03/2021	Member, Non-Executive Independent Director	6	6	0
3	Mr. Madhusudan Ekambaram	09/03/2020	Member, Non-Executive Director,	6	5	1

* Mr. Gopalakrishna Gurrappa ceased to be a member of an Audit Committee w.e.f July 22, 2024 and Mrs.

Shashikala Ramachandra & Mr. Abhishek Singhvi appointed as member w.e.f. July 17, 2024.

b. **Nomination and Remuneration Committee:**

The Company has constituted a well-qualified Nomination & Remuneration Committee. The composition, meetings, quorum, powers, role and scope are in accordance with the provision of the Section 178 of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015 and RBI Master Direction. 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 Chairman of the Committee is an Independent Director. The Company has duly adopted Nomination & Remuneration Policy and also posted on the website of the Company. The Policy can be viewed at https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/Nomination+and+Remuneration+Policy.pdf

During the year under review, there were no changes in the constitution of the Committee.

Terms of reference

1. Identify persons who are qualified to become Directors/Independent Directors and who may be appointed in Key Managerial Personnels and recommend to the Board their appointment and/or removal.
2. Evaluating the performance of the Board, its committees and directors;
3. Formation of succession plan (refer Part B) of the Policy
4. 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
5. Considering any other matters at the request of the Board and such matters as may be required to be considered by law.

Meetings of the Committee:

During the year under review, the Nomination & Remuneration Committee met 5 (Five) times on following dates:

1. 29th May 2023
2. 11th August 2023
3. 27th October 2023
4. 09th February 2024
5. 26th March 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Abhishek Singhvi	09/03/2020	Chairman, Non-Executive Independent Director	5	5	0
2	Mr. Adesh Kumar Gupta	09/03/2020	Member, Non-Executive Independent Director	5	5	0
3	Mr. Madhusudan Ekambaram*	09/03/2020	Member, Non-Executive Director	5	3	1

* Mr. Madhusudan Ekambaram ceased to a Member of the Nomination & Remuneration Committee w.e.f July 17, 2024 and Mrs. Shashikala Ramachandra appointed as Member w.e.f. July 17, 2024.

Details of the performance evaluation of Board of Directors of the Company including Independent Directors is provided in the Board's Report forming part of the Annual Report of the Company.

c. **Stakeholder Relationship Committee**

The Company has constituted a well-qualified Stakeholder Relationship Committee to look into various aspect of interest of Shareholders, Debenture holders & other securityholders. The composition, meetings, quorum, powers, role and scope are in accordance with the provision of the Section 178 (5) of the Companies Act, 2013 & Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee comprise of 3 Directors with 1 Independent Director. The Chairperson of the Committee is an Independent Director.

During the year under review, there were no changes in the constitution of the Committee.

The Status of Investors' complaints which was taken from the SCORES platform, for the quarter ended March 31, 2024 is given below:

Sr. No.	Details of Investors Complaints	No. of Complaints
1.	Number of Shareholders' complaints received during the financial year	Nil
2.	Number of complaints not solved to the satisfaction of Shareholders	Nil
3.	Number of pending complaints	Nil

Roles and Responsibilities of the Committee

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

Meetings of the Committee

The Committee was constituted by the Company on November 07, 2023. During the year under review, the Stakeholder Relationship met 1 (One) times on 05th February, 2024.

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Abhishek Singhvi	07/11/2023	Chairman, Non-Executive Independent Director	1	1	0
2	Mr. Karthikeyan Krishnaswamy	07/11/2023	Member, Non-Executive Director	1	1	0
3	Mr. Vivek Veda	07/11/2023	Member, Executive Director	1	1	0

The Board has designated Pallavi Lingaraju, Company Secretary as Compliance Officer.

d. **Risk Management Committee**

The Company has constituted a Risk Management Committee to investigate identifying, assessing and prioritising the major risks faced by the Company and developing strategies to minimise, monitor and control the probable and/or impact of unfortunate events. It is also responsible for assessing a business contingency plan and reviewing processes and procedures to ensure the effectiveness of internal systems of control, and to discuss external developments and the reporting of specifically associated risks, including emerging and prospective impacts. The composition, meetings, quorum, powers, role and scope are in accordance with the provision of the Regulation 21 of SEBI (LODR) Regulations, 2015 & RBI Master Direction. The Committee comprise of 4 members with 1 Independent Director. The constitution and functioning of Risk Management Committee is in line with the requirements of the RBI regulations.

During the year under review, the Committee was reconstituted with the approval of Nomination and Remuneration Committee and Board of Directors in their Meeting held on February 09th, 2024, by inducting Mr. Abhishek Singhvi, as a member to the Committee.

Roles and Responsibilities of the Committee:

1. Identification, monitor and measurement of the risk profile of the Company;
2. Overseeing development and implementation of risk measurement system;
3. Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible; and
4. Perform such other act, including the acts and functions stipulated by the Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.
5. Consider any reporting by Risk Head or CRO, if appointed.

Meetings of the Committee

During the year under review, this Committee has met 4 (four) times, respectively on following dates:

1. 26th May 2023
2. 10th August 2023
3. 03rd November 2023
4. 05th February 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Madhusudan Ekambaram	09/03/2020	Chairman, Non-Executive Director,	4	3	1
2	Mr. Karthikeyan Krishnaswamy	09/03/2020	Member, Non-Executive Director,	4	4	0
3	Mr. Vivek Veda	02/12/2019	Member, Executive Director	4	4	0
4	*Mr. Abhishek Singhvi	09/02/2024	Member, Non - Executive Independent Director	-	-	0

* Appointed with effect from February 09, 2024.

Mrs. Shashikala Ramachandra is appointed as a Member of the Risk Management Committee w.e.f. July 17, 2024.

c. **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 with 2

Independent Directors. During the year under review, there were no changes in the constitution of the Committee.

Roles and Responsibilities of the Committee:

1. The Committee shall approve and recommend the projected annual action plan for CSR activities.
2. The Committee shall devise a transparent monitoring mechanism for various CSR projects/ programs/ activities to be undertaken by the Company.

Meetings of the Committee

During the year under review, the Corporate Social Responsibility Committee met 2 (Two) times on following dates:

1. 11th August 2023
2. 09th February 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Vivek Veda	05/08/2019	Chairman, Executive Director	2	2	0
2	Mr. Adesh Kumar Gupta	09/03/2020	Member, Non-Executive Independent Director,	2	2	0
3	Mr. Abhishek Singhvi	09/03/2020	Member, Non-Executive Independent Director,	2	2	0

f. **Grievance Redressal Committee:**

The Grievance Redressal Committee is established by the Board of Directors of the Company to help the customer, resolve their complaints and to know how the agent persons speaks to customer for repayment, and to make sure that the customer grievances are very minimal and addressed properly. The Grievance Redressal Committee protect the Customers interest by establishing adequate safeguards and the committee members are responsible for Customer satisfaction, redressing their complaints and for adequate collection statistics.

Roles and Responsibilities of the Committee:

1. Review compliance of the grievance redressal mechanism of the Company
2. Maintain and review track of complaints received, resolved and pending (along with reasons for pending complaints) during the quarter/half years (based on the frequency of the meeting)

Meetings of the Committee:

During the year under review, this Committee has met 4 (four) times, respectively on following dates:

1. 26th May 2023
2. 10th August 2023
3. 03rd November 2023
4. 05th February 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Vivek Veda	12/11/2021	Chairman, Executive Director	4	4	0
2	Mr. Ajeet Kumar	02/12/2019	Member	4	4	0
3	Mr. Sauraw Kumar	09/03/2020	Member	4	4	0
4	Mr. Puneet Parihar	13/08/2021	Member	4	4	0

g. **Asset Liability Management Committee:**

The Company has constituted an Asset Liability Management Committee to monitor the asset liability gap and strategize action to mitigate the risks associated with the business of the Company. It undertakes reviews of the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company, review and confirm periodic reports to be made to various regulatory authorities, deliberate on achieving optimal return on capital employed, review currency risk, market risk and liquidity risk management, interest rate risk and address concerns regarding exposure, if any. The constitution of the Committee is as per the RBI Master Direction.

During the year under review, the Committee was reconstituted on May 29th 2023 with the approval of Nomination and Remuneration Committee and Board of Directors at respective their Meeting held on May 29th 2023, for inducting Mr. Gopalakrishna Gurrappa, as a member to the Committee.

Roles and Responsibilities of the Committee:

1. Overseeing liquidity position of the company;
2. Consider any Credit rating updates for the company
3. Consider Statement of short-term dynamic liquidity to be filed to RBI
4. To review Policy on Asset Liability Management

Meetings of the Committee:

During the year ended on 31st March 2024, this Committee has met 4 (four) times, respectively on following dates:

1. 29th May 2023
2. 11th August 2023
3. 07th November 2023
4. 09th February 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Vivek Veda	09/03/2020	Chairman, Executive Director	4	4	0
2	Mr. Abhishek Singhvi	09/03/2020	Member, Non-	4	4	0

			Executive Independent Director			
3	Mr. Madhusudan Ekambaram	09/03/2020	Member, Non-Executive Director,	4	3	1
4	Mr. Adesh Kumar Gupta	09/03/2020	Member, Executive Director	4	4	0
5	Mr. Gopalakrishna Gurrappa*	29/05/2023	Member, Non-Executive Independent Director	3	3	-

* Appointed with effect from May 29th 2023. Mr. Gopalakrishna Gurrappa ceased to be a Member w.e.f July 22, 2024.

h. **IT Strategy Committee:**

The Company has constituted a well-qualified IT Strategy Committee. The Composition of the Committee is as per the RBI Master Direction - Information Technology Framework for the NBFC Sector The Committee comprise of 4 members. The Chairperson of the Committee is an Independent Director who has substantial IT expertise in managing/ guiding information technology initiatives. Members of the Committee are technically competent

During the year under review, the Committee was reconstituted by the Board of Directors in their meeting held on March 26, 2024 and appointed Mr. Adesh Kumar Gupta as the Chairman of the Committee.

Roles and Responsibilities of the Committee:

1. ensure that the Company has put an effective IT strategic planning process in place;
2. guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
3. satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
4. ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;
5. ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
6. review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

Meetings of the Committee

During the year under review, this Committee met 4 (Four) times, respectively on following dates:

1. 26th May 2023
2. 03rd November 2023
3. 05th February 2024
4. 26th March 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Adesh Kumar Gupta	26/03/2024	Chairman (With effect from 26th March	-	-	0

			2024), Non- Executive Independent Director,			
2	Mr. Abhishek Singhvi	02/12/2019	Chairman (Until 26th March 2024) Member (With effect from 26th March 2024), Non- Executive Independent Director,	4	4	0
3	Madhusudan Ekambaram	02/12/2019	Member, Non-Executive Director,	4	3	1
4	Mr. Karthikeyan Krishnaswamy	02/12/2019	Member, Non-Executive Director,	4	4	0
5	Mr. Ashwin Prabhu	02/12/2019	Member (until 26th March 2024)	4	4	0

i. **IT Steering Committee:**

The Company has constituted a well-qualified IT Steering Committee. The Composition is in accordance with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices ("RBI IT Direction") dated November 07, 2023. The Committee comprise of 4 members and the Chairperson of the Committee is Non – Executive Director.

IT Steering Committee established a) to provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable b) to evaluate and in certain instances, approve strategic plans, major programs/projects and establish priorities among competing requests for resources to ensure that everyone is aligned on those initiatives. c) to conduct formal periodic reviews of major initiatives, and operational service performance and d) to monitor timeliness, and identifying potential risk of the project.

During the year under review, the Committee was reconstituted by the Board of Directors in their meeting held on March 26, 2024 and appointed Mr. Mukesh Kumar Solanki as a member of the Committee and also removed Mr. Madhusudan Ekambaram & Mr. Karthikeyan Krishnaswamy from the Committee.

Roles and Responsibilities of the Committee:

1. assist the IT Strategy Committee (ITSC) in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
2. oversee the processes put in place for business continuity and disaster recovery;
3. ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
4. update ITSC and CEO periodically on the activities of IT Steering Committee.

Meetings of the Committee

During the year under review, this Committee met 1 (one) time on 05.02.2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Karthikeyan Krishnaswamy	14/12/2020	Chairman (until 26th March 2024), Non-	1	1	-

			Executive Director,			
2	Mr. Madhusudan Ekambaram	14/12/2020	Member (until 26th March 2024), Non-Executive Director,	1	0	-
3	Mr. Ashwin Achuta Prabhu	14/12/2020	Member (Chief Information Security Officer)	1	1	-
4	Mr. Ajeet Kumar	14/12/2020	Member (until 26th March 2024) Chairman (With effect from 26th March 2024) (Chief Operation Officer)	1	1	-
5	*Mr. Mukesh Solanki	26/03/2024	Member	-	-	-

* Appointed with effect from March 26, 2024.

j. **Board Committee (Borrowing):**

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

During the year under review, there were no changes in the constitution of the Committee.

Meetings of the Committee

During the year under review, the Committee met 15 (Fifteen) times, respectively on the following dates:

1. 18th April 2023
2. 26th May 2023
3. 20th June 2023
4. 11th July 2023
5. 10th August 2023
6. 19th September 2023
7. 09th November 2023
8. 16th November 2023
9. 12th December 2023
10. 26th December 2023
11. 24th January 2024
12. 09th February 2024
13. 29th February 2024
14. 15th March 2024

Composition and Attendance

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Vivek Veda	05/08/2019	Chairman, Executive Director	15	15	0
2	Mr. Madhusudan	05/08/2019	Member, Non-	15	14	1

	Ekambaram		Executive Director			
3	Mr. Karthikeyan Krishnaswamy	05/08/2019	Member, Non-Executive Director	15	14	0

k. **Committee for identification of non-cooperative borrowers:**

This Committee is established by the Board of Directors of the Company 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 para 21 of the RBI Master Direction, issued by the Reserve Bank of India, for identifying and classifying the borrowers as non-cooperative.

The Committee will determine and adopt the parameters for concluding whether a borrower is non- cooperative.

Roles and responsibilities of the Committee:

1. The Committee will determine and adopt the parameters for concluding whether a borrower is non-cooperative
2. The Committee shall issue a Show Cause Notice to the concerned borrower (and the promoter/whole-time directors in case of companies) and call for explanation as the reasons for non-payment and why the borrower must not be classified as a non-cooperative borrower
3. The Committee will consider the submission of the non-cooperative borrower and issue an order recording the borrower to be non-cooperative and the reasons for the same
4. The Committee may provide an opportunity of being heard to the non-cooperative borrower
5. The Committee will review and take note of the CRILC returns

During the year under review, there were no changes in the constitution of the Committee.

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Vivek Veda	13/08/2021	Chairman, Executive Director	0	0	0
2	Mr. Puneet Parihar	13/08/2021	Member	0	0	0
3	Mr. Ajeet Kumar	13/08/2021	Member	0	0	0

During the Financial Year 2023-24, no meeting held by the Identification of non-cooperative borrowers Committee.

l. **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 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 key role of this Committee will be to review the Order of the "Committee for Identification of Non-Co-operative Borrowers" (a Committee comprising Executive 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.

During the year under review, there were no changes in the constitution of the Committee.

The Composition and other details of the Committee are as follows:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Vivek Veda	13/08/2021	Chairman, Executive Director	0	0	
2	Mr. Abhishek Singhvi	13/08/2021	Member, Non-Executive Independent Director	0	0	
3	Mr. Gopalakrishna Gurrappa*	13/08/2021	Member, Non-Executive Independent Director	0	0	

* Mr. Gopalakrishna Gurrappa ceased to be a Member of the Review Committee w.e.f. July 22, 2024 and Mrs. Shashikala Ramachandra appointed as member w.e.f July 17, 2024.

During the Financial Year 2023-24, no meeting held by the Review Committee.

m. **Internal Complaint Committee**

The Company has constituted the Internal Complaint Committee of the Company pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Committee is committed to provide a safe and conducive work environment to its employees and has zero tolerance for any actions which may fall under the ambit of sexual harassment at the workplace. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to promote a healthy work environment and provide protection to employees at the workplace and redress complaints of sexual harassment and related matters thereto. The Committee is responsible enquire into complaints, and to recommend appropriate action, wherever required in compliance with the provisions of the POSH Act.

During the year under review, the Committee was reconstituted by the Board of Directors in their meeting held on February 09, 2024 by introducing the following new members:

1. Mrs. Ranu Khandelwal - Presiding Officer
2. Mrs. Anisha Jayaram - External Member
3. Mr. Puneet Parihar – Member
4. Mr. Rajamurugan Siva – Member
5. Ms. Meghna Shah -Member

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

Name of the Members (Until 09th February 2024)	Name of Members (with effect from 09th February 2024)	Position held in the Committee
Ms. Pallavi Lingaraju	Mrs. Ranu Khandelwal	Presiding Officer
Mr. Prince Kumar	Mr. Puneet Parihar	Member
Ms. Fastina Mary Stephano	Mr. Rajamurugan Siva	Member

Ms. Natasha Rao	Ms. Meghna Shah	External Member
	Mrs. Anisha Jayaram	Member

During the Financial Year 2023-24, no meeting held by the Internal Complaints Committee.

n. **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 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. During the year under review, there were no changes in the constitution of the Committee.

Roles and responsibilities of the Committee:

1. The Committee will provide strategic direction on Privacy matters.
2. The Committee will review and oversee the Privacy performance.
3. The Committee will review on periodical basis the internal audit report submitted by Privacy Officer against compliance of Aadhaar Act 2016. 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.

During the year under review, the Committee met 1 (One) time on February, 2024.

The Composition and other details of the Committee are as follows:

SL. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in and convertible instruments held in the NBFC
				Held	Attended	
1	Mr. Karthikeyan Krishnaswamy	19/07/2022	Chairman, Non-Executive Director,	1	1	Nil
2	Mr. Ashwin Prabhu	19/07/2022	Member	1	1	Nil
3	Mr. Puneet Parihar	19/07/2022	Member	1	1	Nil
4	Mr. Vivek Veda	19/07/2022	Member, Executive Director	1	1	Nil

o. **New Product Committee**

The Company have constituted well qualified New Product Committee for the purpose of identifying and analysing the level of Compliance risks in the existing and new products and processes and to put appropriate risk mitigants in place and all new products shall be subjected to intensive monitoring for at least the first six months of introduction to ensure that the indicative parameters of Compliance risk are adequately monitored. The composition of the Committee as per the requirement of RBI.

Roles and responsibilities of the Committee:

1. Identifying the level of Compliance risks in the existing and new products and processes
2. To put appropriate risk mitigants in place
3. Monitoring all new products for at least the first six months of introduction to ensure that the indicative parameters of Compliance risk are adequately monitored

The Composition and other details of the Committee are as follows:

SL.	Name of Director	Member of	Capacity (i.e.	Number of Meetings	No. of shares

No.		Committee since	Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	of the Committee		held in and convertible instruments held in the NBFC
				Held	Attended	
1	Madhusudan Ekambaram-	11/08/2023	Chairman, Non-Executive Director,	0	0	1
2	Ajeet Kumar	11/08/2023	Member	0	0	Nil
3	Vivek Veda	11/08/2023	Member, Executive Director	0	0	Nil
4	Sidharth Vishwanathan	11/08/2023	Member, Chief Risk Officer (w.e.f. 26.03.2024)	0	0	Nil
5	Puneet Parihar	11/08/2023	Member	0	0	Nil
6	Prince Kumar	11/08/2023	Member	0	0	Nil

During the year under review, no meeting held for New Product Committee.

p. **Information Security Committee**

During the year under review, the Board of Directors in their meeting held on March 26, 2024 constituted well qualified Information Security Committee for the purpose of managing cyber/information security under the oversight of IT Strategy Committee, in compliance with the requirement of Para 24 – 'Chapter IV- IT and Information Security Risk Management' of the Reserve Bank of India Guidelines on Information Technology Governance, Risk, Controls and Assurance practices vide RBI/2023-24/102 DoS.CO.CSITEG/SEC.1/31.01.015/2023-24 issued on November 7, 2023. The Committee comprise of 3 members with Chief Information Security Officer (CISO). The Committee meets on a quarterly basis.

Roles and responsibilities of the Committee:

(i) Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite;
(ii) Approving and monitoring information security projects and security awareness initiatives.
(iii) Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and
(iv) Updating IT Strategy Committee and the CEO periodically on the activities of the Committee.

Composition of the Committee:

1. Mr. Sidharth Vishwanathan – Chairman
2. Mr. Satish Kumar Dwibhashi – Member
3. Mr. Ashwin Achutha Prabhu – Member

Re – Categorization of Promoter Category of the Company

During the year under review, the shareholders of the Company in their Extra Ordinary General Meeting held on February 13, 2024 approved to classify the Promoters named Mr. Madhusudan Ekambaram and Mr. Karthikeyan Krishnaswamy as Non-Promoters under any applicable law, inter alia, the Companies Act, 2013 and the rules framed thereunder ("Companies Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), and the Securities and Exchange Board of India (Prohibition on Insider Trading) Regulations, 2015 ("PIT Regulations"), each, as amended.

Liquidation of the Finnov Private Limited (Holding Company)

The Liquidation process of Finnov Private Limited (Holding Company) is under process and the shares of Finnov Private Limited i.e 11,27,313 Shares were transferred to the shareholders of the Holding Company as part of liquidation process.

Particulars of Senior Management of the Company

The Company in the meeting of Nomination & Remuneration Committee & Board of Directors held on April 16, 2024 categorize the senior management of the Company which is given below:

Senior Management	Proposed Person	Department
Chief Risk Officer	Mr. Sidharth Vishwanathan	Risk
Chief Operating Officer (COO)	Mr. Ajeet Kumar	Operations
Chief Compliance Officer (CCO)	Mr. Prince Kumar	Compliance
Internal Auditor- (Head of Internal Department)	Mr. Aniket Jagnade	Internal Audit
Chief Financial Officer (CFO)	Mr. Vivek Veda	Finance
Company Secretary (CS)	Ms. Pallavi Lingraju	Secretarial
General Counsel	Mr. Puneet Parihar	Legal
Head of Debt Department	Ms. Ranu Khandelwal	Debt

III. REMUNERATION OF DIRECTORS

The Company has adopted Nomination & Remuneration Policy of Directors, Key Managerial Personnel and Senior Management which is also available on the website of the Company at https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/Nomination+and+Remuneration+Policy.pdf. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the year under review. The Company only gives sitting fees to their Non – Executive Independent Directors.
The details of remuneration paid to Executive and Non-Executive Directors of the Company for the financial year 2023-24 are given below;

a) Remuneration to Executive Director

Name	Particulars	Amount in INR (In lakhs)
Mr. Vivek Veda	Salary	93.00
	Bonus	127.00
	Stock Option	38,580*
	Details of fixed component and performance linked incentive	-
	Retirement Pension	-
	Service contracts	-
	Notice period	-
	Severance fees	-
	Others	-

* During the year under review the said stock option were granted.

b) Remuneration to Non-Executive Director

Amount in INR (In lakhs)

Non-Executive Directors	Commission	Sitting fees
Mr. Madhusudan Ekambaran	Nil	Nil
Mr. Karthikeyan Krishnaswamy	Nil	Nil
Mr. Adesh Kumar Gupta	Nil	15.00/-
Mr. Abhishek Singhvi	Nil	15.00/-
Mr. GopalakrishnaGurrappa	Nil	11.50/-

IV. GENERAL BODY MEETINGS

a) Annual General Meeting:

Venue, date, day and time of the Annual General Meetings held during last 3 years are as follow:

Sl. No.	Year for which AGM held	Type of the meeting	Date & Place	Time	Special Resolutions passed
1.	2020-21	Annual General Meeting	29.09.2021 Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	5:00 P.M	Nil
2.	2021-22	Annual General Meeting	29.09.2022 Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	11.00 A.M	Nil
3.	2022-23	Annual General Meeting	06.09.2023 Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	11.30 A.M	1. Alteration of Articles of Association of the Company

During the year under review, the Company has not conducted General meeting through postal ballots.

b) Extra Ordinary General Meeting:

All the below meetings were held at the Registered office of the company at 3rd Floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017.

Details of Extra Ordinary General Meetings held in the Last 3 Years is as follows;

Sl. No.	Date & Place	Place of meeting	Resolutions passed
1.	29.07.2020	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class of E1 Non- Convertible Debentures on Private Placement Basis
2.	26.08.2020	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Offer and Issuance of Secured, Unlisted, Unrated, Redeemable Class E2 Non-Convertible Debentures by Private Placement Basis
3.	28.09.2020	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class E3 Non – Convertible Debentures on Private Placement Basis
4.	30.10.2020	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class F1 Non – Convertible Debentures on Private Placement Basis
5.	25.11.2020	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class E4 Non- Convertible Debentures on Private Placement Basis
6.	04.02.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class E5 Non – Convertible Debentures on Private Placement Basis
7.	08.02.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class F2 and E6 Non – Convertible Debentures on Private Placement Basis

8.	15.02.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class F3 and E7 Non-convertible Debentures on Private Placement Basis
9.	23.02.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for offer of Class F3 and E7 Non – Convertible Debentures on Private Placement Basis
10.	24.02.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for Alteration of Articles of Association of the Company Increase in Authorised Share Capital and consequential amendment to Capital Clause of Memorandum of Association.
11.	30.03.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for Alteration of Articles of Association of the Company
			Issuance of Debt Securities pursuant to section 23(1)(b), 42,71 of Companies Act, 2013, up to an overall ceiling of Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) on Private Placement basis
12.	16.08.2021	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	To (I)take note of the Draft of the 'Debt Conversion Agreement' proposed to be executed with Finnov Private Limited and approve the execution of the Debt Conversion Agreement and (II) approve the conversion of External Commercial Borrowings to Equity Shares pursuant to the terms of the Debt Conversion Agreement.
			To issue further Equity Shares to Finnov Private Limited (Lender & Holding Company) pursuant to "Debt Conversion Agreement"
13.	07.03.2022	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Issuance of Debt Securities pursuant to Section 42 and 71 of the Companies Act, 2013, up to an overall ceiling of 1500,00,00,000/- (rupees one thousand five hundred crores only) on private placement basis.
14.	08.11.2022	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Increase in the authorized share capital and consequential amendments to the Memorandum of Association of the Company.
15.	01.12.2022	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Issuance of Non-Cumulative Series D Compulsorily Convertible Preference Shares on Preferential Basis via private placement.
16.	02.12.2022	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for alteration of Articles of Association of the Company
17.	05.01.2023	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	(i) Issuance of Non-Cumulative Series D Compulsorily Convertible Preference Shares on Preferential Basis via private placement. (ii) Approval of Krazybee Employee Stock Option Plan 2023.
18.	18.01.2023	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Approval for alteration of Articles of Association of the Company
19.	30.03.2023	Registered office of the company at 3rd floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Muregshpalya, Bangalore - 560017	Authorisation for issuance of Debt Securities on Private Placement basis aggregating up to Rs. 1500 Crores proposed to be issued during the Financial Year 2023-24.

V. MEANS OF COMMUNICATION:

a) Financial Results

The quarterly, half-yearly and annual Financial Results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are submitted to BSE Limited within the prescribed timeline as mandated under the regulations issued by Securities and Exchange Board of India and published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, in English newspaper circulating the whole or substantially the whole of India.

These results are simultaneously posted on the website of the Company at https://www.kbnbfc.in/investor-relations and uploaded on the website of the Stock Exchange(s), BSE Ltd.

The Company has no official news releases and has not made any presentations to institutional investors or to the analysts during the year.

b) Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Corporate Governance Report, Management Discussion & Analysis Report, and other relevant/important information is circulated to members and other relevant stakeholders .

c) E-mail IDs for Shareholders/Investors

Investors may send their query/feedback to legal@krazybee.com.

d) Newspapers: The Financial Results of the Company are published in nationwide circulated daily English newspapers.

e) Website Disclosure: The Website of the Company (https://www.kbnbfc.in/ is regularly updated to provide further ease of access to the requisite information prescribed under various provisions of the Act and the Listing Regulations.

VI. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting

Day and Date: September 27, 2024, Time: 03.30 P.M.
Venue: Annual General Meeting is scheduled to be held at its Registered Office Situated at 3rd Floor, No. 128/9, Maruthi Sapphire, HAL Airport Road, Murgeshpalya, Bangalore 560017

b) Financial Calendar

Financial year of the Company is from April 1 to March 31.

c) Dividend Payment Date

During the year under review, the Board of Directors has declared Interim Dividend in the Board meeting held on 27th October 2023 for the Equity shares and Compulsorily Convertible Preference Shares to an extent of Rs. 300/- per Equity share and Rs. 0.18/- per Compulsorily Convertible Preference Share. The same was duly paid to the shareholders within 30 days of declaration, i.e., on 03 November, 2023, in accordance with Section 123 of the Companies Act.

d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)

The Non-Convertible Debentures, Commercial Papers and PTC of the Company are listed with BSE Limited, Phiroze Jeejeebhoy Towers, 18th & 19th Floor, Dalal St, Fort, Mumbai, Maharashtra 400001 and the listing fee has been paid for the financial year 2024-25.

The Company has confirmed that the Company has paid the Annual Listing fee to the BSE Limited.

e) **Stock Code (BSE Limited):** The equity shares of the Company are not listed on the Stock Exchange; hence the Stock code is not applicable.

f) **Market price data and performance in comparison to broad-based indices such as BSE Sensex, CRISIL, Index etc.** – Not applicable, as the equity shares of the Company are not listed.

g) **In case the securities are suspended from trading, the directors report shall explain the reason thereof:**

During the year under review, listed debt securities of the Company were suspended from trading due to redemption of such securities.

h) **Registrar to an issue and share transfer agents:**

NSDL Database Management Limited
4th Floor, "A" Wing, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower parel, Mumbai – 400013

i) **Share Transfer System** – The shares of the Company are not listed on the stock exchanges. The Company has its internal compliance team to handle any share transfer requests from amongst the existing shareholders.

j) **Depositories Connectivity**

1. National Securities Depository Limited (NSDL)
2. Central Depository Services Limited (CDSL)

The Custodian fees has been duly paid to NSDL and CDSL for the financial year 2023-24.

k) **Distribution of Shareholding**

Equity Shares*

	Shareholders Category	No. of Equity Shares Held	% of Total Equity Shares Held
a)	**Promoter & Promoter Group** Indian	1	0.0001
b)	Foreign	11,27,313	99.9999
	Sub- Total	**11,27,314**	**100.0000**
1.	**Public Shareholding** **Institutions**	-	-
2.	**Non- Institutions**	-	-
a.	Bodies Corporate	-	-
b.	Individuals	-	-
c.	Others	-	-
	d. NRI	-	-
	Sub- Total (B)	-	-
a.	Shares held by Custodian & against which Depository Receipts have been issued Promoter and Promoter Group	-	-
b.	Public	-	-
	Sub- Total (C)	-	-
	Grand Total (A)+(B)+(C)	**11,27,314**	**100.0000**

Pursuant to the categorization of promoter Category & liquidation of Finnov Private Limited, the shares of Finnov Private Limited i.e 11,27,313 Shares transferred to the shareholders of the Company and is under process.

Please note that there have been changes to the equity shareholding pattern subsequent to the liquidation of Finnov Private Limited, the former holding company.

Compulsorily Convertible Preference Shares (CCPS)

Shareholders Category	No. of Preference Shares Held	% of Total Preference Shares Held
Promoter & Promoter Group a)Indian	-	-
b) Foreign	-	-
Sub- Total	-	-
1. Public Shareholding Institutions		
2. Non- Institutions		
a. Bodies Corporate	**4,77,866**	**100**
b. Individuals	-	-
c. Others	-	-
d. NRI	-	-
Sub- Total (B)	**4,77,866**	**100**
Shares held by Custodian & against which Depository Receipts have been issued Promoter and Promoter Group	-	-
Public	-	-
Sub- Total (C)	-	-
Grand Total (A)+(B)+(C)	**4,77,866**	**100**

l) **Dematerialization of shares and liquidity**

During the year under review, the total equity capital of the Company was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited, except the shares held by Mr. Madhusudan Ekambaram which is held in physical form.

The Company has already initiated the process of Dematerisation of shares of Mr. Madhusudan Ekambaram. As the equity shares of the Company are not listed on the Stock Exchange, the shares were not traded on the Stock Exchange.

m) **Outstanding GDRs/ ADRs/Warrants or conversion Instruments, conversion date and likely impact on equity:**

Series D Compulsorily Convertible Preference Shares	**No. of Preference Shares Held**
Number of Series D Compulsorily Convertible Preference shares issued & allotted by the Company	4,77,866
Paid up capital of Series D Compulsorily Convertible Preference shares	INR. 860,15,88,000
The conversion of Series D Compulsorily Convertible Preference shares into equity shares	The holders of Series D Compulsorily Convertible Preference shares in whole or part into equity shares in a 1:1 ratio.

k) **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company has not dealt in Commodity Hedging activities therefore not threatened by any Commodity Price Risk.

l) Plant Locations

Not applicable, since the Company is Non-Banking Financial Company.

m) Address for Correspondence:

Corporate Office / Registered Office

Krazybee Services Private Limited
3rd Floor, No. 128/9, Maruthi Sapphire, HAL Airport Road,
Murgesh Palya, Bangalore – 560017

n) Credit Rating along with any revisions thereto (FY: 2023-24):

The Company has issued debt instruments therefore the company has Obtained Credit Ratings from CRISIL Ratings Limited, CARE Ratings Limited.

During the year under review, the rating issued by Crisil Ratings Limited was upgraded from "CRISIL BBB+" to "CRISIL A"- and by Acuite Ratings & Research Limited was upgraded from "Acuite BBB+" to "Acuite A – ". The Company also received new rating from CARE ratings Limited wherein the long term rating assigned is "CARE A-".

The detailed list of all the credit ratings obtained are given below:

Credit Rating Agency	Programme	Ratings Assigned
Acuite Ratings & Research Limited	Bank Loan Ratings	Acuite A- Stable
	Commercial Paper	Acuite A2+
	Principal Protected Non-Convertible Debentures	PP-MLD Acuite A- Stable
	Non-Convertible Debentures	Acuite A- Stable
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A-/Stable
	Principal Protected Market Linked Debentures	CRISIL PPMLD A-/Stable
	Bank Loans	CRISIL A-/Stable
	Commercial Paper	CRISIL A1
CARE Ratings Limited	Bank Loans	CARE A-/ Stable
	Commercial Paper	CARE A1

VII. OTHER DISCLOSURES:

a) **Materially significant related party transactions that may have potential conflict with the interests of the entity at large and web link where policy on dealing with related party transactions:**

There are no materially significant related party transactions made by the Company with the related parties which may have potential conflict with the interest of the Company at large. The details of transactions with related parties are provided in the Company's financial statements in accordance with the Accounting

Standards. The details of related party transactions are disclosed in Note no. 38 attached to and forming part of the accounts.

The Related Party Transaction Policy is posted on the website of the Company viz., to be updated once the updated RPT Policy is uploaded on the website https://www.kbnbfc.in/investor-relations.

b) **Details of non-compliance, penalties, strictures imposed by stock exchange(s) or RBI or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

(i) BSE Limited ("BSE") vide its mail dated October 3, 2023 has imposed a penalty of Rs. 10,000 on the Company for delay in furnishing intimation about Record date of the security pursuant to Regulation 60(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, the Company has paid the penalty.

c) **Details of establishment of Vigil Mechanism/ Whistle Blower Policy, and affirmation that no personnel has been denied access to the audit committee:**

In line with the best Corporate Governance practices, the Company has put in place a system through which the Directors and employees may report concerns about unethical behavior, discrimination, harassment, victimization, unfair unemployment practice and actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Company has put in place a process by which employees and others have direct access to the Chairman of the Audit Committee and none of the Company's personnel have denied access to the Audit Committee.

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** All mandatory requirements relating to corporate governance under the Listing Regulations, as applicable to the Company as a debt-listed entity have been appropriately complied. The Company has attained the status of an HVDLE, and has a timeline of six months for compliance with the corporate governance provisions under Reg 16 to 27 of LODR Regulations, as applicable to an HVDLE. The Company is in process of complying with the said requirements.

e) **Web link where policy for determining 'material' subsidiaries is disclosed:** Company does not have any Subsidiary

f) **Web link where policy on dealing with related party transactions: https://www.kbnbfc.in/investor-relations**

g) **Disclosure of commodity price risks and commodity hedging activities:** Not Applicable

h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement:** Not Applicable

i) **Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:** Since the Company has become an HVDLE towards the close of the financial year, and has a timeline of six months for first-time applicability of the provisions, the certificate is not applicable for FY 2023-24.

j) **Non-Acceptance of recommendation of any Committee of the Board which is mandatorily required:** During the year under review, the Board has accepted all the recommendations given by the Committees of the Company.

k) **Fees paid to Statutory Auditors:** Rs. 16,50,000/- (Rupees Sixteen Lakh Fifty Thousand only)

l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Sr. No.	Particulars	Remarks
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

m) **Disclosure by listed entity and its subsidiary of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:** Not Applicable

n) **Details of material subsidiaries:** The Company does not have any Subsidiaries.

o) **Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:** The Company has complied most of the requirements wherever applicable.

p) **Details of non-compliance with requirements of Companies Act, 2013**

The Company has been in compliance with Companies Act, 2013 and rules made thereunder along with the Secretarial Standards issued by the issued by the Institute of Company Secretaries of India. There have been no such penalties levied on the Company during the financial year ended 31 March 2024.

Discretionary Requirements (under Part E of Schedule II):

A. The Board: The Chairperson of the Board is Non – Executive Director and does not receive any remuneration from the Company

B. Shareholder Rights: The shareholders rights are governed by the articles of association.

C. Modified opinion(s) in audit report: The Auditors of the Company have given Audit Report without any modified opinion.

D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: During the year under review, there is no Separate posts of Chairperson and the Managing Director or the Chief Executive Officer in the Company & Company is in the process of compliance of the same.

E. Reporting of internal auditor: Internal Auditor reports to the Audit Committee of the Company.

F. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.: The Company was classified as High Value Debt Listed Entity ('HVDLE') during FY 2023-24. Accordingly, the compliances with Regulation 16 to 27 (Corporate Governance norms) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are to be ensured on a comply or explain basis until 2025. Hence, the certificate with respect to corporate governance requirements are not applicable for FY 23-24.

q) **Breach of Covenant**

No covenants have been breached during the year.

r) **Divergence in Asset Classification and Provisioning**

The Company asset classification policy is in accordance with RBI's asset classification norms.

VIII. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members, senior management and employees of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, transparency and compliance of laws & regulations etc. The said Code also suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013.

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

Vivek Veda	**Karthikeyan Krishnaswamy**
Director	**Director**
DIN: 07560229	**DIN: 07449376**
Flat No. 1073, Shoba Daisy Apartment, Bellandur, Green Glay Layout, Bangalore, Karnataka, India-560103	**K-701, SNN Raj Lake View Apts,29th Main Road, NS Palya Main Road, BTM Layout Bengaluru, Karnataka India-560076**

Place: Bangalore
Date: September 05, 2024

"Annexure II"

NOMINATION AND REMUNERATION POLICY
KRAZYBEE SERVICES PRIVATE LIMITED

Version	Approval Date	Review Date	by
V1	2nd June 2017		Board of Directors
V2	9th March 2020		Board of Directors
V3	23rd March 2021		Board of Directors
V4	15th March 2023		Board of Directors
V5		26th March, 2024	Board of Directors

Contents

A. Objective:

This Policy on Nomination and Remuneration ("**Policy**") of Directors, Key Managerial Personnel and Senior Management has been formulated, approved and adopted by the Nomination and Remuneration Committee (**NRC**) and Board of Directors ("**Board**") of KrazyBee Services Private Limited ("**Company**"). The provisions of the Policy are in accordance with the terms of Section 178 and other applicable provisions of the Companies Act, 2013 and relevant regulations of the Master Direction on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India, as amended from time to time, read along with the RBI Scale Based Regulatory Framework for NBFCs and the RBI Circular dealing with 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' dated April 29, 2022 ("**RBI Compensation Guidelines**") and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

The objective of this Policy is to -

1. To oversee the nomination process and lay down criteria and terms and conditions with regard to identification of persons who are qualified to become directors (executive, non- executive and Independent) and lay down criteria for persons who may be appointed in senior management and key managerial positions, with appropriate compensation.
2. To ensure that remuneration paid is competitive, enabling the Company to attract and retain employees capable of meeting the Company's needs and service delivery obligations;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. The remuneration to the Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
5. To motivate and retain talented managerial personnel and create competitive advantage in compensation practices for retaining employees.

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; such other officers not more than one level below the directors who are in whole-time employment in the Company, designated as KMP by the Board of the Company and such other officer as may be prescribed by the MCA, RBI or any other authority having jurisdiction over the Company.

3. "**Senior Management**" means the personnel of the Company who are members of its Core Management Team excluding the Board, comprising all members of Management one level below the Executive Directors, including the Functional Heads, Company Secretary and the Chief Financial Officer, or such other person as may be included within the meaning of Senior Management from time to time in accordance with the applicable provisions of law.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 or under SEBI (LODR) Regulations, 2015, 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:

- 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;
- ensure 'fit and proper' status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on the Board of the Company, KMPs and Senior Management.
- formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- specify the manner for effective evaluation of the Board, its Committees and individual Directors;
- carry out evaluation of every Director's performance;
- formulate the succession plan;
- recommend a process for determination of the remuneration including any compensation and related payments of the Directors, Key Managerial Personnel and other employees;
-
- devising a policy on diversity of board of directors
- ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
- carry out such other activity 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 functions of the NRC.
- the NRC shall work in close coordination with the Risk Management Committee (RMC) of the Company to achieve effective alignment prudent between compensation and risks.

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

1. Appointment Criteria and Qualifications

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

ii. The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP or in Senior Management and recommend to the Board his / her appointment.

iii. The Company shall not appoint or continue the employment of any person as Managing Director, who is below the age of twenty-one years or has attained the age of seventy years, provided that the term of the person holding such position may be extended beyond the age of seventy years by adhering to procedure and requirements specified under the applicable provisions of law.

iv. The NRC shall ensure adherence to the requirements of the relevant circular/ notification issued by the RBI with respect to the “Fit & Proper Criteria”, as amended from time to time, in relation to Directors of the Company at the time of appointment and on a continuing basis.

v. At least one of the directors shall have relevant experience of having worked in a bank/ Non-Banking Financial Company.

2. Independent Director:

vi. Qualifications of Independent Director: A person proposed to be appointed as an Independent director shall be qualified to be appointed as such in accordance with the applicable provisions of law and 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.

vii. 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. Tenure of appointment

viii. The Company may appoint or re-appoint any person as its Managing Director/ WTD for a term not exceeding five (5) years at a time.

ix. An Independent Director shall hold office for such term as the Board may decide subject to maximum term up to five (5) consecutive years on the Board of the Company and will be eligible for re-appointment as per the criteria laid down by the regulations as amended from time to time, subject to a maximum of two consecutive terms.

x. Further, the Independent Director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time.

4. Removal

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

5. Retirement

xii. 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, subject to compliance with the applicable provisions of law, if any, from time to time and as per prevailing HR Policies of the Company.

6. Remuneration

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

xiii. At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company and the appointee within the overall limits prescribed under the Companies Act, 2013 and in line with this Policy and the RBI Compensation Guidelines.;

a. 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;

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

c. 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.

Non-Executive Director:

d. The Non-Executive/ Independent Director may receive fees for attending meetings of the Board or Committee thereof, not exceeding Rupees One Lac per meeting of the Board or Committee.

e. 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;

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

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

KMP & Senior Managerial Personnel

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

i. 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.

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

k. The NRC should ensure that variable pay is truly variable and that performance measures and their relationship to compensation packages are clearly defined and communicated at the beginning of the performance measurement period.

l. The NRC may include provisions in the compensation policy to defer payment of variable pay subject to the deferment period being approved by the Board.

m. In the case of personnel engaged in financial control, risk management, internal audit and compliance, the NRC should ensure that the it is independent of the business areas that they oversee. In such cases, the NRC may provide for a higher ratio of fixed pay compared to the variable pay component.

n. In no case shall any guaranteed bonus be paid to KMP or Senior Management Personnel except in the context of new hiring or sign-off bonus.

o. The NRC may include provisions with regard to malus and clawback as recommended in the RBI Compensation Guidelines in the compensation package subject to any applicable laws in force.

E. Grant of ESOPs

The Executive Directors, Non-Executive Directors, KMPs, Senior Management, other employees of the Company, subsidiary (ies) & holding company shall be eligible for ESOPs of the Company, subject to the applicable provisions of law. The Independent Directors of the Company shall not be eligible for the ESOPs of the Company.

F. Evaluation

The NRC shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly). The manner of conducting such performance evaluation may be decided by the NRC.

Annexure A

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);
(vii.) Chief Compliance Officer (CCO).

G. 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 another 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. Chief Compliance Officer (CCO);
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 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.

"Annexure III"

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:**

(Amount Rs. In lakhs)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Finnovation Tech Solutions Private Limited, Fellow Subsidiary
b)	Nature of contracts/ arrangements/ transactions	1.Service fees 2.Commission on interest 3.Deficiency Recovery Expenses 4.Salary Cross Charge (Expenses) 5.Rent Cross Charges (Expenses) 6.Corporate Guarantee Fees
c)	Duration of the contracts/ arrangements/ transactions	Continuing nature
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	• Service fees - Rs. 27,820.85/- • Commission on interest – Rs. 2,593.17/- • Deficiency Recovery Expense - Rs. 2,670.27/- • Rent Cross Charges (Expenses) - Rs. 741.67/- • Salary Cross Charge (Expenses) - Rs. 158.06 /- • Corporate Guarantee Fees - Rs. 440.38/-
e)	Date of approval by the Board	15th March 2023
g)	Amount paid as advances, if any	-

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

KRAZYBEE SERVICES PVT. LTD. Bangalore

Vivek Veda
Director
DIN: 07560229
Flat No. 1073, Shoba Daisy Apartment, Bellandur, Green Glay Layout, Bangalore, Karnataka, India-560103

Karthikeyan Krishnaswamy
Director
DIN: 07449376
K-701, SNN Raj Lake View Apts,29th Main Road, NS Palya Main Road, BTM Layout Bengaluru, Karnataka India-560076

Place: Bangalore
Date: September 05, 2024

VINOD KOTHARI & COMPANY

Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: corplaw@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Aadhar Number – WB10D0000448

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Krazybee Services Private Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Krazybee Services Private Limited** (hereinafter called **the "Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

1. The Companies Act, 2013 (the "Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to the Company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:
    a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (to the extent applicable to debt-listed entities)
    b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (to the extent applicable to debt-listed entities)
    c. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
6. Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
    a. Reserve Bank of India Act, 1934;

Vinod Kothari & Company
Unique Code
P1996WB042300
Practising Company Secretaries

VINOD KOTHARI & COMPANY
Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: corplaw@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Aadhar Number – WB10D0000448

b. Master Direction–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions") (applicable till October 19, 2023)
c. Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (applicable from October 19, 2023) ;
d. Other RBI notifications and circulars as may be applicable;

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Management Responsibility:

Kindly refer to our letter of even date which is annexed as **Annexure 'I'** which is to be read along with and forms an integral part of this report.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above, except that

(a) The re-appointment of Mr. Vivek Veda, the executive director of the Company, whose term expired during December, 2022, was not approved by the Board of directors and shareholders of the Company prior to the expiry of the original term. However, the same has been subsequently ratified by the Board of directors as well as by the shareholders *vide* a resolution dated 18th April, 2024 during FY 24-25.

We further report that we have made separate recommendations to the Company for strengthening its control mechanism around related party transactions.

In the course of its business, acting as a co-lender with several entities, the Company provides Default Loss Guarantees (DLG) to the participating co-lenders. The RBI Guidelines on Default Loss Guarantee in Digital Lending dated June 08 2023 provide that DLG can be provided by a lending service provider, and that any explicit guarantee has to be in one of the forms specified in para 5 thereof. The Company has taken the position that it is a servicing partner in respect of co-lent loans, and further, relying on a legal opinion, the Company in certain cases provides only a part of the DLG in form of a lien-marked fixed deposit.

In the course of our audit, we have also made certain recommendations for good corporate practices to the Board, for its necessary consideration and implementation by the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Vinod Kothari & Company
Unique Code P1996WB042300
Practising Company Secretaries

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, or at a shorter notice with the consent of majority of directors of the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision was carried through, while there were no minuted instances of dissent in Board or Committee meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. Classification as a High Value Debt Listed Company (HVDLE) during review period

During the Review Period, the Company has raised funds by way of issuance of non-convertible debentures from time to time, of a total outstanding value exceeding Rs. 500 crores. Accordingly, with effect from 12th January, 2024, the Company has become a High Value Debt Listed Entity (HVDLE) in accordance with Reg 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliances with respect to an HVDLE are applicable to the Company on a 'comply-or-explain' basis till 31st March, 2025. As informed to us, the Company has initiated actions to comply with the provisions applicable to HVDLEs during FY 24-25.

2. Issuance of Compulsorily Convertible Preference Shares (CCPS) to third-party investors

During the Review Period, the Company has issued 88,217 nos. of 0.001% Non-Cumulative Compulsorily Convertible Preference Shares ("CCPS") of Rs. 18,000/- each at an issue price of Rs. 24,175.13/- per share including a premium of Rs. 6,175.13/- per CCPS, with due approval of the shareholders.

3. Issuance of equity shares to the Holding Company on a preferential basis

During the Review Period, the Company has issued and allotted 9,361 no. of equity shares of Rs. 10/- each at an issue price of Rs. 24,175.13/- per share, to Finnov Private Limited, the holding company at the time of allotment of such equity shares i.e. 29th November 2023 with due approvals from the Board and shareholders.

4. De-classification of promoters into public category

During the Review Period, the Company has, pursuant to the approval of the Board and shareholders of the Company, de-classified Mr. Madhusudan Ekambaram and Mr. Karthikeyan Krishnaswamy from the promoter category of the Company.

5. Increase in the number of options in the ESOP pool of the Company

During FY 22-23, the Company had approved creation of 1,11,452 nos. of options to issue and allot 1,11,452 nos. of equity shares of Rs 10 each as Employee Stock Options to employees as per the Krazybee Employee Stock Option

Vinod Kothari & Company · Unique Code P1996WB042300 · Practising Company Secretaries

VINOD KOTHARI & COMPANY
Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: corplaw@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Aadhar Number – WB10D0000448

Plan - 2023. The ESOP pool has been increased by the Company to 1,23,271 no. of options with due approval of the Board and shareholders of the Company.

6. Declaration of interim dividend by the Board of the Company

During the Review Period, the Board has declared and paid an interim dividend at Rs. 300/- per equity share of the Company and Rs. 0.18/- Per Compulsory Convertible Preference Shares (CCPS), with the prior consent of the CCPS Holders of the Company in accordance with Article X of the Articles of Association of the Company. The same will be placed before the shareholders for its approval in the upcoming Annual General Meeting of the Company.

For M/s Vinod Kothari & Company
Company Secretaries in Practice

Vinod Kothari & Company • Practising Company Secretaries • Unique Code P1996WB042300

Place: Kolkata
Date: 13th August 2024

Pammy Jaiswal
Partner
Membership No: A48046
CP No.: 18059
UDIN: A048046F000968878

VINOD KOTHARI & COMPANY

Practising Company Secretaries

1006-1009, Krishna Building, 224 A.J.C. Bose Road

Kolkata – 700 017, India

Phone: +91 – 33 – 2281 7715 | 1276 | 3742

email: corplaw@vinodkothari.com

Web: www.vinodkothari.com

Unique Code – P1996WB042300

PAN No - AAMFV6726E

Udyog Aadhar Number – WB10D0000448

Annexure - I

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

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

3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.

5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;

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

7. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

8. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.

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

Vinod Kothari & Company Practising Company Secretaries Unique Code P1996WB042300

VINOD KOTHARI & COMPANY
Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: corplaw@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Aadhar Number – WB10D0000448

ANNEXURE II
LIST OF DOCUMENTS

1. Minutes of the following meetings -
    a. Board Meeting;
    b. Audit Committee;
    c. Nomination and Remuneration Committee;
    d. Corporate Social Responsibility Committee;
    e. Borrowings Committee - Board;
    f. Asset Liability Management Committee;
    g. Risk Management Committee;
    h. Grievance Redressal Committee;
    i. IT Strategy Committee;
    j. IT Steering Committee;
    k. Stakeholder Relationship Committee
    l. Independent Directors' meeting
    m. General meetings;
2. Annual Report 2022-23;
3. Disclosures under Act, 2013 and Listing Regulations;
4. Policies framed under Act, 2013, RBI and Listing Regulations;
5. Forms and returns filed with the ROC;
6. Intimations filed with the stock exchanges;
7. Returns and reports filed by the Company to the concerned regulatory authorities.
8. Communications received from the ROC
9. Sample of loan documentation
10. Financial Statements 2023-2024
11. Sample of Co-lending agreement
12. Internal audit report

Vinod Kothari & Company • Practising Company Secretaries • Unique Code P1996WB042300

CSR Report for the Financial Year 2023-24

1. A Brief outline on CSR Policy of the Company:

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.

KrazyBee shall engage in impactful welfare driven activities in India which shall contribute towards the betterment of the life of the neighbour communities in the vicinity of the Company and its business presence.

CSR Policy establishes the scope, funding priorities and process associated with the CSR goals of KrazyBee.

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 2023-24, the Corporate Social Responsibility Committee met 2 (Two) times, respectively on 11th August, 2023 and 09th February 2024.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

a) CSR Policy; - https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/Corporate+Social+Responsibility+Policy.pdf
b) CSR Projects / Activities - https://s3.ap-south-1.amazonaws.com/uploads.kbnbfc.in/CSR+Projected+Annual+Action+Plan+for+FY+2023-24.pdf

4. Executive Summary along with web-link(s) 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, if applicable: Not applicable.

5. **(a) Average net profit of the Company as per Section 135(5): Rs. 58,89,36,449/-**

(b) Two percent of average net profit of the company as per section 135(5): Rs. 1,17,78,729/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year: Rs. 8,40,322/-

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 1,09,38,407/-

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing Project):** Rs. 118,00,000/-

(b) Amount spent in Administrative overheads : Nil

(c) Amount spent on Impact Assessment, if applicable : Not applicable

(d) Total amount spent for the Financial Year [a+b+c]: Rs. 118,00,000/-

(e) CSR amount spent or unspent for the Financial Year:

					Amount (in Rs.)
Total Amount Spent for the Financial Year (in Rs.)	**Total amount transferred to Unspent CSR Amount as per Sub-section (6) of Section 135.**		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
1,18,00,000/-	Nil	Nil	Prema Jyot Charitable Trust	10,00,000.00	19-01-2024
			Raginiben Bipinchandra Seva Karya Trust	10,00,000.00	23-01-2024
			NITK Surathkal Alumni Association	11,00,000.00	25-01-2024
			Raginiben Bipinchandra Seva Karya Trust	10,00,000.00	17-02-2024
			Prema Jyot Charitable Trust	10,00,000.00	17-02-2024
			Mitthu Tara Yog Vedanta Society	20,00,000.00	19-02-2024
			Arya Foundation	15,00,000.00	23-02-2024
			Jivan Jyot Foundation	10,00,000.00	26-02-2024
			Maitreyi Charitable Trust	20,00,000.00	28-02-2024
			Under Privileged Advancement By Youth Society	2,00,000.00	13-03-2024

(f) Excess amount for set-off, if any: *Rs. 8,61,593/-

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1,17,78,729/-
(ii)	Total amount spent for the Financial Year	1,18,00,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	21,271/-
(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)]	21,271/-

**Excess amount spent in FY 2022-23 is Rs. 8,40,322/- and excess amount spent in FY 2023-24 is Rs. 21,271/-. Hence, excess amount available for set off is Rs. 8,61,593/-*

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.: Not applicable

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

KRAZYBEE SERVICES PVT. LTD. Bangalore

Vivek Veda	Karthikeyan Krishnaswamy
Director	Director
DIN: 07560229	DIN: 07449376
Flat No. 1073, Shoba Daisy Apartment, Bellandur, Green Glay Layout, Bangalore, Karnataka, India-560103	K-701, SNN Raj Lake View Apts,29th Main Road, NS Palya Main Road, BTM Layout Bengaluru, Karnataka India-560076

Place: Bangalore
Date: September 05, 2024

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
V4	09th February 2024	CSR Committee and Board of Directors

CIN No. U65100KA2016PTC086990
www.kbnbfc.in 080-44292555 reachus@kbnbfc.in

INDEX

(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;

(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.

(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).

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

(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;

(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

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.

(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 CSR Committee, if any.

CIN No. U65100KA2016PTC086990

www.kbnbfc.in 080-44292555 reachus@kbnbfc.in

"ANNEXURE-VII"

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The Indian economy is exhibiting strength and stability with robust macroeconomic fundamentals and financial stability amidst the challenging global economic environment. India has emerged as the fastest growing major economy in the world and a leading contributor to global growth[1]. India's Real GDP grew by 8.2% in FY24 as compared to 7.0% in FY23[2] - this is highest rate of growth since FY17 barring the post COVID rebound[3]. Domestic economic activity is supported by an upturn in the investment cycle on the back of the government's continued thrust on capital expenditure, higher capacity utilization, underlying resilience of the services sector, double digit credit growth, and healthier corporate and banks' balance sheets[4]. Moreover, India's contribution to global growth is rising and currently stands at 18.5% in FY24.

Considering the growth-inflation dynamics, the Monetary Policy Committee (MPC) of RBI kept the policy repo rate unchanged at 6.50% during FY24 and continued with a stance of "withdrawal of accommodation" to ensure that inflation progressively aligns with the target, while supporting growth[1].

The role of NBFCs in the Indian financial sector has grown rapidly, with their share in the credit portfolio increasing significantly, especially over the past three years. In 2013, NBFCs' total credit was approximately one-sixth of the bank credit. By March 2023, this had risen to one-fourth, indicating their accelerated credit delivery compared to banks. NBFCs have become a preferred option for underserved sectors, especially small businesses and households, due to their extensive outreach and customer-friendly credit solutions. Moreover, NBFCs have embraced technology in a big way to further expedite and streamline their reach and credit delivery process.

Services sector credit witnessed a healthy growth of 21.2% (y-o-y) in February 2024 as compared with 20.5% a year ago. Credit to NBFCs continued to be the largest contributor to this growth, though the pace moderated during the year. NBFCs were the largest net borrowers of funds from the financial system, with gross payables of ₹16.58 lakh crore and gross receivables of ₹1.61 lakh crore as at end-March 2024. NBFCs also displayed strong financials in line with the banking sector. Their profitability improved with the RoA at 3.3% during Q4FY24. The asset quality of NBFCs continued to improve and the GNPA ratio reached a new low of 4.0%.[5]

Personal loans growth moderated to 18.1% in February 2024 from 20.6% a year ago. This growth decelerated after the increase in risk weights on select segments in November 2023. However, Fintech Lending continues to be booming market as disbursement amounts by fintechs in India have grown at a 41% CAGR from FY21 to FY23.[6] Moreover, FinTech market size is expected to be USD 1.5 trillion in revenue by the year 2030.[7]

Key Growth drivers for Fintech in India are:

1) **Digital Adoption and Rising Demand for Financial Services:**

---

[1] RBI Annual Report FY23-24
[2] Provisional estimates released by the National Statistical Office (NSO) on May 31, 2024
[3] RBI Bulletin June 2024
[4] RBI Monetary Policy Report April 2024,
[5] RBI Financial Stability report June 2024
[6] Report by Praxis Global Alliance
[7] Report by BCG and QED Investors

- **High FinTech Adoption**: India boasts an impressive FinTech adoption rate of 87%, significantly higher than the global average of 64%.

- **Increasing Digitization**: The surge in demand for digitization of financial services during COVID-19 has fueled FinTech growth.

2) **Economic and Technological Factors**:

- **Smartphone Penetration and Internet Access**: Steep smartphone penetration and increasing internet access create a conducive environment for digital financial services.

- **E-commerce Boom**: The flourishing e-commerce market drives demand for payment solutions and other FinTech services.

- **Efficiency Improvements**: FinTechs invest in technology to enhance operating efficiencies and expand into new markets.

3) **Supportive Regulatory Climate and Initiatives**

- **India Stack**: The remarkable public digital infrastructure, known as India Stack, has further accelerated FinTech adoption and innovation.

- **Regulatory Backing**: Proactive regulators have facilitated the industry's growth by creating an enabling environment for FinTech companies.

- **Government Initiatives**: Nurturing initiatives by the government and concerned regulators have played a pivotal role in fostering the FinTech ecosystem.

4) **Untapped Market Opportunities**:

- **Financial Inclusion**: The under-penetration of traditional financial services in Tier-2 cities & beyond, aging, unorganized, and gig segments presents an agenda for the government and a growth opportunity for FinTechs.
- **Neo-Banking Models**: Better customer experiences and specialized product expectations drive opportunities, including new models of neo-banking.

- **Insurance and Wealth**: These sectors remain underpenetrated, offering room for expansion and innovation.

5) **Demographic Dividend and Talent Pool**:
- **Massive Demographic Opportunities**: India's young population fuels demand for financial services, making it a vibrant growth pocket for FinTechs.
- **Access to Technology and Talent**: Entrepreneurs benefit from access to technology and a talent pool skilled in both technology and financial services.

2. **Financial & Operational Performance**

Financial performance highlights of FY 2023-24 are as under

- During FY24, the Company issued 88,217 Series D 0.001% Non-Cumulative Compulsorily Convertible Preference Shares aggregating to INR 21,327 Lakhs on a private placement basis
- Disbursements increased by 76% y-o-y to INR 10,93,396 Lakhs in FY24 from INR 6,19,577 lakhs in FY23
- AUM for the Company increased by 98% y-o-y to INR 4,74,232 lakhs as of March 31, 2024
- 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
  - As at the end of FY24, the Company's debt outstanding was INR 2,73,971 lakhs comprising of bank loans (22.82%), term loans availed from NBFCs (27.01%), issuance of non-convertible debentures or market linked debentures (38.33%), commercial papers (5.54%) and PTC (6.30%)
- Revenue increased by 95% y-o-y to INR 1,40,033 Lakhs in FY24
- Asset quality as on March 2024 represented by stage 3 assets had stood at 2.29% with a healthy provision coverage ratio of 71.73%
- Profit after tax (PAT) stood at INR 20,036 lakhs for FY24
- The capital adequacy ratio stood at 33.9%, well above the minimum stipulated RBI norms
- Comfortable liquidity position with 1.34x debt to equity and 0.54x net debt to equity
- Received new Credit Rating from CARE ratings wherein the long-term rating is CARE A- with stable outlook and short-term rating is CARE A1.

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 duly appointed a designated Chief Risk Officer, who will be involved in the process of identification, measurement and mitigation of risks. The risk management policies are well defined for various risk categories along with quarterly monitoring through a Risk Management Committee (RMC) that assists the Board of Directors in maintaining oversight and review of the risk management principles and policies, strategies, risk appetite, processes, and controls. The RMC met four times in FY2024.

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:

- ***Fair Lending Practice - Penal Charges in Loan Accounts [August 18, 2023]***

  These directions issued by RBI on 18 August 2023 provide for guidelines to be followed while charging penal charges for non-compliance of material terms and conditions of the loan contract. The Guidelines are effective from 1 April 2024 for loans booked on or after this date and 30 June 2024 for existing loans.

- ***Responsible Lending Conduct–Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans [September 13, 2023]***

These directions issued by the RBI on 13 September 2023, state that regulated entities should release all the original documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account. Compensation to the borrower at the rate of Rs. 5,000/- for each day of delay has to be paid where the delay is attributable to the regulated entity.

- ***Regulatory measures towards consumer credit and bank credit to NBFCs [November 16, 2023]***
  These directions issued by RBI on 16 November 2023 state that consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans, shall attract a risk weight of 125% instead of 100%.

- ***RBI tweaks norms to standardise filing of supervisory returns by banks, NBFCs- Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024' [February 27, 2024]***
  These directions aim to consolidate all relevant instructions issued to supervisory entities (SEs) for the submission of returns, providing clarity and reducing the compliance burden. They offer a broader framework to understand the purpose of the return and harmonise the timelines for filing of returns.

- ***Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) [July 15, 2024]***
  RBI revises rules to manage financial frauds in the BFSI sector. These master directions have been prepared based on a comprehensive review of the earlier Master Directions, circular and emerging issues. These Master Directions are principle-based and strengthen the role of the Board in overall governance and oversight of fraud risk management in the Regulated Entities.

  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

Opportunities

a. **Financial Inclusion and MSME Lending**: NBFCs continue to be crucial in promoting financial inclusion and supporting the micro, small, and medium enterprises (MSMEs) sector. Their ability to tailor products to the specific needs of underserved and unbanked populations, including MSMEs, allows them to extend credit where traditional banks may not reach. This focus aligns with government initiatives to boost entrepreneurship, income generation and job creation in India.
b. **Digital Transformation**: The rise of digital lending platforms and fintech innovations has created new avenues for NBFCs to expand their customer base and improve operational efficiencies. This Digital Transformation allows for credit availability within minutes, eliminating the need for physical interactions and lengthy procedures. The increasing adoption of technology in financial services, such as mobile banking, AI, and big data analytics, provides NBFCs with tools to enhance customer experience, streamline processes, and reduce costs.
c. **Partnerships and Collaborations**: Collaborations between fintechs, NBFCs and Banks can lead to innovative financial solutions that cater to a broader audience. These partnerships can combine the strengths of all entities, such as the technological prowess of fintechs and the customer base and regulatory experience of Banks and

established large NBFCs. These synergies not only improves efficiency but also advance overall industry compliance and development.

Threats

a) **Regulatory Challenges**

i. Despite supportive measures, NBFCs face significant regulatory constraints. The RBI has introduced several guidelines aimed at enhancing governance and risk management. These regulations, while beneficial for systemic stability, can impose additional compliance burdens and increase operational costs for NBFCs.

ii. As NBFCs and fintechs increasingly rely on digital platforms, they face heightened risks related to data security and privacy. The potential for data breaches and cyber-attacks poses significant threats to customer trust and regulatory compliance. Ensuring robust cybersecurity measures and adhering to evolving data protection regulations will be critical for maintaining customer confidence and avoiding legal repercussions.

b) **Cost of Funds and Risk Weights**: The recent regulatory changes that increase risk weights on lending to the retail unsecured and NBFC segments have impacted the cost of funds and lending activities. Banks have become more cautious in lending to NBFCs, which has moderated the pace of growth for NBFC advances. This situation can constrain NBFCs' ability to raise funds and maintain liquidity, especially during economic downturns.

In conclusion, while NBFCs and fintechs in India have numerous growth opportunities driven by financial inclusion, digital transformation, and potential partnerships with Banks, they must navigate a complex landscape of regulatory challenges, funding constraints and data security risks.

6. Risks and Concerns

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 – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by Reserve Bank of India.

7. 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.

8. Segment Reporting

The Company being a Non-Banking Financial Company operates under a single segment viz providing personal loans to the borrowers.

9. **Material Developments in Human Resources**

Your 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 2024 was 2517.

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

KRAZYBEE SERVICES PVT. LTD. Bangalore

Vivek Veda	**Karthikeyan Krishnaswamy**
Director	**Director**
DIN: 07560229	**DIN: 07449376**
Flat No. 1073, Shoba Daisy Apartment, Bellandur, Green Glay Layout, Bangalore, Karnataka, India-560103	**K-701, SNN Raj Lake View Apts,29th Main Road, NS Palya Main Road, BTM Layout Bengaluru, Karnataka India-560076**

Place: Bangalore
Date: September 05, 2024

A S C & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Independent Auditors' Report on the Ind AS Financial Statements

To the Members of KrazyBee Services Private Limited

Opinion

1. We have audited the accompanying Ind AS financial statements of KrazyBee Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, 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, 2024, 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, 2024. 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.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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 43,188.24 Lacs for the year ended March 31, 2024 Provision: Rs 25,667.95 Lacs at March 31, 2024	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instrument, allowance for loan loss is determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater level of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: a. Data inputs- The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. b. Model estimations- Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). The PD and the	Our audit procedures included the following: a. Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance process. b. Assessed the design and implementation of controls in respect of the Company's impairment loss process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. c. Testing of review controls over measurement of impairment allowances and disclosures in financial statements. d. Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standard and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. e. Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied.

ASC & ASSOCIATES NEW DELHI Chartered Accountants

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

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.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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 boards 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.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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, 2024 and are therefore the key audit matters. We describe these matters in

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to 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 subject to Note no. 45 of financial statements;

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

ASC & ASSOCIATES * NEW DELHI * Chartered Accountants

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

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

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

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

v. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility which is enabled at database level. Further, where audit trail (edit log) feature was enabled and operated throughout the year for the accounting software at application level, we did not come across any instance of the audit trail feature being tampered with; to be read along with note 46 to the Ind AS Financial Statements.

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

ASC & ASSOCIATES NEW DELHI Chartered Accountants

Denesh Singh
Partner
Membership Number: 097345
Place of Signature: New Delhi
Date: May 29, 2024
UDIN: 24097345BKHGXK6499

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, 2024.

(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 16 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.

A S C & ASSOCIATES * Chartered Accountants * NEW DELHI

(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.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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

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

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

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

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

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

ASC & ASSOCIATES NEW DELHI Chartered Accountants

(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.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

(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 32(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 32(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
ICAI Firm Registration Number: 011863N

ASC & ASSOCIATES NEW DELHI Chartered Accountants

Denesh Singh
Partner
Membership Number: 097345
Place of Signature: New Delhi
Date: May 29, 2024
UDIN: 24097345BKHGXK6499

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, 2024 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.

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

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 authorizations 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

ASC & ASSOCIATES
NEW DELHI
Chartered Accountants

Denesh Singh
Partner
Membership Number: 097345
Place of Signature: New Delhi
Date: May 29, 2024
UDIN: 24097345BKHGKK6499

KRAZYBEE SERVICES PRIVATE LIMITED

Balance sheet

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

S.No	Particulars	Note	As at March 31, 2024	As at March 31, 2023
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3(i)	21,510.17	28,194.14
(b)	Bank balance other than (a) above	3(ii)	7,347.26	4,844.87
(c)	Trade receivables	4	416.27	2,666.40
(d)	Loans	5	456,693.19	231,831.62
(e)	Investments	6	-	13,193.16
(f)	Other financial assets	7	5,307.66	6,023.68
			491,274.55	**286,753.87**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	8	994.20	1,351.38
(b)	Deferred tax assets (net)	9	6,962.89	2,417.75
(c)	Property, plant and equipment	10	318.08	73.68
(d)	Right of use asset	37(ia)	1,637.24	319.84
(e)	Intangible assets under development	11	51.07	-
(f)	Other intangible assets	12	9.85	4.78
(g)	Other non-financial assets	13	2,845.22	1,801.42
			12,818.55	**5,968.85**
	TOTAL ASSETS		**504,093.10**	**292,722.72**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14	1,401.67	195.42
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11,446.55	1,884.21
(b)	Debt securities	15	120,184.10	72,050.90
(c)	Borrowings (other than debt securities)	16	153,787.36	57,308.37
(d)	Other financial liabilities	17	7,720.12	662.66
			294,539.80	**132,101.56**
(2)	**Non-financial liabilities**			
(a)	Provisions	18	776.43	236.72
(b)	Other non-financial liabilities	19	3,742.93	1,330.47
			4,519.36	**1,567.19**
(3)	**EQUITY**			
(a)	Equity share capital	20(b)	112.73	111.79
(b)	Instruments entirely equity in nature	20(b)	86,015.88	70,136.82
(c)	Other equity	21	118,905.33	88,805.36
			205,033.94	**159,053.97**
	TOTAL LIABILITIES AND EQUITY		**504,093.10**	**292,722.72**

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: [illegible]

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2024
UDIN: 24097345BKHUXK6499

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

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2024

Vivek Veda
Director
DIN: 07560229
Place: Bengaluru
Date: May 29, 2024

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2024

KRAZYBEE SERVICES PRIVATE LIMITED

Statement of profit and loss

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

Sl. No.	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue from operations			
(i)	Interest income	22	122,583.41	47,774.98
(ii)	Fees and commission income	23	16,878.72	17,070.38
(iii)	Net gain on fair value changes	24	463.58	451.60
(iv)	Other operating income	25	-	6,403.83
1	**Total revenue from operations**		139,925.71	71,700.79
2	Other income	26	107.01	67.11
3	**Total income (1+2)**		140,032.72	71,767.90
	Expenses			
(i)	Finance costs	27	23,510.14	16,454.64
(ii)	Fees and commission expense	28	11,107.50	14,652.80
(iii)	Impairment on financial instruments	29	43,188.23	24,853.22
(iv)	Employee benefits expenses	30	18,834.64	3,736.74
(v)	Depreciation and amortization expense	31	364.67	165.15
(vi)	Other expenses	32	16,188.87	3,155.58
4	**Total expenses**		113,194.05	63,018.13
5	Profit before tax (3-4)		26,838.67	8,749.77
	Tax expense:	33		
	(1) Current tax		11,229.53	2,247.31
	(2) Deferred tax credit		(4,544.64)	(89.74)
	(3) Tax in respect of earlier years		117.96	83.35
6	**Total tax expense**		6,802.85	2,240.92
7	**Profit for the year (5-6)**		20,035.82	6,508.85
8	**Other comprehensive income (OCI)**			
	(i) Items that will not be reclassified to profit or loss Gain/(Loss) on remeasurement of defined benefit plans		(1.96)	(18.77)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.49	4.72
	Total other comprehensive loss for the year (net of tax)		(1.47)	(14.05)
9	**Total comprehensive income for the year (7+8)**		20,034.35	6,494.80
10	**Earnings per equity share**			
	Basic (Rs.)		1,787.12	579.22
	Diluted (Rs.)		1,325.21	532.95

Summary of material 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: 011565N

ASC & ASSOCIATES NEW DELHI Chartered Accountants

Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2024
UDIN: 24097345BKHGXK6499

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

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2024

Vivek Veda
Director
DIN: 07560229
Place: Bengaluru
Date: May 29, 2024

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2024

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities:		
Profit before tax	26,838.67	8,749.77
Adjustments for:		
Interest income	(122,091.16)	(47,275.83)
Depreciation and amortization expense	364.67	165.15
Interest income from investments	(492.25)	(499.15)
Realised gain on sale of investments	(463.58)	(423.79)
Unrealised gain on sale of investments	-	(27.81)
Impairment on financial instruments	43,188.23	24,853.22
Share based payment expense	6,062.97	241.49
Finance cost	23,403.66	15,352.56
Interest income on security deposits	(11.30)	(5.83)
Interest on lease liability	106.48	37.09
Cash inflow from interest on loans	117,530.42	50,001.92
Cash outflow towards finance cost	(23,001.61)	(14,405.93)
Cash generated from operations before working capital changes	**71,435.20**	**36,762.86**
Working capital changes:		
Decrease in bank balances other than cash and cash equivalents	-	35.91
(Increase) in loans	(262,282.92)	(147,951.83)
Decrease in trade receivables	2,250.13	6,874.15
Decrease / (Increase) in other financial assets	727.32	(1,470.18)
(Increase) in other non-financial assets	(1,117.06)	(1,490.77)
Increase in trade payables	10,768.59	1,358.87
Increase in provisions	537.75	104.87
Increase in other financial liabilities	5,768.96	274.51
Increase in other non-financial liabilities	1,206.32	155.81
Cash (used in) operations	**(170,705.71)**	**(105,347.80)**
Income tax paid (net of refunds)	(10,990.31)	(3,828.48)
Net cash flows (used in) operating activities (A)	**(181,696.02)**	**(109,176.28)**
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	(384.19)	(41.46)
Sale of property, plant and equipment and intangible assets	0.21	0.81
Purchase of investment in mutual funds	(347,900.00)	(266,443.00)
Proceeds from liquidation of investment in mutual fund	361,556.73	259,899.43
Net investments in fixed deposits	(2,486.00)	(3,661.83)
Interest received on investments	475.86	463.24
Net cash (used in)/generated from investing activities (B)	**11,262.61**	**(9,782.81)**
Cash flow from financing activities:		
Issue of CCPS (including securities premium & net of share issue expenses)	20,974.17	92,390.85
Proceeds from issue of equity share capital (including security premium)	2,263.04	-
Buy back of equity shares (including related income tax)	-	(724.11)
Debt securities issued	134,495.00	86,855.00
Debt securities repaid	(86,287.57)	(42,477.54)
Borrowings other than debt securities raised	424,591.07	168,701.24
Borrowings other than debt securities repaid	(328,508.36)	(165,036.14)
Dividends paid (including related income tax)	(3,354.56)	-
Payment of lease liability	(343.35)	(172.19)
Net cash generated from financing activities (C)	**163,749.44**	**139,537.11**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(6,683.97)	20,578.02
Cash and cash equivalents at the beginning of the period	28,194.14	7,616.12
Cash and cash equivalents at the end of the year*	**21,510.17**	**28,194.14**

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

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 29, 2024
UDIN: 24097345BKHGXK6499

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

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2024

Vivek Veda
Director
DIN: 07560229
Place: Bengaluru
Date: May 29, 2024

Pallavi Tangaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2024

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

(A) Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Balance at the beginning of the year	1,117,953	111.79	1,123,852	112.38
Add: Issued during the year	9,361	0.94	-	-
Less: Buyback of equity shares	-	-	5,899	0.59
Balance at the end of the year	**1,127,314**	**112.73**	**1,117,953**	**111.79**

(B) Instruments entirely equity in nature

0.001% non-cumulative convertible preference shares (CCPS) of Rs. 18,000 each issued, subscribed and fully paid	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	389,649	70,136.82	-	-
Add: Issued during the year	88,217	15,879.06	389,649	70,136.82
Balance at the end of the year	**477,866**	**86,015.88**	**389,649**	**70,136.82**

(C) Other equity

For the year ended March 31, 2024:

Particulars	Reserve and surplus				Other reserves	Items of other comprehensive income	Total other equity
	Statutory reserves	Securities premium	Share options outstanding	Retained earnings	Capital redemption	Remeasurement of defined	
Balance as at April 1, 2023	3,239.33	71,894.59	868.39	12,806.61	0.59	(4.15)	88,805.36
Profit for the year	-	-	-	20,035.82		-	20,035.82
Other comprehensive income (net of tax)	-	-	-	-	-	(1.47)	(1.47)
Total comprehensive income	3,239.33	71,894.59	868.39	32,842.43	0.59	(5.62)	108,839.71
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	4,007.16	-	-	(4,007.16)	-	-	-
Dividend Paid	-	-	-	(3,354.56)	-	-	(3,354.56)
ESOP adjustment	-	-	883.37	-	-	-	883.37
Adjustment upon cancellation and exercise of options	-	-	(21.34)	-	-	-	(21.34)
Transactions with owners in their capacity as owners:							
Issue of equity shares	-	2,262.10	-	-	-	-	2,262.10
Issue of CCPS	-	5,447.51	-	-	-	-	5,447.51
Amount utilised for share issue expenses		(352.40)					(352.40)
Share based payments to employees-for the year	-	-	5,200.94	-	-	-	5,200.94
Balance as at March 31, 2024	7,246.49	79,251.80	6,931.36	25,480.71	0.59	(5.62)	118,905.33

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

For the year ended March 31, 2023:

Particulars	Reserve and surplus				Other reserves	Items of other comprehensive income	Total other equity
	Statutory reserves (as per RBI Act)	Securities premium	Share options outstanding account	Retained earnings	Capital redemption reserve	Remeasurement of defined benefit liability	
Balance as at April 1, 2022	1,937.56	50,364.67	626.90	7,599.53	-	9.90	60,538.56
Profit for the year	-	-	-	6,508.85	-	-	6,508.85
Other comprehensive income (net of tax)	-	-	-	-	-	(14.05)	(14.05)
Total comprehensive income	1,937.56	50,364.67	626.90	14,108.38	-	(4.15)	67,033.36
Transfer to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	1,301.77	-	-	(1,301.77)	-	-	-
Transfer to Capital Redemption reserve	-	(0.59)	-	-	0.59	-	-
Transactions with owners in their capacity as owners:							
Issue of CCPS	-	24,061.33	-	-	-	-	24,061.33
Amount utilised for share issue expenses	-	(1,807.30)	-	-	-	-	(1,807.30)
Transfer on account of buy-back of equity shares*	-	(723.52)	-	-	-	-	(723.52)
Share based payments to employees-for the year	-	-	241.49	-	-	-	241.49
Balance as at March 31, 2023	3,239.33	71,894.59	868.39	12,806.61	0.59	(4.15)	88,805.36

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

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

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

ASC & ASSOCIATES * NEW DELHI * Chartered Accountants

Denesh Singh
Partner
Membership No: 097346
Place: New Delhi
Date: May 29, 2024
UDIN: 24097346BKHGIXK6499

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

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2024

Vivek Veda
Director
DIN: 07560229
Place: Bengaluru
Date: May 29, 2024

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2024

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

1 General information

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

2 Material accounting policies

Material accounting policies adopted by the company are as under:

2.1 Basis of preparation of financial statements

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

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

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

The financial statements for the year ended March 31, 2024 were authorized and approved for issue by the Board of Directors on May 29, 2024.

(a) Basis of measurement

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

ii) Share based payment transactions

(b) Use of estimates

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

2.2 Property, plant and equipment

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

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

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

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	Useful life
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years

KRAZYBEE SERVICES PRIVATE LIMITED

& ASSOCIATES NEW DELHI Chartered Accountants

2.2 Property, plant and equipment (contd.)

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

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

Depreciation methods, useful lives 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	Useful life
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.

ASSOCIATES
NEW DELHI
Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

2.6 Revenue recognition

(a) Interest income

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

The effective interest rate method:

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

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

(b) Other revenue from operations:

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

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

(i) Services fees:

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

(ii) Delayed payment charges:

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

(iii) Fees and commission income:

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

(iv) Business support services:

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

2.7 Dividend income

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

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.

A C & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

(b) **Deferred tax (contd.)**

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

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

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

2.9 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a 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").

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.

(This page has been intentionally left blank)

& ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

2.11 Provisions and contingent liabilities (contd.)

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.

(This page has been intentionally left blank)

(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.

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

The cash flows from 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 the Balance Sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting 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.

(This page has been intentionally left blank)

A & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

(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.

Financial liabilities at amortized cost:

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

(iii) Derecognition

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

(c) 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.

(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.

Employees 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.

(This page has been intentionally left blank)

ASC ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

(ii) Defined benefit plans (contd.)

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 Use of judgments, estimates and assumptions

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

(i) Estimates and assumptions

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

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

(b) Taxes

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

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

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 35.

& ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

(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.

(II) Judgements

(a) Business model assessment

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

(b) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. 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 Probability of defaults, Exposure at defaults and Loss given defaults
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

A K & ASSOCIATES
NEW DELHI
Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

(e) **Provisions and other contingent liabilities**

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

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

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

2.18 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 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.

(This page has been intentionally left blank)

A S B & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

2.23 Share based payment transaction

The stock options 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.

2.24 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 impairment expense. The premium received is recognised in the Statement of Profit and Loss in fees and commission income over the life of the

As beneficiary of financial guarantees:

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

(This page has been intentionally left blank)

KRAZYBEE SERVICES PRIVATE LIMITED

& ASSOCIATES NEW DELHI Chartered Accountants

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

			March 31, 2024	March 31, 2023
3	**(i) Cash and cash equivalents**			
	Balances with banks in current accounts		17,297.81	12,374.19
	Balances with banks in escrow accounts		4,212.36	4,405.77
	Fixed deposits with original maturity of three months or less		-	11,414.18
	Total	(i)	21,510.17	28,194.14
	(ii) Bank balance other than cash and cash equivalent			
	Encumbered (Refer Notes below)		6,369.17	4,727.87
	Unencumbered		978.09	117.00
	Total other bank balances	(ii)	7,347.26	4,844.87
	Total cash and bank balances	(i+ii)	28,857.43	33,039.01

Notes:

(a) Fixed deposits aggregating to Rs. 216.72 lakhs (March 31, 2023: Rs. 2,143.37 lakhs) placed with Banks have a lien for term loan facilities availed by the Company.

(b) Fixed deposits aggregating to Rs. 11.20 lakhs (March 31, 2023: Rs. 11.20 lakhs) placed with Banks have a lien for a credit card facility availed by the Company.

(c) Fixed deposits aggregating to Rs. 1.26 lakhs (March 31, 2023: Rs. 1,542.99 lakhs) placed with Banks have a lien for the overdraft facility availed by the Company.

(d) Fixed deposits aggregating to Rs. 1,128.70 lakhs (March 31, 2023: Rs. 366.41 lakhs) are provided as collateral for Securitized Liabilities of the Company.

(e) Fixed deposits aggregating to Rs. 25 lakhs (March 31, 2023: Rs. 25 lakhs) placed with Banks have a lien for Bank Guarantees provided by the Company.

(f) Fixed deposits aggregating to Rs. 2,351.01 lakhs (March 31, 2023: Rs. 638.90 lakhs) placed with Banks have a lien for working capital loans availed by the Company.

(g) Fixed deposits aggregating to Rs. 2,635.28 lakhs (March 31, 2023: Rs. Nil) placed with Banks have a lien for default loss guarantee cover provided by the Company.

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

(i) Also refer Note 45 to these Financial Statements.

		March 31, 2024	March 31, 2023
4	**Trade receivables**		
	Considered good -Unsecured		
	Fees, commission and others	416.27	2,666.40
		416.27	2,666.40
	Less: Allowance for impairment loss	-	-
	Total trade receivables	416.27	2,666.40
	Trade receivables include debts due by:		
	Private company in which director is a director or a member (Refer Note 38)	-	2,666.40

(a) **Trade Receivables ageing schedule**

	March 31, 2024	March 31, 2023
Undisputed trade receivables - considered good		
Unbilled due	330.26	-
Outstanding from due date of payment:		
Less than 6 months	86.01	234.63
from 6 months to 1 years	-	-
from 1 year to 2 years	-	2,431.77
from 2 year to 3 years	-	-
More than 3 years	-	-

(b) Impairment loss allowance recognised on Undisputed trade receivables is Rs. Nil (Previous year Rs. Nil).

(c) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

ASA & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

	March 31, 2024	March 31, 2023
5 Loans		
Loans (at amortised cost)		
Loan to customers	482,361.14	241,674.31
Less: Impairment loss allowance	(25,667.95)	(9,842.69)
Total	456,693.19	231,831.62
(A)		
(i) Term loans	482,361.14	241,674.31
(ii) Others	-	-
Less: Impairment loss allowance	(25,667.95)	(9,842.69)
Total (A)	456,693.19	231,831.62
(B)		
(i) Secured by tangible assets	354.67	-
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government guarantee	-	-
(iv) Unsecured	482,006.47	241,674.31
Less: Impairment loss allowance	(25,667.95)	(9,842.69)
Total (B)	456,693.19	231,831.62
(C)		
Loans outside India	-	-
Loans in India		
(i) Public sector	-	-
(ii) Others		
(a) Retail	482,361.14	241,674.31
(a) Corporate	-	-
Less: Impairment loss allowance	(25,667.95)	(9,842.69)
Total (C)	456,693.19	231,831.62
Summary of EIR impact on loans		
Total Gross Loan	483,823.75	243,305.40
Less: EIR Impact	(1,462.61)	(1,631.09)
Total Gross Loan net of EIR impact	482,361.14	241,674.31

Includes receivables from related parties (Refer Note 38)

	March 31, 2024	March 31, 2023
6 Investments		
Investments carried at fair value through profit or loss		
Liquid mutual funds, quoted	-	13,193.16
Total	-	13,193.16
Liquid mutual funds, quoted		
DSP Overnight Fund - Growth Rs. Nil (March 31, 2023: 3,71,182.68 units of Rs. 1,200.65 each)	-	4,456.60
Nippon Overnight Fund - Growth Rs. Nil (March 31, 2023: 5,07,043.23 units of Rs. 120.36 each)	-	610.30
Baroda BNP Paribas Over Night Fund - Growth Rs. Nil (March 31, 2023: 3,50,399.07 units of Rs. 1,177.26 each)	-	4,125.09
SBI Overnight Fund Direct Growth Rs. Nil (March 31, 2023: 1,09,643.72 units of Rs. 3,649.25 each)	-	4,001.17

All the above investments are in India.

	March 31, 2024	March 31, 2023
7 Other financial assets		
Security deposit	306.13	112.47
Receivables from intermediaries*	3,414.08	4,882.18
Others receivables	1,587.45	1,029.03
Total	5,307.66	6,023.68

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

*Note (b): Also refer Note 45 to these Financial Statements.

	March 31, 2024	March 31, 2023
Other receivables include (Refer Note 38):		
Receivable from related party - Finnovation Tech Solutions Private Limited	1,217.67	-

	March 31, 2024	March 31, 2023
8 Current tax assets (net)		
Advance income tax	994.20	1,351.38
Total	994.20	1,351.38

Advance tax (net) is Rs. 477.83 lakhs (March 31, 2023: 513.35 lakhs). Advance tax also includes income tax refundable for previous years.

	March 31, 2024	March 31, 2023
9 Deferred tax assets (net)		
Deferred tax assets	6,962.89	2,417.75
Total	6,962.89	2,417.75

Note: Refer Note 33 for the reconciliation of income tax expenses for the year.

ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

10 Property, plant and equipment - tangible assets

	Gross block				Depreciation				Net block
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	On deductions	As at March 31, 2024	As at March 31, 2024
(a) Owned assets									
Furniture and fixtures	37.93	56.33	-	94.26	12.58	22.07	-	34.65	59.61
Office equipment's	27.76	57.67	1.49	83.94	16.53	18.90	1.28	34.15	49.79
Leasehold Improvement	-	135.62	-	135.62	-	24.19	-	24.19	111.43
Computers	218.92	75.15	-	294.07	181.82	15.00	-	196.82	97.25
Total	284.61	324.77	1.49	607.89	210.93	80.16	1.28	289.81	318.08

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

(This page has been intentionally left blank)

C S ASSOCIATES * NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED *

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

11 Intangible assets under development

	Gross block				Amortization				Net block
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	On deductions	As at March 31, 2024	As at March 31, 2024
Intangible assets under development	-	51.07	-	51.07	-	-	-	-	51.07
Total	-	51.07	-	51.07	-	-	-	-	51.07

	Gross block				Amortization				Net block
	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at April 1, 2022	For the year	On deductions	As at March 31, 2023	As at March 31, 2023
Intangible assets under development	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Aging for Intangible assets under development

Particulars	As at	Amount for a period of				
		Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Computer software	March 31, 2024	51.07	-	-	-	51.07
Computer software	March 31, 2023	-	-	-	-	-

12 Intangible assets

	Gross block				Amortization				Net block
	As at April 1, 2023	Additions	Deductions	As at March 31, 2024	As at April 1, 2023	For the year	On deductions	As at March 31, 2024	As at March 31, 2024
Computer software	37.83	7.81	-	45.64	33.05	3.29	-	36.34	9.30
Trade Mark	-	0.55	-	0.55	-	-	-	-	0.55
Total	37.83	8.36	-	46.19	33.05	3.29	-	36.34	9.85

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

ASC Associates * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

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

		March 31, 2024	March 31, 2023
13	**Other non-financial assets**		
	Prepaid expenses	395.32	138.61
	Advance to suppliers	64.61	26.55
	Debt prepayments	1,790.59	1,002.41
	Capital advances	-	6.00
	GST input tax credit	94.70	127.85
	Other Advances*	500.00	500.00
	Total	**2,845.22**	**1,801.42**

*Note : Also refer Note 45 to these Financial Statements.

		March 31, 2024	March 31, 2023
14	**Trade payables**		
(a)	Total outstanding dues of micro enterprises and small enterprises	1,401.67	195.42
(b)	Total outstanding dues creditors other than micro enterprises and small enterprises	11,446.55	1,884.21
	Total	**12,848.22**	**2,079.63**

Trade payables ageing schedule:

	March 31, 2024		March 31, 2023	
Outstanding for following periods from due date of payment	**MSME**	**Others**	**MSME**	**Others**
Unbilled due	1,389.67	6,651.68	67.67	1,179.51
Less than 1 year	12.00	4,793.27	127.75	703.34
1 - 2 years	-	-	-	0.05
2 - 3 years	-	1.60	-	1.31
> 3 years	-	-	-	-

Note

1. The Company has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 have been made in the Financials Statements based on information received and available with the Company.
2. The Company does not have any disputed dues payable as on March 31, 2024 and March 31, 2023.

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	1,401.67	195.42
Interest	9.08	3.85
(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.	9.08	3.85
(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.	9.08	3.85

Trade payables include (Refer Note 38):

Payable to Finnovation Tech Solutions Private Limited	7,363.75	374.60

(This page has been intentionally left blank)

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

		March 31, 2024	March 31, 2023
15	Debt securities*		
	At amortized cost		
	Secured		
	Privately placed reedeemable non-convertible debentures**	105,012.70	66,114.94
	Unsecured		
	Commercial Papers - unsecured	15,171.40	5,935.96
	Total	120,184.10	72,050.90

**All the Debt securities are in India.*

*** Non-convertible debentures includes principal and interest repayment to related party - Refer note 38*

i. **Terms of repayment of privately placed redeemable non-convertible debentures as at March 31, 2024:**

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	72,863.79	31,804.45	-	-	104,668.24
Interest accrued	1,485.73	-	-	-	1,485.73
Impact of EIR					(1,141.27)
TOTAL	74,349.52	31,804.45	-	-	105,012.70

Key repayment terms:

Interest rates	Ranging from 9.80% to 12.50%.
Principal and Interest	Various securities comprising of equated monthly installments, quarterly installments, Semi-annual payments, annual payments and bullet repayment schedules.
No. of installments	79

Terms of repayment of privately placed redeemable non-convertible debentures as at March 31, 2023:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	52,489.14	12,650.66	-	-	65,139.80
Interest accrued	1,354.06	205.90	-	-	1,559.96
Impact of EIR					(584.82)
TOTAL	53,843.20	12,856.56	-	-	66,114.94

Key repayment terms:

Interest rates	Ranging from 11.40% to 15%.
Principal and Interest	Various securities comprising of equated monthly installments, quarterly installments, Semi-annual payments, annual payments and bullet repayment schedules.
No. of installments	69

ii. All the above non-convertible debentures are secured by way of hypothecation of the loan receivables of the Company. Minimum security cover of 1.00 to 1.20 times is required to be maintained throughout the term of the debentures.

iii. Rs. 8,804.49 lakhs (March 31, 2023: Rs. 39,197.90 lakhs) of the non-convertible debentures are guaranteed by a fellow subsidiary, Finnovation Tech Solutions Private Limited.

iv. The Company has not defaulted in the repayment of dues to its lenders.

v. **Terms of repayment of commercial papers as at March 31, 2024:**

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	15,725.00	-	-	-	15,725.00
Discount on CP	(498.05)	-	-	-	(498.05)
Impact of EIR					(55.55)
TOTAL	15,226.95	-	-	-	15,171.40

Key repayment terms:

Interest rates	Ranging from 10.65% to 11.75%.
Principal and Interest	Securities comprising bullet repayment schedules.
No. of installments	5

Terms of repayment of commercial papers as at March 31, 2023:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	6,000.00	-	-	-	6,000.00
Discount on CP	(64.04)				(64.04)
Impact of EIR					-
TOTAL	5,935.96	-	-	-	5,935.96

Key repayment terms:

Interest rates	Ranging 12.25%.
Principal and Interest	Securities comprising bullet repayment schedules.
No. of installments	2

A S C & ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

		March 31, 2024	March 31, 2023
16	Borrowings (other than debt securities)		
	At amortized cost, secured		
	Term loans		
	i. From Banks	27,560.27	10,698.73
	ii. From others	74,010.16	38,210.51
	Working capital loans	18,504.88	7,926.46
	Bank overdraft	16,460.11	-
	Securitization liabilities	17,251.94	472.67
	Total	**153,787.36**	**57,308.37**
	Borrowings in India	153,787.36	57,308.37
	Borrowings outside India	-	-

Notes:

i. **Terms of repayment of term loans (Banks) as at March 31, 2024:**

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	24,535.44	3,062.77	-	-	27,598.21
Interest accrued	75.68	-	-	-	75.68
Impact of EIR					(113.62)
TOTAL	24,611.12	3,062.77	-	-	27,560.27

Key repayment terms:

Interest rates	Ranging from 8.85% to 12.50%.
Principal and Interest	Various loans comprising of equated monthly installments, quarterly installments and bullet repayment schedules.
No. of installments	101

Terms of repayment of term loans (Banks) as at March 31, 2023:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	10,209.08	499.91	-	-	10,708.99
Interest accrued	75.73	-	-	-	75.73
Impact of EIR					(85.99)
TOTAL	10,284.81	499.91	-	-	10,698.73

Key repayment terms:

Interest rates	Ranging from 10.20% to 14.85%.
Principal and Interest	Various loans comprising of equated monthly installments.
No. of installments	40

Terms of repayment of term loans (Others) as at March 31, 2024:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	71,651.09	1,935.76	-	-	73,586.85
Interest accrued	555.62	-	-	-	555.62
Impact of EIR					(132.31)
TOTAL	72,206.71	1,935.76	-	-	74,010.16

Key repayment terms:

Interest rates	Ranging from 10.00% to 13.50%.
Principal and Interest	Various loans comprising of equated monthly installments, quarterly installments and semi-annual repayment schedules.
No. of installments	244

Terms of repayment of term loans (Others) as at March 31, 2023:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	1,678.36	36,383.58	-	-	38,061.94
Interest accrued	231.93	-	-	-	231.93
Impact of EIR					(83.36)
TOTAL	1,910.29	36,383.58	-	-	38,210.51

Key repayment terms:

Interest rates	Ranging from 11.60% to 14.35%.
Principal and Interest	Various loans comprising of equated monthly installments, quarterly installments, semi-annual and bullet repayment schedules.
No. of installments	162

ASSOCIATES NEW DELHI Chartered Accountants

SERVICES PRIVATE LIMITED

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

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

Terms of repayment of term loans (Working Capital) as at March 31, 2024:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	18,500.00	-	-	-	18,500.00
Interest accrued	77.26	-	-	-	77.26
Impact of EIR					(72.38)
TOTAL	18,577.26	-	-	-	18,504.88

Key repayment terms:

Interest rates	Ranging from 7.97% to 10.85%.
Principal and Interest	Bullet repayment schedules
No. of installments	5

Terms of repayment of term loans (Working Capital) as at March 31, 2023:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	8,000.00	-	-	-	8,000.00
Interest accrued	-	-	-	-	-
Impact of EIR					(73.54)
TOTAL	8,000.00	-	-	-	7,926.46

Key repayment terms:

Interest rates	Ranging from 9.05% to 11.95%.
Principal and Interest	Bullet repayment schedules and monthly interest repayment
No. of installments	5

iii. Terms of repayment of securitisation liabilities as at March 31, 2024:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	12,904.19	4,390.28	-	-	17,294.47
Interest accrued	76.00	-	-		76.00
Impact of EIR					(118.53)
TOTAL	12,980.19	4,390.28	-	-	17,251.94

Key repayment terms:

Interest rates	Ranging from 10.75% to 11.35%.
Principal and Interest	Basis repayment trends of the underlying pool of receivables.
No. of installments	40

Terms of repayment of securitisation liabilities as at March 31, 2023:

Particulars	0 - 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
Redeemable at par	477.09	-	-	-	477.09
Interest accrued	0.61	-	-	-	0.61
Impact of EIR					(5.03)
TOTAL	477.70	-	-	-	472.67

Key repayment terms:

Interest rates	Ranging from ~11.00%.
Principal and Interest	Basis repayment trends of the underlying pool of receivables.
No. of installments	02

(This page has been intentionally left blank)

iv. **Nature of Security:**

i. Securitisation liabilities are secured with a Fixed Deposit of Rs. 1,128.70 lakhs (March 31, 2023: Rs. 366.41 lakhs) and hypothecation of specific loan receivables of the Company.

ii. Term loans are secured with Fixed Deposits of Rs. 216.72 lakhs (March 31, 2023: Rs. 2,143.37 lakhs).

iii. Working Capital loans are secured with Fixed Deposits of Rs. 2,351.01 lakhs (March 31, 2023: Rs. 638.90 lakhs).

iv. Overdraft facility are secured with Fixed Deposits of Rs. 1.26 lakhs (March 31, 2023: Rs. 1,542.99 lakhs).

v. Balances of bank overdraft of the Company aggregating to Rs. 16,460.11 lakhs (March 31, 2023: Rs. Nil) has been secured by way of liens on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

vi. Balances of working capital loan aggregating to Rs. 3,000 lakhs (March 31, 2023: Rs. Nil) has been secured by way of liens on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

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

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

ix. All the above term loans are secured by hypothecation of portfolio of the Company. Minimum security cover of 1.10 to 1.25 times is required to be maintained throughout the term of the loan.

x. The working capital loans are secured by hypothecation of portfolio of the Company. Minimum security cover is generally 1.25 to 1.40 times and is required to be maintained throughout the term of the loan.

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

xii. The Company has been sanctioned working capital limits of Rs. 18,500.00 lakhs (March 31, 2023: Rs. 10,500 lakhs) 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, 2024	March 31, 2023
17	**Other financial liabilities**		
	Employee benefits payable	1,645.83	52.45
	Lease liability	1,627.10	338.60
	Provision for default loss guarantee	3,819.98	-
	Capital creditors	3.35	-
	Others	623.86	271.61
	Total	7,720.12	662.66
	***Others Include:(Refer Note 38):**		
	Payable to related party - Finnovation Tech Solutions Private Limited	405.40	136.04
	Payable to related party - Vivek Veda	-	0.09
	Payable to related party - Finnov Private Limited	0.02	0.02
18	**Provisions**		
	Provision for gratuity	376.37	137.93
	Provision for compensated absences	400.06	98.79
	Total	776.43	236.72
19	**Other non - financial liabilities**		
	Statutory dues	1,587.44	381.12
	Interest received in advance	2,155.49	949.35
	Total	3,742.93	1,330.47

(This page has been intentionally left blank)

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

	March 31, 2024	March 31, 2023
20(a) Equity share capital		
The Company has only one class of equity share capital having a par value of Rs. 10 per share, referred to herein as equity shares.		
Authorized		
30,00,000 equity shares of Rs. 10 each (March 31, 2023: 30,00,000 equity shares of Rs. 10 each)	300.00	300.00
20(b) Instruments entirely equity in nature		
The Company has only one class of preference share capital having a par value of Rs. 18,000 per share, referred to herein as preference shares.		
Authorized		
5,60,000, 0.001% non-cumulative convertible preference shares (CCPS) of Rs. 18,000 each (March 31, 2023: 5,60,000, 0.001% non-cumulative convertible preference shares (CCPS) of Rs. 18,000 each)	100,800.00	100,800.00
	101,100.00	101,100.00
Issued, subscribed and paid up share capital		
11,27,314 equity shares of Rs. 10 each (March 31, 2023: 11,17,953 equity shares of Rs. 10 each)	112.73	111.79
4,77,866 0.001% CCPS of Rs. 18,000 each (March 31, 2023: 3,89,649 0.001% CCPS of Rs. 18,000 each)	86,015.88	70,136.82
Total	86,128.61	70,248.61

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

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Outstanding at the beginning of the year	1,117,953	111.79	1,123,852	112.38
Add: Issued during the year	9,361	0.94	-	-
Less: Buy back of equity shares	-	-	5,899	0.59
Outstanding at the end of the year	1,127,314	112.73	1,117,953	111.79
Compulsorily convertible preference shares				
At the beginning of the year	389,649	70,136.82	-	-
Issued during the year	88,217	15,879.06	389,649	70,136.82
Outstanding at the end of the year	477,866	86,015.88	389,649	70,136.82

(b) Rights, preferences and restrictions attached to shares

Equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(This page has been intentionally left blank)

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

Equity share capital (contd.)

Compulsorily Convertible Preference Shares:

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

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

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

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

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

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

(c) Shares held by holding company	March 31, 2024	March 31, 2023
	Number	Number
Finnov Private Limited		
11,27,313 (March 31, 2023: 11,17,952) equity shares of Rs. 10 each fully paid	1,127,313	1,117,952

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

Name of the shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity Shares of Rs. 10 each fully paid up				
Finnov Private Limited	1,127,313	100.00%	1,117,952	100.00%
Compulsorily Convertible Preference Shares of Rs. 18,000 each fully paid				
Wiseanya Limited	249,581	52.23%	203,507	52.23%
PI Opportunities Fund I	66,350	13.88%	66,350	17.03%
PI Opportunities Fund II	15,709	3.29%	-	0.00%
India business Excellence Fund IV	64,149	13.42%	53,418	13.71%
MUFG Bank Ltd.	31,158	6.52%	24,202	6.21%
NewQuest Asia Fund IV (Singapore) Pte. Ltd.	29,939	6.27%	22,492	5.77%
Mirae Asset Late Stage Opportunities Fund	20,980	4.39%	19,680	5.05%
Total	477,866	100.00%	389,649	100.00%

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

ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

Equity share capital (contd.)

(f) 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.

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

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

(i) Details of shareholding of promoters in the Company:

Name of the promoter	March 31, 2024		
	Number of shares	% of holding in the class	% Change during the year
Finnov Private Limited	1,127,313	100.00%	0.00%

Name of the promoter	March 31, 2023		
	Number of shares	% of holding in the class	% Change during the year
Finnov Private Limited	1,117,952	100.00%	0.52%
Madhusudan Ekambaram	1	0.00%	(0.52%)
Karthikeyan Krishnaswamy	-	0.00%	(0.00%)

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

	March 31, 2024	March 31, 2023
21 Other equity		
(a) Statutory reserve u/s 45-IC of the RBI Act, 1934		
Opening balance	3,239.33	1,937.56
Add: Transferred during the year	4,007.16	1,301.77
Closing balance	7,246.49	3,239.33
(b) Capital Redemption Reserve		
Opening balance	0.59	-
Add: Current year transfer from	-	0.59
Less: Utilization on account of / Transfer to	-	-
Closing balance	0.59	0.59
(c) Securities premium account		
Opening balance	71,894.59	50,364.67
Add : securities premium credited on issue of equity shares	2,262.10	-
Add : securities premium credited on issue of CCPS	5,447.51	24,061.33
Less :Amount utilised for share issue expenses	(352.40)	(1,807.30)
Less: buy back of equity shares	-	(723.52)
Less:Transfer to Capital Redemption Reserve	-	(0.59)
Closing balance	79,251.80	71,894.59
(d) Share options outstanding account		
Opening balance	868.39	626.90
Add: Transferred during the year	5,200.94	241.49
Liability Transfer on account employees shifting	883.37	-
Less: Adjustment on cancellation of ESOP	(21.34)	-
Closing balance	6,931.36	868.39

(This page has been intentionally left blank)

ASC & ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

	March 31, 2024	March 31, 2023
(e) Retained earnings		
Opening balance	12,802.46	7,609.43
Add: Net Profit for the current year	20,035.82	6,508.85
Add: Other comprehensive income	(1.47)	(14.05)
Less: Transfer to statutory reserves	4,007.16	1,301.77
Less: Dividend Paid	3,354.56	-
Closing balance	25,475.09	12,802.46
Total reserves and surplus	118,905.33	88,805.36

Nature and purpose of reserves:

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

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

(b) Securities premium account

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

(c) Share options outstanding account

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

(d) Retained earnings

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

(e) Capital Redemption Reserve

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

Payment of dividend:

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

(This page has been intentionally left blank)

ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

	Year ended March 31, 2024	Year ended March 31, 2023
22 Interest income		
At amortized cost		
Interest on loans	122,079.86	47,270.00
Interest on deposits with Banks	492.25	499.15
Other interest income	11.30	5.83
Total	122,583.41	47,774.98
23 Fees and commission income		
Fees from platform	-	1,898.36
Service Fees	13,052.52	15,172.02
Foreclosure income	3,826.20	-
Total	16,878.72	17,070.38
*Also refer Note 39		
24 Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss		
- investments	463.58	451.60
Total net gain on fair value changes	463.58	451.60
Fair value changes:		
- realised	463.58	423.79
- unrealised	-	27.81
Total net gain on fair value changes	463.58	451.60
25 Other operating income		
Deficiency recovery	-	6,403.83
	-	6,403.83
*Also refer Note 39		
26 Other income		
Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)	0.25	-
Interest on Income Tax Refund	-	65.46
Miscellaneous income	106.76	1.65
Total	107.01	67.11
27 Finance costs		
On financial liabilities measured at amortized cost:		
Interest on borrowings	11,168.56	8,487.66
Interest on debt securities	12,072.45	6,873.95
Interest on lease liability	106.48	37.09
Interest on shortfall of advance tax	63.70	15.04
Applicable net (gain) / loss on foreign currency transactions and translation	-	1,035.44
Others	98.95	5.46
Total	23,510.14	16,454.64
(i) Expenditure in foreign currency		
Interest expenses	-	536.73
28 Fees and commission expense		
Commission to platforms	8,678.15	13,017.07
Commission to payment gateways	49.80	74.68
Credit assessment charges	2,379.55	1,561.05
Total	11,107.50	14,652.80

SC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

		Year ended March 31, 2024	Year ended March 31, 2023
29	**Impairment on financial instruments**		
	On financial instruments measured at amortised cost		
	Loans	38,482.07	24,853.22
	On financial instruments measured at fair value		
	Financial guarantee contracts	4,706.16	-
	Total	43,188.23	24,853.22
30	**Employee benefit expenses**		
	Salaries and wages	12,858.93	3,226.85
	Gratuity expense	100.63	63.30
	Leave benefits expense	124.95	50.17
	Contribution to provident and other funds	478.30	134.65
	Share based payments to employees	5,200.94	241.49
	Staff welfare expenses	70.89	20.28
	Total	18,834.64	3,736.74
31	**Depreciation and amortization expense**		
	on tangible assets	80.15	23.75
	on right of use asset	281.23	139.85
	on intangible assets	3.29	1.55
	Total depreciation and amortization expense	364.67	165.15
32	**Other expenses**		
a)	Rent, rates and taxes	836.55	50.85
	Communication Costs	162.14	123.25
	Director's fees, allowances and expenses	45.78	20.74
	Auditor's fees and expenses	18.86	15.73
	Legal and Professional charges	742.74	219.41
	Loss on sale of fixed asset	0.04	0.35
	Bank charges	191.64	65.44
	Processing and maintainance charges	1,526.63	6.50
	Technical expenses	3,984.57	1,911.08
	Sales promotion expenses	1,986.68	178.91
	Collection charges	3,125.91	255.12
	Office expenses	722.27	182.36
	Deficiency recovery expenses	2,670.27	-
	Expenditure towards Corporate Social Responsibility (CSR) activities	118.00	103.66
	Other expenditure	56.79	22.18
	Total	16,188.87	3,155.58

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

b)	**As auditor:**		
	Audit fee*	12.00	8.00
	Limited review fees*	4.50	4.50
	In other capacity:		
	For certificates*	-	0.76
	Other services*	-	1.00
	Total	16.50	14.26

*Note: The above fees is excluding GST write off expenses

(This page has been intentionally left blank)

A.S.C & ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

	Year ended March 31, 2024	Year ended March 31, 2023

c) Corporate Social Responsibility (CSR)

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

	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount required to be spent	117.79	95.26
Excess amount spent in previous financial year carried forward	8.40	-
Amount spent during the year		
i. construction/acquisition of any asset		
-under control of the Company for future use	-	-
-not under control of the Company for future use	-	-
ii. On purpose other than (i) above	118.00	103.66
iii. Excess/(Shortfall) at the end of the year	0.21	8.40
Total of previous years excess	8.40	
iv. Reason for shortfall	Not applicable	Not applicable
iv. Nature of CSR activities		

CSR activities conducted during the year was focused on women empowerment, medical and health care Rural development, education, food, grocery interventions,construction of public toilet in project area, administrative and official purposes, learning centre in Bangalore UPAY for underprivileged children, foster innovation & entrepreneurship among the youth of NITK (National Institute of Technology, Surathkal) and support new ideas through mentorship and was quite a success, assistance and relief in Emergency Situations fund,project of gurukul based educational institute at sunpura: Jharcha: odesar: shahada: bhamer in India,Skill development and capacity building training.

33 Income tax

(A) Deferred tax relates to the following:

	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax assets		
On provision for employee benefits	110.78	54.86
On provision for DLG	961.41	-
On expected credit loss	5,869.08	2,358.93
On leases	8.32	4.72
On depreciation and amortisation	10.01	7.19
	6,959.60	2,425.70
Deferred tax liabilities		
On others	-	7.00
	-	7.00
Deferred tax asset, net	6,959.60	2,418.70

(This page has been intentionally left blank)

ASC ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

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

	March 31, 2024	March 31, 2023
(B) Reconciliation of deferred tax assets/(liabilities) (net):		
Opening balance at the beginning of the year	2,417.75	2,323.29
Tax liability recognized in Statement of Profit and Loss:		
On borrowings EIR	-	84.68
On others	-	(29.83)
Tax asset recognized in Statement of Profit and Loss:		
On provision for employee benefits	55.92	20.72
On property plant and equipment and intangible asset	2.82	(1.56)
On DLG	961.41	-
On others	14.34	11.31
On expected credit loss	3,510.15	4.42
Total deferred tax assets/(liabilities) (net)	4,544.64	89.74
Tax liability recognized in OCI:		
On re-measurements gain/(losses) of post-employment benefit obligations	0.49	4.72
Closing balance at the end of the year	6,962.89	2,417.75
(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
Tax liability	-	54.85
Amounts recognised in Statement of Profit and Loss account	4,544.64	34.89
	4,544.64	89.74
(D) Income tax expense		
- Current tax	11,229.53	2,247.31
- Adjustments in respect of current income tax of previous year	117.96	83.35
- Deferred tax credit	(4,544.64)	(89.74)
Income tax expense reported in the statement of profit or loss	6,802.85	2,240.92
(E) Income tax charged to OCI		
Net loss/(gain) on remeasurements of defined benefit plans	0.49	4.72
Income tax charged to OCI	0.49	4.72
(F) Reconciliation of tax charge		
Profit before tax	26,838.67	8,749.77
Income tax expense at tax rates applicable	25.17%	25.17%
Income tax expense	6,754.76	2,202.14
Tax effects of:		
Non tax deductible expenses	48.03	40.61
Others	0.06	(1.83)
Income tax expense	6,802.85	2,240.92

(This page has been intentionally left blank)

ASC ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

34 Earnings per share

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

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

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

	March 31, 2024	March 31, 2023
Net profit attributable to equity holders	20,035.82	6,508.85
Weighted average number of equity shares for basic EPS	1,121,124	1,123,723
Weighted average number of equity shares for diluted EPS	1,511,896	1,222,204
Basic earnings per share (Rs.)	1,787.12	579.22
Diluted earnings per share (Rs.)	1,325.21	532.55

35 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	478.30	134.65

(B) Other plans provisions

a) Defined benefit plan: Gratuity payable to employees	376.37	137.93
b) Other long-term benefits: Compensated absences for Employees	400.06	98.79

Defined benefit plan: Gratuity plan

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

i) Actuarial assumptions

Discount rate (per annum)	7.18%	7.20%
Rate of increase in salary	10.00%	10.00%
Rate of attrition	30.00%	30.00%

ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	**137.93**	**55.87**
Interest cost	17.36	2.87
Current service cost	83.27	60.42
Liability Transferred In/ Acquisitions	137.86	-
Benefit directly paid by employer	(2.02)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptic	0.34	(6.82)
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	1.63	25.59
Present value of obligation at the end of the year*	**376.37**	**137.93**

**Included in provision for employee benefits*

iii) Expense recognized in the Statement of Profit and Loss

Current service cost	83.27	60.42
Interest cost	17.36	2.87
Total expense recognized in the Statement Profit and Loss*	**100.63**	**63.29**

*Included in Employee benefits expense (Refer Note 30). Actuarial gain of Rs. 1.96 lakhs (March 31, 2023: Acturial loss of Rs. 18.77 lakhs) is included in other comprehensive income.

(This page has been intentionally left blank)

SC & ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

	March 31, 2024	March 31, 2023
iv) Assets and liabilities recognized in the Balance Sheet:		
Present value of unfunded obligation as at the end of the year	376.37	137.93
Unfunded net (asset) / liability recognized in Balance Sheet*	376.37	137.93
*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	(11.61)	(4.34)
1% decrease	12.45	4.65
Change in Rate of Salary Increase:		
1% increase	11.73	4.35
1% decrease	(11.22)	(4.19)
Change in Rate of Employee Turnover:		
1% increase	(5.88)	(2.29)
1% decrease	6.11	2.36
vii) Maturity profile of defined benefit obligation		
Year		
1st Following Year	65.75	15.33
2nd Following Year	62.03	28.80
3rd Following Year	59.90	26.22
4th Following Year	62.24	22.58
5th Following Year	56.34	20.53
Sum of Years 6 To 10	136.53	49.86
Sum of Years 11 and above	48.11	17.36

36 Employee Stock Option Scheme (ESOP)

The Holding Company's Board of Directors have approved ESOP plan 2016 ("Old plan") for granting Employee Stock Options in form of equity shares of the Holding Company 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 the Holding Company. The options granted are recorded as per the fair market value as on the date of grant. Such fair market value of the option is determined on the basis of actuarial valuation as on the date of the grant. The options vest in a graded manner over the period of four years from the date of the grant and the exercise price is Nil. During the current financial year, the Holding Company's Board of Directors cancelled the ESOP plan 2016 and the Company's Board of Directors has formulated Krazybee Employee Stock Option Plan 2023 ("New plan").

The following table illustrates the number of and movements in, share options during the year.

Particulars	March 31, 2024		March 31, 2023	
	Number (Old Plan)	Number (New Plan)	Number (Old Plan)	WAEP (INR)
Outstanding at beginning of the year	53,46,138	-	53,18,867	-
Add:				
Granted during the year old pool	-	52,447	47,271	-
Granted during the year new pool	-	29,730	-	-
Option transferred in	6,14,882	-	-	-
Less:				
Option transferred out	403	-	-	-
Forfeited/exercised during the year	9,50,529	76	-	-
Expired during the year	-	97	-	-
Transferred to Krazybee	49,44,398	-	-	-
Outstanding at the end of the year#	85,690	82,004	53,46,138	-

Weighted average exercise prices (WAEP) under the new plan is Rs.10.
#Outstanding options under the old plan are either exercised or forfeited after the balance sheet date as per the terms and conditions of the old plan.

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

36 Employee Stock Option Scheme (ESOP) (contd.)

In accordance with the above mentioned ESOP Scheme, Rs. 5,200.94 lakhs (March 31, 2023: Rs. 241.49 lakhs) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended March 31, 2024 as Employee Stock Option Scheme Compensation.

*During the year ended March 31, 2024, management has cancelled the ESOPs granted under Finnov ESOP Plan and implemented a new ESOP plan at India level under which equivalent value ESOP has been granted to the employees of the Company in lieu of ESOPs cancelled at Finnov level.

Accordingly, as per Ind AS 102, the cancellation of Finnov share options and grant of new stock options by the Company is considered a replacement of share awards which resulted in modification accounting for the equity settled share-based payment which has been applied in the Financial Statements of the Company. Since new ESOPs that are granted are having a longer vesting period when compared to the vesting period under the Finnov ESOP scheme, the modification is non-beneficial to employees and is ignored for accounting purposes.

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)	24,167
Dividend yield (%)	0%
Risk free interest rate (%)	6.96% to 7.26%
Expected volatility (%)	36.15% to 46.53%

37 Leases

The Company has certain lease arrangements for premises. These lease arrangements range for a period between 12 and 60 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, 2024	March 31, 2023
Opening Balance at the start of the year	319.84	165.04
Additions	1,602.14	294.65
Adjustment with opening balance due to modification	(3.51)	-
Amortization (refer Note 31)	(281.23)	(139.85)
Closing balance at the end of the year	1,637.24	319.84

(ib) Lease liabilities

Particulars	Category of Lease Liability	
		Premises
Opening Balance at the start of the year	338.60	191.65
Additions	1,528.82	282.05
Adjustment with opening balance due to modification	(3.45)	-
Lease payments	(343.35)	(172.19)
Interest on lease liabilities (refer Note 27)	106.48	37.09
Closing balance at the end of the year	1,627.10	338.60

(This page has been intentionally left blank)

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

	March 31, 2024	March 31, 2023
37 Leases		
(ii) Maturity analysis of lease liabilities		
Particulars		
Upto one year	350.55	156.10
More than one year upto 5 years	1,276.55	182.50
Total	1,627.10	338.60
(iii) Amounts recognised in Statement of Profit and Loss account		
Particulars		
Interest on lease liabilities (refer Note 27)	106.48	37.09
(iv) Amounts recognised in Statement of Cash Flows		
Particulars		
Total cash outflow for leases	343.35	172.19

38 Related Party Disclosures:

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

Holding Company
Finnov Private Limited, Singapore

Other related parties

(a) Fellow subsidiary
Finnovation Tech Solutions Private Limited

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

(c) Relatives of KMP
Nutan Soudagar (wife of Madhusudan Ekambaram)
Anil Veda (father of Vivek Veda)
Vibha Veda (mother of Vivek Veda)
Vani Jain (wife of Vivek Veda)
Krishnaswamy Bhanumathi (mother of Karthikeyan Krishnaswamy)
Marappa Krishnaswamy (father of Karthikeyan Krishnaswamy)
Sattanathan Viswanathan (mother in law of Karthikeyan Krishnaswamy)
Sreenidhi Sattanathan (wife of of Karthikeyan Krishnaswamy)

(d) Independent directors
Abhishek Singhvi
Adesh Gupta
Gopalakrishna Gurrappa

(e) Relatives of independent directors
Anish Gupta (son of Adesh Gupta)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

(i) Particulars	March 31, 2024	March 31, 2023
A) Transactions during the year:		
Sale of services		
Finnovation Tech Solutions Private Limited	-	8,525.99
Salary Cross Charge (income)		
Finnovation Tech Solutions Private Limited	103.05	140.00
Interest income in loan		
Anish Gupta		

(This page has been intentionally left blank)

&ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

	March 31, 2024	March 31, 2023
38 Related Party Disclosures (contd.):		
Purchase of services		
Finnovation Tech Solutions Private Limited	30,414.02	20,041.47
Deficiency recovery expenses		
Finnovation Tech Solutions Private Limited	2,670.27	-
Salary Cross Charge (expenses)		
Finnovation Tech Solutions Private Limited	158.06	186.25
Rent Cross Charge (expenses)		
Finnovation Tech Solutions Private Limited	741.67	-
Reimbursement of expenses		
Vivek Veda	9.67	4.70
Share based payment expenses		
Finnov Private Limited	27.80	241.49
TradeMark Usage Fees		
Finnov Private Limited	0.70	-
Purchase of Trademark		
Finnov Private Limited	0.55	-
Remuneration to directors:		
Vivek Veda (Includes Rs.2369.44 lakhs towards share based payment expense)	2,590.34	143.00
Non-executive/Independent Director sitting fees:		
Abhishek Singhvi	15.00	6.60
Adesh Gupta	15.50	7.20
Gopalakrishna Gurrappa	11.50	5.10
Dividend paid during the year		
Finnov Private Limited	3,016.47	-
Share issued during the year (refer Note 20(a) and 20(b))		
Finnov Private Limited	2,263.04	-
Buy-back of equity shares		
Madhusudan Ekambaram	-	586.41
Karthikeyan Krishnaswamy	-	1.00
Corporate gurantee fees		
Finnovation Tech Solutions Private Limited	440.38	225.30
Issue of personal loan		
Anish Gupta	1.60	-
Repayment received on personal loan		
Anish Gupta	0.86	-

(This page has been intentionally left blank)

KRAZYBEE SERVICES PRIVATE LIMITED

ASC & ASSOCIATES NEW DELHI Chartered Accountants

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

38 Related Party Disclosures (contd.):	March 31, 2024	March 31, 2023
Finance cost		
Finnov Private Limited	-	536.73
Madhusudan Ekambaram	40.73	8.98
Nutan Soudagar	8.42	8.04
Anil Veda	2.23	1.08
Vani Jain	2.16	5.99
Vibha Veda	2.50	2.17
Vivek Veda	11.16	2.17
Krishnaswamy Bhanumathi	6.94	-
Marappa Krishnaswamy	1.73	-
Sattarathan Viswanathan	2.41	-
Sreenidhi Sattanathan	5.41	-
Issue of non-convertible debentures		
Madhusudan Ekambaram	400.00	-
Nutan Soudagar	-	70.00
Anil Veda	20.00	10.00
Vani Jain	20.00	-
Vibha Veda	20.00	20.00
Vivek Veda	100.00	20.00
Krishnaswamy Bhanumathi	80.00	-
Marappa Krishnaswamy	20.00	-
Sreenidhi Sattanathan	50.00	-
Redemption of non-convertible debentures		
Madhusudan Ekambaram	400.00	90.00
Nutan Soudagar	70.00	70.00
Anil Veda	10.00	-
Vani Jain	-	60.00
Vivek Veda	20.00	20.00
Vibha Veda	20.00	20.00
Sattanathan Viswanathan	20.00	-
Corporate guarantee given to the Company		
Finnovation Tech Solutions Private Limited	30,500.00	113,594.47
B) Balances as at year end:		
Receivables		
Finnovation Tech Solutions Private Limited	-	2,666.40
Other Receivables		
Finnovation Tech Solutions Private Limited	1,217.67	-
Unamortised corporate guarantee		
Finnovation Tech Solutions Private Limited	260.23	-
Payables		
Finnovation Tech Solutions Private Limited	7,363.75	374.60
Finnov Private Limited	0.02	0.02
Vivek Veda	-	0.09

(This page has been intentionally left blank)

A C & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

38 Related Party Disclosures (contd.)	March 31, 2024	March 31, 2023
Other Payable		
Finnovation Tech Solutions Private Limited	405.40	136.04
TradeMark		
Finnov Private Limited	0.55	-
Personal loan (including accrued interest):		
Anish Gupta	0.75	-
Non-convertible debentures (including accrued interest):		
Nutan Soudagar	-	70.33
Anil Veda	20.07	10.03
Vani Jain	20.08	-
Vibha Veda	20.07	20.07
Vivek Veda	100.39	20.07
Krishnaswamy Bhanumathi	80.27	-
Marappa Krishnaswamy	20.07	-
Sreenidhi Sattanathan	50.20	-

(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) Rs. 22,470.13 lakhs (March 31, 2023: Rs. 8,029.95 lakhs) is in the nature of transaction costs which are included in the "Effective Interest Rate" of the loan receivables of the Company. Accordingly, the same have been classified under "Interest Income" in Note 22 and of this amount, Rs. 15,732.94 lakhs (March 31, 2023: Rs. 4,596.48 lakhs) has been recognized as effective interest income during the year. The total effective interest income recognized including amortization of prior year deferrals is Rs. 19,111.72 lakhs.

(e) Finnovation Tech Solutions Private Limited, a fellow subsidiary has issued Corporate Guarantee's aggregating to Rs. 30,500.00 lakhs (March 31, 2023: Rs. 1,13,594.47 lakhs) in favour of the Company for its business requirements.

(f) The Company has Corporate Guarantees aggregating to Rs. 29,258.51 lakhs (March 31, 2023: Rs. 78,090.58 lakhs) corresponding to outstanding borrowings as on March 31, 2024 and March 31, 2023 respectively provided by Finnovation Tech Solutions Private Limited for its business requirements.

(g) The Bank overdraft and working capital loan availed by the Company aggregating to Rs. 30,852.40 lakhs (March 31, 2023: Rs. 1,983.73 lakhs) has been secured by way of liens on fixed deposit balances of a fellow subsidiary Finnovation Tech Solutions Private Limited.

39 Revenue from contracts with customers	Year ended March 31, 2024	Year ended March 31, 2023
Types of services:		
Fees from platform	-	1,898.36
Service Fees	13,052.52	15,172.02
Foreclosure income	3,826.20	-
Deficiency recovery	-	6,403.83
Total	16,878.72	23,474.21
Geographical markets:		
In India	16,878.72	23,474.21
Outside India	-	-
Total	16,878.72	23,474.21
Timing of revenue recognition:		
Services transferred at a point in time	-	-
Services transferred over time	16,878.72	23,474.21
Total	16,878.72	23,474.21
Contract balances:		
Fees, commission and other receivables	-	-
Total	-	-

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

40 Segment reporting

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

41 Financial risk management objectives and policies :

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

(A) Market risk

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

(i) Interest rate risk

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

	March 31, 2024	March 31, 2023
Interest rate risk exposure		
Below is the overall exposure of the Company to interest rate risk:		
Variable rate borrowings	113,360.47	53,573.56

Interest rate sensitivity

The following table demonstrates the sensitivity to a change in interest rates on variable interest borrowings:

	Increase/ (decrease)	Effect on profit before tax
March 31, 2024		
Rs.	+50	566.80
Rs.	-50	(566.80)
March 31, 2023		
Rs.	+50	267.87
Rs.	-50	(267.87)

(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 has no outstanding foreign currency exposure.

Foreign currency risk exposure:

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

Financial liabilities	Nil	Nil

Foreign currency sensitivity

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

	Increase/ (decrease) in basis points	Effect on profit before tax
March 31, 2024		
INR	+100	-
INR	-100	-
March 31, 2023		
INR	+100	-
INR	-100	-

(This page has been intentionally left blank)

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

41 Financial risk management objectives and policies (contd.):

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's loans to customers, trade receivables, other financial assets, investments in mutual funds & corporate bonds, cash and deposits held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing credit risk is to prevent or reduce losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their 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 & product mix and management of portfolios. The principal objectives being maintaining a strong culture of responsible lending across the Company, robust risk policies & control frameworks, implementing & continually re-evaluating the Company's risk appetite and ensuring there is adequate monitoring of credit risks, credit costs & risk mitigation.

Credit risk is measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various metrics such as installment default rate, overdue position, EMI moratorium, restructuring, collection efficiency, credit bureau information, proprietary scorecards, non-performing loans etc. are used as leading indicators to assess credit risk.
The Company remains in high vigilance mode and continues 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, unforeseen distortion of customers' financial position and volatile repayment behaviour, leading to RBI announcing installment moratoriums and resolutions. These distortions do not represent the current portfolio at risk & collection performance and have been considered as outliers.

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

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

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

41 Financial risk management objectives and policies (contd.):

	March 31, 2024	March 31, 2023
Financial assets that expose the entity to credit risk:		
Low credit risk		
Cash and cash equivalents	21,510.17	28,194.14
Bank balances other than above	7,347.26	4,844.87
Trade receivables	416.27	2,666.40
Loans to customers*	460,055.36	230,611.90
Investments	-	13,193.16
Other financial assets	5,307.66	6,023.68
Moderate credit risk		
Loans to customers*	11,253.23	5,524.79
High credit risk		
Loans to customers*	11,052.55	5,537.62

* Represents gross values of the financial assets

Cash & cash equivalents and Bank deposits

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

Investments

For investments in mutual funds, the Company transacts with asset management companies having strong track record and invests in liquid 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 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, the balances are held in escrow for onward disbursements as well as collections from customers pending settlement.

(This page has been intentionally left blank)

A&S ASSOCIATES Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

41 Financial risk management objectives and policies (contd.):

(iii) Expected credit loss for loans

Credit default risk

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

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

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

Expected credit loss measurement

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

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

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

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

Significant increase in credit risk

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

Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of 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, or Stage 2 or even Stage 3 asset.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event occurring in the future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a 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 for certain products with low vintage and the historical data is insufficient to make a realistic assessment of account collectibility. The management has applied an override on the LGD percentages for these specific products 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, 2024 was Rs. 21,840.17 (March 31, 2023: Rs. 24,795.71). However, collection efforts continue on such accounts as these are legally due to the Company.

(This page has been intentionally left blank)

SCB & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

41 Financial risk management objectives and policies (contd.):

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

March 31, 2024

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	460,055.36	11,253.23	11,052.55	482,361.14
Less: Allowance for ECL	10,652.56	7,088.21	7,927.18	25,667.95
Net carrying value	**449,402.80**	**4,165.02**	**3,125.37**	**456,693.19**
ECL Coverage Ratio	2.32%	62.99%	71.72%	5.32%

March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	230,611.90	5,524.79	5,537.62	241,674.31
Less: Allowance for ECL	3,472.85	2,862.14	3,507.70	9,842.69
Net carrying value	**227,139.05**	**2,662.65**	**2,029.92**	**231,831.62**
ECL Coverage Ratio	1.51%	51.81%	63.34%	4.07%

(C) Liquidity risk

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

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

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Company's financial liabilities :

March 31, 2024	Less than 1 year	1 to 3 years	Total
Debt Securities	97,030.27	32,540.58	129,570.85
Borrowings other than debt securities	151,515.61	9,612.62	161,128.23
Trade payables	12,846.62	1.60	12,848.22
Other financial liabilities	6,443.57	1,276.55	7,720.12
	267,836.07	43,431.35	311,267.42
March 31, 2023			
Debt Securities	64,193.93	13,647.37	77,841.30
Borrowings other than debt securities	57,922.08	2,162.35	60,084.43
Inter-corporate Deposits	-	-	-
Trade payables	2,078.27	1.36	2,079.63
Other financial liabilities	480.16	182.50	662.66
	124,674.44	15,993.58	140,668.02

(This page has been intentionally left blank)

& ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

41 Financial risk management objectives and policies (contd):

(D) Operational risk

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

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

Particulars	Stage 1		Stage 2		Stage 3		Total	
	Loans	Impairment loss allowance	Loans	Impairment loss allowance	Loans	Impairment loss allowance	Loans	Impairment loss allowance
As at March 31, 2023	230,611.90	3,472.85	5,524.79	2,862.14	5,537.62	3,507.70	241,674.31	9,842.69
Transfers during the year							-	-
- To Stage 1	9.20	4.56	(6.52)	(3.04)	(2.68)	(1.52)	-	-
- To Stage 2	(1,870.87)	(22.19)	1,870.87	22.19	-	-	-	-
- To Stage 3	(15,184.28)	(575.31)	(4,509.76)	(2,342.83)	19,694.04	2,918.14	-	-
	(17,045.95)	(592.94)	(2,645.41)	(2,323.68)	19,691.36	2,916.62	-	-
Impact of changes in credit risk on account of stage movements	-	96.85	-	423.16	-	17,805.03	-	18,325.04
Changes in opening credit exposures	(204,345.83)	(2,777.70)	(2,118.71)	(501.66)	(5,683.39)	(5,054.02)	(212,147.93)	(8,333.38)
New credit exposures during the year (net of repayments)	450,835.24	10,453.51	10,492.56	6,628.25	32,797.21	30,042.10	494,125.01	47,123.86
Amounts written-off	-	-	-	-	(41,290.25)	(41,290.25)	(41,290.25)	(41,290.25)
As at March 31, 2024	460,055.36	10,652.56	11,253.23	7,088.21	11,052.55	7,927.18	482,361.14	25,667.95

SC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

41 Financial risk management objectives and policies (contd):

Particulars	Stage 1		Stage 2		Stage 3		Total	
	Loans	Impairment loss allowance	Loans	Impairment loss allowance	Loans	Impairment loss allowance	Loans	Impairment loss allowance
As at March 31, 2022	113,676.67	4,805.08	4,214.74	2,507.21	3,390.54	2,472.89	**121,281.95**	**9,785.18**
Transfers during the year							-	-
- To Stage 1	-	-	-	-	-	-	-	-
- To Stage 2	(60.18)	(1.77)	60.18	1.77	-	-	-	-
- To Stage 3	(15,847.29)	(1,515.72)	(3,099.67)	(1,795.66)	18,946.95	3,311.38	-	-
	(15,907.47)	**(1,517.49)**	**(3,039.48)**	**(1,793.89)**	**18,946.95**	**3,311.38**	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	31.04	-	16,405.08	-	**16,436.12**
Changes in opening credit exposures	(97,414.74)	(3,282.43)	(1,091.86)	(712.56)	(785.91)	(712.48)	**(99,292.51)**	**(4,707.48)**
New credit exposures during the year (net of repayments)	230,257.44	3,467.71	5,441.39	2,830.34	15,127.84	13,172.64	**250,826.67**	**19,470.68**
Amounts written-off	-	-	-	-	(31,141.80)	(31,141.80)	**(31,141.80)**	**(31,141.80)**
As at March 31, 2023	**230,611.90**	**3,472.85**	**5,524.79**	**2,862.14**	**5,537.62**	**3,507.70**	**241,674.31**	**9,842.69**

(This page has been intentionally left blank)

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

42 Capital management

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

The Company 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, 2024	March 31, 2023
Total equity	(i)	205,033.94	159,053.97
Debt securities	(ii)	120,184.10	72,050.90
Borrowings other than debt securities	(iii)	153,787.36	57,308.37
Total debt	(iv)=(ii)+(iii)	273,971.46	129,359.27
Less: Cash and bank balances & liquid investments	(v)	28,857.43	46,232.17
Net debt	(vi) = (iv)-(v)	245,114.03	83,127.10
Overall financing	(vii)=(i)+(vi)	450,147.97	242,181.07
Gearing ratio	(vi)/(vii)	0.54	0.34

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

43 Change in liabilities arising from financing activities

Particulars	March 31, 2023	Net Cash flows*	March 31, 2024
Debt securities	72,050.90	48,133.20	120,184.10
Borrowings other than debt securities	57,308.37	96,478.99	153,787.36
Total liabilities from financing activities	129,359.27	144,612.19	273,971.46

Particulars	March 31, 2022	Net Cash flows*	March 31, 2023
Debt securities	26,799.76	45,251.14	72,050.90
Borrowings other than debt securities	53,570.33	3,738.04	57,308.37
Total liabilities from financing activities	80,370.09	48,989.18	129,359.27

*Net cashflows includes non-cash adjustment.

(This page has been intentionally left blank)

ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

44 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, 2024					
Financial assets					
Cash and cash equivalents	-	-	21,510.17	21,510.17	21,510.17
Bank balances other than above	-	-	7,347.26	7,347.26	7,347.26
Trade receivables	-	-	416.27	416.27	416.27
Loans	-	-	456,693.19	456,693.19	456,693.19
Investments	-	-	-	-	-
Other financial assets	-	-	5,307.66	5,307.66	5,307.66
Total financial assets	-	-	491,274.55	491,274.55	491,274.55
Financial liabilities					
Trade payables	-	-	12,848.22	12,848.22	12,848.22
Debt securities	-	-	120,184.10	120,184.10	120,184.10
Borrowings (other than debt securities)	-	-	153,787.36	153,787.36	153,787.36
Other financial liabilities	-	-	7,720.12	7,720.12	7,720.12
Total financial liabilities	-	-	294,539.80	294,539.80	294,539.80
As at March 31, 2023					
Financial assets					
Cash and cash equivalents	-	-	28,194.14	28,194.14	28,194.14
Bank balances other than above	-	-	4,844.87	4,844.87	4,844.87
Trade receivables	-	-	2,666.40	2,666.40	2,666.40
Loans	-	-	231,831.62	231,831.62	231,831.62
Investments	13,193.16		-	13,193.16	13,193.16
Other financial assets	-	-	6,023.68	6,023.68	6,023.68
Total financial assets	13,193.16	-	273,560.71	286,753.87	286,753.87
Financial liabilities					
Trade payables	-	-	2,079.63	2,079.63	2,079.63
Debt securities	-	-	72,050.90	72,050.90	72,050.90
Borrowings (other than debt securities)	-	-	57,308.37	57,308.37	57,308.37
Other financial liabilities	-	-	662.66	662.66	662.66
Total financial liabilities	-	-	132,101.56	132,101.56	132,101.56

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.

The following table shows the levels within the hierarchy of financial assets measured at fair value as at March 31, 2024:

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

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

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

(This page has been intentionally left blank)

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

44 Financial instruments and fair value disclosures (contd.)

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

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

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

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

	March 31, 2024	March 31, 2023
45 Contingencies and commitments:		
Loan commitments*	5.32	-
Towards default loss guarantee	4,892.58	-
	4,897.90	-

** Represents loans which have been sanctioned and pending disbursement as at March 31, 2024.*

Note:

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

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

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

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

(i) The Company does not own any immovable property as at March 31, 2024.

(ii) The Company does not own any investment property as at March 31, 2024.

(iii) The Company has not revalued its Property, Plant and equipment during the year ended March 31, 2024.

(iv) The Company has not revalued its intangible assets during the year ended March 31, 2024.

(v) The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:
(a) repayable on demand
(b) without specifying any terms or period of repayment

(vi) The Company does not have any capital work-in-progress as at March 31, 2024.

(vii) The Company is in the process of implementing new accounting systems which are classified as intangible assets under development as at March 31, 2024.

(viii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ix) The Company has taken borrowings from banks on the basis of security of its loan receivables. The Company has filed all the monthly/quarterly statements/returns with the banks as per the terms and conditions of the facility agreement and no discrepancies are noted with the books of accounts & financial statements of the Company.

(This page has been intentionally left blank)

C & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

46 Additional regulatory disclosure requirements pursuant to MCA Notification dated March 24, 2021 (contd.):

(x) The Company has not been declared a wilful defaulter by any bank or financial institution or consortium thereof.

(xi) The Company has not had any transaction with the companies struck off under section 248 of The Companies Act, 2013 or section 560 of The Companies Act, 1956.

(xii) The Company has not defaulted in registration or satisfaction of charges with the Registrar of Companies.

(xiii) The Company does not have a subsidiary and hence has complied with the number of investment layers prescribed under section 2(87) of the Companies Act, 2013.

(xiv) The Company has not entered into any scheme of arrangement during the year.

(xv) The Company has neither advanced, loaned, invested or received directly or indirectly any funds to/from any entity with the understanding that such funds will be transferred to another person, i.e ultimate beneficiaries/ultimate funding parties.

(xvi) The Company has disclosed all incomes appropriately as per the Indian Accounting Standards and no adjustments are required to be made due to any tax assessments or other requirements of the Income Tax Act, 1961.

(xvii) The Company has not traded or invested in crypto currencies or virtual currencies during the year.

The accounting softwares used by the Company to maintain its Books of account has a feature of recording audit trail (edit log) facility and the same has been operative throughout the year for all transactions recorded. These softwares also include other supporting systems/databases/softwares as per Companies (Accounts) Rules 2014.

47 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.

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

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

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

ASC & ASSOCIATES NEW DELHI Chartered Accountants

CA Denesh Singh
Partner
Membership No: 097345
Place: New Delhi
Date: May 29, 2024
UDIN: 24097345BKHGXK6499

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

Madhusudan Ekambaram
Director
DIN:07442577
Place: Bengaluru
Date: May 29, 2024

Vivek Veda
Director
DIN: 07560229
Place: Bengaluru
Date: May 29, 2024

Pallavi Lingaraju
Company Secretary
Membership No: A56733
Place: Bengaluru
Date: May 29, 2024

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

Annexures to the Financial Statements

Schedule to the Balance sheet

		Particulars	March 31, 2024		March 31, 2023	
		Liabilities side	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)		**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures:				
		Secured	105,012.70	-	66,114.94	-
		Unsecured	-	-	-	-
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	101,570.43	-	48,909.24	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	15,171.40	-	5,935.96	-
	(f)	Public Deposits	-	-	-	-
	(i)	Other Loans:				
		- Securitisation liabilities	17,351.94	-	472.67	-
		- Bank overdraft	16,460.11	-	-	-
		- Working capital loans	18,504.88	-	7,926.46	-
(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, 2024	March 31, 2023
(3)				**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**		
	(a)			Secured	353.20	-
	(b)			Unsecured	456,339.99	231,831.62
(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	-	13,193.16
		(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)	-	-

ASA & ASSOCIATES
NEW DELHI
Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

KRAZYBEE SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements
(All amounts are in Rs. 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			As on March 31, 2024			As on March 31, 2023		
			Amount net of provisions			Amount net of provisions		
			Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties **							
	(a)	Subsidiaries	-	-	-	-	-	-
	(b)	Companies in the same group	-	-	-	-	-	-
	(c)	Other related parties	-	0.72	0.72	-	-	-
2	Other than related parties		-	456,692.47	456,692.47	-	231,831.62	231,831.62
	Total		-	456,693.19	456,693.19	-	231,831.62	231,831.62

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

Category			March 31, 2024		March 31, 2023	
			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties **					
	(a)	Subsidiaries	-	-	-	-
	(b)	Companies in the same group	-	-	-	-
	(c)	Other related parties	-	-	-	-
2	Other than related parties		-	-	13,193.16	13,193.16
	Total		-	-	13,193.16	13,193.16

(8) Other information

Particulars			March 31, 2024	March 31, 2023
(i)	Gross Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	11,052.55	5,537.62
(ii)	Net Non-Performing Assets			
	(a)	Related parties	-	-
	(b)	Other than related parties	3,125.37	2,009.92
(iii)	Assets acquired in satisfaction of debt		-	-

(This page has been intentionally left blank)

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

(9) **Loans to Directors, Senior Officers and Relatives of Directors**

Particulars	March 31, 2024	March 31, 2023
Directors and their relatives	1.60	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

(10)

Capital to Risk Assets Ratio	March 31, 2024	March 31, 2023
CRAR %	33.89%	60.17%
CRAR - Tier I Capital (%)	32.64%	58.92%
CRAR - Tier II Capital (%)	1.25%	1.25%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount rasied by issue of Perpetual Debt Instruments	-	-

(11) **Investments**

Particulars	March 31, 2024	March 31, 2023
1) Value of Investments		
i) Gross value of investments		
- In India	-	13,193.16
- Outside India	-	-
(ii) Provisions for depreciation on investments		
- in India	-	-
- Outside India	-	-
(iii) Net value of investments		
- In India	-	13,193.16
- 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	-	-

(12)

Particulars	March 31, 2024	March 31, 2023
Unsecured Advances	456,339.99	231,831.62

(This page has been intentionally left blank)

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

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

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

Rating Agency	Programme	Ratings assigned	Migration during the year
Crisil Ratings	Bank Loan Ratings	Crisil A- Stable	Rating has been upgraded from Crisil BBB+ Stable
	Commercial Paper	Crisil A1	Rating has been upgraded from Crisil A2+
	Non Convertible Debentures	Crisil PPMLD A-/Stable	Rating has been upgraded from Crisil PPMLD BBB+ Stable
	Non Convertible Debentures	Crisil A- Stable	Rating has been upgraded from Crisil BBB+ Stable
CARE Ratings	Commercial Paper	CARE A1	New Rating
	Bank Loan Ratings	CARE A- Stable	New Rating
Acuite Ratings & Research	Bank Loan Ratings	Acuite A- Stable	Rating has been upgraded from Acuite BBB+ Positive
	Commercial Paper	Acuite A2+	Nil
	Non Convertible Debentures	PP-MLD Acuite A-Stable	Rating has been upgraded from PP-MLD Acuite BBB+ Positive
	Non Convertible Debentures	Acuite A- Stable	Rating has been upgraded from Acuite BBB+ Positive

(14) Provisions and Contingencies

Particulars	March 31, 2024	March 31, 2023
Provision for depreciation on investment	-	-
Provision towards non performing assets*	7,927.18	3,507.70
Provision for standard assets**	17,740.77	6,334.98
Provision for default loss guarantee	3,819.98	-
Provision towards income tax	11,229.53	2,247.31
Provision for compensated absences	400.06	98.79
Provision for gratuity	376.37	137.93
Contingent liability on default loss guarantee	4,892.58	-

* Represents provision on Stage 3 advances.

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

(This page has been intentionally left blank)

ASC ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

(15) a) Concentration of assets

i. Concentration of Advances

Particulars	March 31, 2024	March 31, 2023
Total Advances to twenty largest borrowers	437.54	101.26
Percentage of Advances of twenty largest borrowers to Total Advances of the Company	0.09%	0.04%

ii.Concentration of exposures

Particulars	March 31, 2024	March 31, 2023
Total exposure to twenty largest borrowers	437.54	101.26
Percentage of exposure of twenty largest borrowers to total exposure of the Company on borrowers	0.09%	0.04%

iii.Concentration of NPA

Particulars	March 31, 2024	March 31, 2023
Total Exposure to top four NPA accounts	17.48	15.03

iv. Sector wise distribution of credit impaired loans

Sector	Percentage of Impairment loss to Total	
	March 31, 2024	March 31, 2023
Agriculture and allied activities	-	-
MSME	0.96%	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	2.35%	2.29%
Loan against property	-	-
Auto Loans	-	-
Other Personal Loans	-	-
Total	2.35%	2.29%

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
1	15,057.91	N/A	5.04%

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

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

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

Amount	% of Total Borrowings
103,557.80	37.80%

(iv) Funding Concentration based on significant instrument/product

Name of the Instrument	Amount	% of Total Liabilities
Equity	205,033.94	68.56%
Borrowings	153,787.36	51.42%
Debt Securities	120,184.10	40.19%

ABC & ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

(15) a) Concentration of assets (contd)

(v) Stock Ratios

Particulars	Total Public Funds %	Total Liabilities %	Total Assets %
Commercial papers as a % of total public funds, total liabilities and total assets	5.54%	5.07%	3.01%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	38.33%	35.11%	20.83%
Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets	8.69%	7.96%	4.72%

(vi) Institutional set-up for liquidity risk management: Refer Note 41(C).

(16) Movement of credit impaired loans

Particulars	March 31, 2024	March 31, 2023
(i) Net NPAs to Net Advances (%)	0.66%	0.85%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	5,537.62	3,390.54
(b) Additions during the year	27,355.10	26,942.79
(c) Reductions during the year	(21,840.17)	(24,795.71)
(d) Closing balance	**11,052.55**	**5,537.62**
(iii) Movement of Net NPAs		
(a) Opening balance	2,029.92	917.65
(b) Additions during the year	1,095.45	1,112.27
(c) Reductions during the year	-	-
(d) Closing balance	**3,125.37**	**2,029.92**
(iv) Movement of Provision for NPAs		
(a) Opening balance	3,507.70	2,472.89
(b) Impairment loss allowance made during the year	26,259.65	25,830.52
(c) Write off/ write back of excess allowance	(21,840.17)	(24,795.71)
(d) Closing balance	**7,927.18**	**3,507.70**

(17) Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. circula

Particulars	March 31, 2024	March 31, 2023
a. Persons involved		
Customers	-	5.30
Total	-	**5.30**
b. Type of fraud		
Others	-	5.30
Total	-	**5.30**

(This page has been intentionally left blank)

ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

(18) Derivatives

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

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2024	March 31, 2023
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, 2024		March 31, 2023	
		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)	-	-	-	-

* Pertains to cross currency interest rate swap

(This page has been intentionally left blank)

ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

(19) Asset Liability Management (ALM)

Maturity pattern of assets and liabilities as on March 31, 2024

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 customers)	21,789.78	20,985.43	24,385.56	73,060.52	86,561.92	145,334.26	120,760.52	56,548.06	11,594.34	137.57	541,157.96
3	Investments	-	-	-	-	-	-	-	-	-	-	-
	Total Inflows	-	-	-	-	-	-	-	-	-	-	541,157.96
4	Debt Securities	2,567.29	99.37	8,575.24	11,082.29	12,144.90	13,990.64	38,461.05	31,263.27	-	-	120,184.09
5	Borrowings (Other than debt securities)	21,843.55	3,121.82	6,660.46	12,668.90	23,219.17	35,814.49	41,055.19	9,404.69	-	-	153,787.37
6	Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
7	Loan Commitments pending disbursal	-	-	-	-	-	-	-	-	-	-	-
	Total Outflows	24,410.84	3,221.19	15,235.74	25,750.29	35,364.07	49,805.13	79,516.24	40,667.96	-	-	273,971.46

Maturity pattern of assets and liabilities as on March 31, 2023

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)	16,081.99	7,661.42	8,093.04	32,762.55	28,570.12	63,508.23	59,671.90	19,784.22	2,033.64	-	238,167.11
3	Investments	-	-	-	-	13,193.16	-	-	-	-	-	13,193.16
	Total Inflows	16,081.99	7,661.42	8,093.04	32,762.55	41,763.28	63,508.23	59,671.90	19,784.22	2,033.64	-	251,360.27
4	Debt Securities	67.24	324.62	2,810.65	7,589.74	9,806.99	4,632.78	28,152.73	12,730.19	-	-	66,114.94
5	Borrowings (Other than Debt Securities)	2,128.71	3,628.73	8,051.72	9,220.88	6,610.24	20,213.87	11,306.77	2,083.42	-	-	63,244.33
6	Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
7	Loan Commitments pending disbursal	-	-	-	-	-	-	-	-	-	-	-
	Total Outflows	2,195.95	3,953.35	10,862.37	16,810.62	16,417.22	24,846.64	39,459.50	14,813.61	-	-	129,359.27

(This page has been intentionally left blank)

ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

(All amounts are in Rs. 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, 2024:

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	460,055.36	10,652.56	449,402.80	1,840.22	8,812.33
	Stage 2	11,253.23	7,088.21	4,165.02	45.01	7,043.19
Subtotal		**471,308.59**	**17,740.77**	**453,567.82**	**1,885.23**	**15,855.52**
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	11,052.55	7,927.18	3,125.37	1,105.26	6,821.92
(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)		**11,052.55**	**7,927.18**	**3,125.37**	**1,105.26**	**6,821.92**
(c) Other Items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1	460,055.36	10,652.56	449,402.80	1,840.22	8,812.33
	Stage 2	11,253.23	7,088.21	4,165.02	45.01	7,043.19
	Stage 3	11,052.55	7,927.18	3,125.37	1,105.26	6,821.92
	Subtotal	**482,361.14**	**25,667.95**	**456,693.19**	**2,990.49**	**22,677.44**

(This page has been intentionally left blank)

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

KRAZYBEE SERVICES PRIVATE LIMITED

Notes forming part of the Financial Statements

(All amounts are in Rs. 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 (contd.)

As on March 31, 2023:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS 109	Net carrying amount	Provisions as required under IRACP norms	Difference between Ind AS and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Performing assets						
Standard	Stage 1	230,611.90	3,472.85	227,139.05	922.45	2,550.40
	Stage 2	5,524.79	2,862.14	2,662.65	22.10	2,840.04
Subtotal		236,136.69	6,334.98	229,801.70	944.55	5,390.44
(b) Non performing assets (NPA)						
(i) Sub standard	Stage 3	5,537.62	3,507.70	2,029.92	553.76	2,953.94
(ii) Doubtful						
Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		5,537.62	3,507.70	2,029.92	553.76	2,953.94
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Subtotal	-	-	-	-	-
Total (a+b+c)	Stage 1	230,611.90	3,472.85	227,139.05	922.45	2,550.40
	Stage 2	5,524.79	2,862.14	2,662.65	22.10	2,840.04
	Stage 3	5,537.62	3,507.70	2,029.92	553.76	2,953.94
	Subtotal	241,674.31	9,842.69	231,831.62	1,498.31	8,344.37

(This page has been intentionally left blank)

ASC & ASSOCIATES * Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

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

(21) Disclosure on accounts subjected to restructuring

For year ended March 31, 2024
No loans have been restructured during the year ended March 31, 2024.

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

(22) Disclosure of complaint

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

S. No.		Particulars	March 31, 2024	March 31, 2023
	Complaints received by NBFC from its customers			
1.		No. of complaints pending at the beginning of the year	2	32
2.		No. of complaints received during the year	675	267
3.		No. of complaints disposed during the year	672	297
	3.1	Of which No. of complaints rejected by the NBFC	0	4
4.		No. of complaints pending at the end of the year	5	2

	Maintainable complaints received by the NBFC from the office of the ombudsman			
5.		No. of maintainable complaints received by the NBFC from Office of Ombudsman	74	152
	5.1	Of 5, No. of complaints resolved in favour of the NBFC by Office of Ombudsman	7	45
	5.2	Of 5, No. of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	54	107
	5.3	Of 5, No. of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	13	8
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

(This page has been intentionally left blank)

ASC & ASSOCIATES * NEW DELHI * Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

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

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2024					
Account related issues	2	461	455%	1	0
Repayment Delay Related	0	143	134%	4	0
General Issue	0	0	-100%	0	0
Non customer issue	0	56	115%	0	0
Transaction related issue	0	9	-71%	0	0
Product Related Issue	0	6	50%	0	0
Fraudulent Recovery Issue	0	0	-100%	0	0
Others	0	0	0%	0	0
Total	2	675		5	0
Year ended March 31, 2023					
Account related issues	4	83	26%	2	0
Repayment Delay Related	1	61	-2%	0	0
General Issue	3	61	0%	0	0
Non customer issue	0	26	13%	0	0
Transaction related issue	1	31	138%	0	0
Product Related Issue	0	4	0%	0	0
Fraudulent Recovery Issue	1	1	0%	0	0
Others	22	0	-100%	0	0
Total	32	267		2	0

(This page has been intentionally left blank)

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

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

(23) Exposure

(1) Exposure to real estate sector
Not applicable

(2) Exposure to capital market
Not applicable

(3) Sectoral exposure

Sectors	As on March 31, 2024			As on March 31, 2023		
	Total exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and allied activities	Not applicable					
2. Industry				Not Applicable		
Manufacturing*	3,089.61	24.64	0.80%	Not Applicable		
3. Services				Not Applicable		
Other services*	16,535.31	163.79	0.99%	Not Applicable		
4. Personal Loans						
i) Unsecured	462,381.56	10,864.12	2.35%	241,674	5,538	2.29%
ii) Secured	Not applicable					
4. Loan against Property						
i) Unsecured	Not Applicable					
ii) Secured	354.67	-	0.00%	Not Applicable		

**All loans classified under manufacturing and other services are MSME loans*

(This page has been intentionally left blank)

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

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

(14) Related party disclosure

Particulars	Parent		Fellow Subsidiaries		Subsidiaries/Associates		Key managerial persons		Relatives of KMP		Independent Directors		Relatives of Independent director		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Repayment of Borrowings	-	11,371.07	-	-	-	-	-	-	-	-	-	-	-	-	-	11,371.07
Non-convertible debentures (Outstanding)	-	-	-	-	-	-	100.39	20.07	210.76	100.43	-	-	-	-	311.15	120.50
Issue of Non - convertible debentures(NCD)	-	-	-	-	-	-	500.00	20.00	210.00	100.00	-	-	-	-	710.00	120.00
Redemption of NCD	-	-	-	-	-	-	420.00	110.00	120.00	150.00	-	-	-	-	540.00	260.00
Interest paid	-	536.73	-	-	-	-	51.89	11.15	31.80	17.27	-	-	-	-	83.69	565.15
Shares issued (including premium)	2,263.04	-	-	-	-	-	-	-	-	-	-	-	-	-	2,263.04	-
Defeciency recovery expenses	-	-	2,670.27	-	-	-	-	-	-	-	-	-	-	-	2,670.27	-
Rent cross charge	-	-	741.67	-	-	-	-	-	-	-	-	-	-	-	741.67	-
Sitting fees	-	-	-	-	-	-	-	-	-	-	42.00	18.90	-	-	42.00	18.90
Loan issued	-	-	-	-	-	-	-	-	-	-	-	-	1.60	-	1.60	-
Interest income on loan	-	-	-	-	-	-	-	-	-	-	-	-	0.13	-	0.13	-
Repayment of loan	-	-	-	-	-	-	-	-	-	-	-	-	0.86	-	0.86	-
Closing balance of loan receivables	-	-	-	-	-	-	-	-	-	-	-	-	0.75	-	0.75	-
Trade mark usage fees	0.70	-	-	-	-	-	-	-	-	-	-	-	-	-	0.70	-
Trade mark	0.55	-	-	-	-	-	-	-	-	-	-	-	-	-	0.55	-
Dividend paid	3,018.47	-	-	-	-	-	-	-	-	-	-	-	-	-	3,018.47	-
Buy-back of shares	-	-	-	-	-	-	-	-	-	587.40	-	-	-	-	-	587.40
Reimbursement of ESOP expense	21.34	-	-	-	-	-	-	-	-	-	-	-	-	-	21.34	-
Share based expense during the year	-	241.49	-	-	-	-	-	-	-	-	-	-	-	-	-	241.49
Sale of services	-	-	-	8,525.99	-	-	-	-	-	-	-	-	-	-	-	8,525.99
Business support Service (Income)	-	-	103.05	140.00	-	-	-	-	-	-	-	-	-	-	103.05	140.00

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PRIVATE LIMITED

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

(24) Related party disclosure

Particulars	Parent		Fellow Subsidiaries		Subsidiaries/Associates		Key managerial persons		Relatives of KMP		Independent Directors		Relatives of Independent director		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Purchase of services	-	-	30,414.02	20,041.47	-	-	-	-	-	-	-	-	-	-	30,414.02	20,041.47
Business support Service (expense)	-	-	158.06	186.25	-	-	-	-	-	-	-	-	-	-	158.06	186.25
Corporate gurantee fees	-	-	440.38	225.30	-	-	-	-	-	-	-	-	-	-	440.38	225.30
Remuneration and expense reimbursements	-	-	-	-	-	-	230.57	147.70	-	-	-	-	-	-	230.57	147.70
Corporate gurantee given during the year	-	-	30,500.00	113,594.47	-	-	-	-	-	-	-	-	-	-	30,500.00	113,594.47
Corporate gurantee on outstanding balance of debt	-	-	29,238.51	78,090.58	-	-	-	-	-	-	-	-	-	-	29,238.51	78,090.58
Trade and other receivables	-	-	1,217.67	2,666.40	-	-	-	-	-	-	-	-	-	-	1,217.67	2,666.40
Trade and other payables	-	-	7,769.17	510.66	-	-	-	0.09	-	-	-	-	-	-	7,769.17	510.75

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

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

(This page has been intentionally left blank)

ASC & ASSOCIATES * Chartered Accountants * NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED

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

(27) Disclosure relating to Securitization*

1 (i) Outstanding amount of Securitised assets as per books of the SPVs #

		As at March 31, 2024	As at March 31, 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator (Count)	3	1
2	Total amount of securitised assets as per books of the SPEs	18,870.55	477.09
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	1,123.68	355.48
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss	-	-
	Others	1,576.08	121.60
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets	17,981.01	3,199.35
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum of services provided:		
	(i) Servicer fee	2.00	1.00
7	Performance of facility provided.		
	(a) Credit enhancement	4,214.41	710.97
	(b) Servicer fee	2.00	1.00
8	Average default rate of portfolios observed in the past		
	- Personal loans	3.55%*	5.8%
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10	Investor complaints		
	(a) Directly/Indirectly received	-	-
	(b) Complaints outstanding	-	-

*Note: As per internal estimates of PAR90

(This page has been intentionally left blank)

ASC & ASSOCIATES NEW DELHI Chartered Accountants

KRAZYBEE SERVICES PVT. LTD. Bangalore

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

(28) Details of penalties imposed by RBI and other regulators

Year ended March 31, 2024:
There was no monetary penalty imposed by the Reserve Bank of India or any other regulator for the FY 2023-24.

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

(29) Others

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

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

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

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

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

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

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

(h) Remuneration of non executive directors - Nil.

(i) There are no prior period items in the current year. The Financial 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.

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

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

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

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

(This page has been intentionally left blank)

& ASSOCIATES * Chartered Accountants NEW DELHI

KRAZYBEE SERVICES PRIVATE LIMITED