



Criss Financial Limited



ENHANCING
scale



EMPOWERING
possibilities



EXPANDING
coverage

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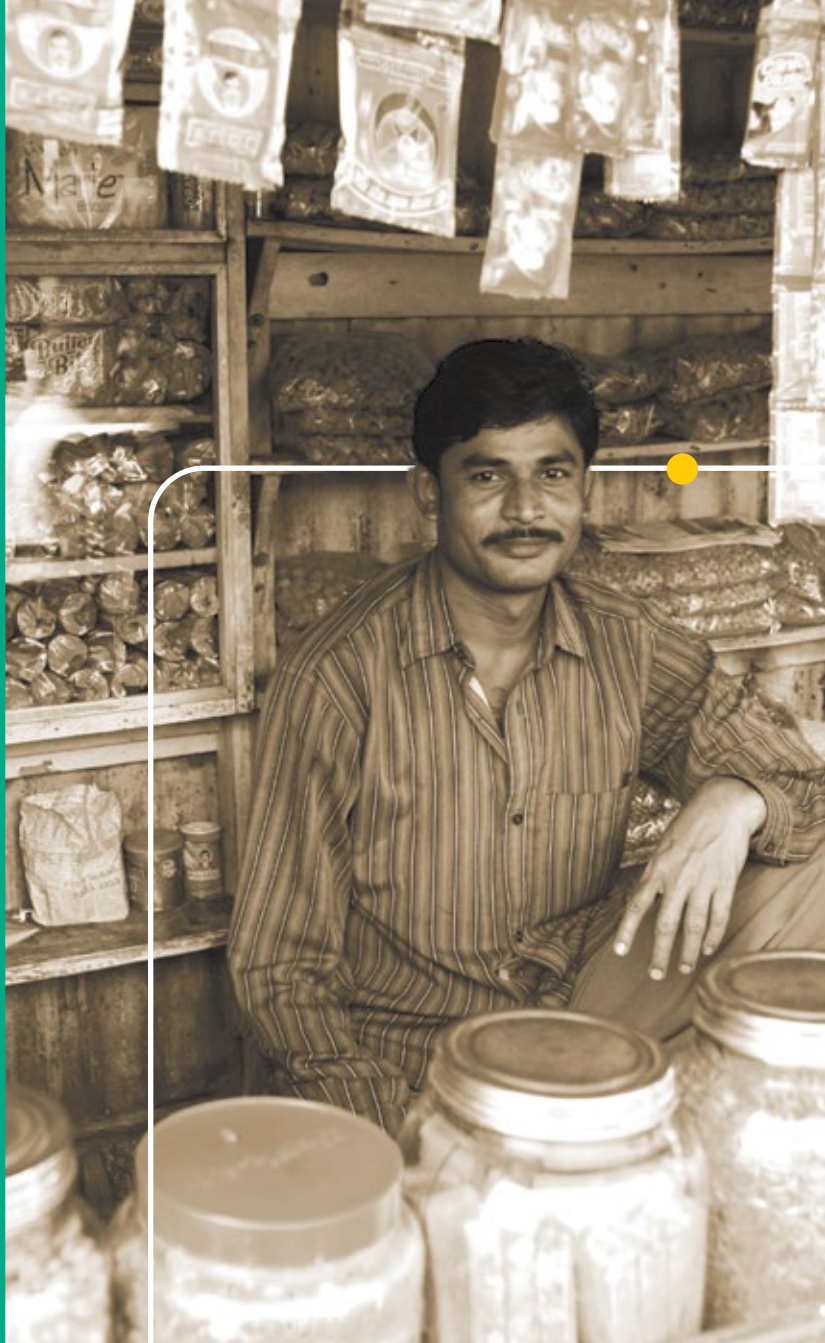
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Financial achievements FY24

47% 

₹149.07 Crore

Total income

₹43.30 Cr 

₹44.74 Crore

Profit before tax

₹32.08 Cr 

₹33.49 Crore

Profit after tax

46% 

₹774.19 Crore

Assets under management (AUM)

as on March 31, 2024

29% 

₹645.67 Crore


Disbursements

as on March 31, 2024

40% 

0.79 Lakh

Customer acquisition

 Y-o-Y Growth

Corporate Information

Company Name

Criss Financial Limited

Corporate Identity Number

U65993TG1992PLC014687

RBI Registration Number

B-09.00337 (NBFC-Investment and Credit Companies)

Website

www.crissfin.com

Registered and Corporate Office

Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City, TSIC, Raidurg Panmaktha, Hyderabad, Rangareddi, Telangana – 500081

Company Secretary and Chief Compliance Officer

Dinesh Mourya

E-mail: secretarial@crissfin.com

Statutory Auditors

Raju and Prasad
Chartered Accountants
(ICAI FRN: 003475S)

Registrars and Transfer Agents

KFin Technologies Limited
(Earlier known as KFin Technologies Private Limited.)

Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Rangareddy, Hyderabad, Telangana - 500032

Debenture Trustees

Catalyst Trusteeship Limited
GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038,
Ph: 020 – 2528 0081
Fax: 020 – 2528 0275
E-mail id: dt@ctltrustee.com
Website: www.catalysttrustee.com

Board of Directors

Ms. Abanti Mitra
Chairperson and Independent Director
DIN: 02305893

Mr. Deepak Calian Vaidya
Independent Director
DIN: 00337276

Mr. Kartikeya Dhruv Kaji
Non-Executive Nominee Director
DIN: 07641723
(Ceased to be a Director w.e.f May 21, 2024)

Mr. Shalabh Saxena
Non-Executive Nominee Director
DIN: 08908237

Mr. Ashish Kumar Damani
Whole-Time Director
DIN: 08908129

Investor Information

AGM Date : Tuesday, July 30, 2024
AGM Time : 2:00 P.M. (IST)
AGM Mode : Physical

2.52%

Gross NPA

0.56%

Net NPA

₹423.47 Cr

Funds raised externally

33.15%

Capital adequacy ratio

100.96%

Gross collection efficiency

18.6%

Return on equity

Corporate Identity

Advancing with trust and transparency

At Criss Financial Limited (CFL), we are committed to empowering individuals in India's semi-urban and rural regions through our range of lending products, catering to their diverse financial needs thereby enabling them to achieve their dreams and aspirations.



Our Mission

Deliver quality financial services for enhancing the income levels of communities in Bharat.



Our Vision

- To be the preferred choice for customers and employees in fulfilling their aspirations.
- To positively impact the livelihoods of more than 2,50,000 households by 2028 with an AUM of ₹3,000 Crore.
- To be the standard of excellence in the financial services industry delivering equitable value for all stakeholders.



Our Values

Integrity

We believe in fairness and doing the right thing.

Empathy

We respect and care for all our stakeholders.

Agility

We execute fast and effectively.

Receptiveness

We believe in open and honest communication.

Collaboration

We put collective success before individual achievement.





People-centric culture

Our culture is pivotal in our journey of growth. We actively foster the personal and professional development of our team members through ongoing learning, performance evaluations, constructive feedback, training initiatives, and motivational support aimed at enhancing their skills and capabilities.

720

Credit assistants

1,146

Workforce



Strong foothold

As a subsidiary of Spandana Sphoorty Financial Limited (SSFL), we operate as a Non-Banking Financial Company (NBFC). Leveraging our rich parentage, industry expertise and visionary leadership, we have a presence across six states including Andhra Pradesh, Telangana, Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu.

Our disciplined business strategies enable us to overcome challenges with resilience while creating value for stakeholders and contribute to India's inclusive growth.

56

New LAP and Nano loan branches opened

128

Total branches covering multiple districts across **six** states



Driving sustainable growth

Over the years, we have achieved sustainable growth on the back of our well-balanced, high-quality product portfolio and prudent strategies. Our funds are distributed evenly across major financial instruments and institutions, allowing us to manage risks effectively.

To further enhance our operational efficiencies, we have implemented various technological initiatives that help us streamline our processes and deliver better value to our customers.

1.91 Lakh

Borrower base, against 1.31 Lakh borrowers in previous year

Product Range

Catering to diverse customer needs

We understand that each customer has unique financial needs. That's why we offer a spectrum of financial products to meet their individual requirements. Upholding transparency is a cornerstone of our operations and we ensure that every client is well-informed about the loan terms and conditions.

Furthermore, in addition to our commitment to providing exceptional services, we strictly adhere to all regulatory requirements. Our processes are designed to ensure a seamless borrowing experience for our clients.

We are deeply committed to offering fair, equitable, and transparent services to our customers. By prioritising transparency and integrity, we aim to enhance their trust and confidence in us, thus fostering enduring and mutually beneficial relationships.

Chetana



This loan is designed to empower individuals to start and grow their businesses, while managing household expense and acquiring assets. With a convenient monthly repayment option, borrowers can expand their businesses without repayment stress.

₹10,000 to ₹80,000

Loan Size

12, 18 and 24 months

Tenure

Unnati



This is a top up loan, designed to help our existing borrowers to meet their short-term liquidity needs such as working capital needs, business expansion or any other emergency needs.

₹10,000 to ₹30,000

Loan Size

12, 18 months

Tenure

Nano Enterprises Loans



Our nano enterprises loans are custom-designed for micro and small business owners, providing unsecured financing. Our goal is to foster the growth of small shopkeepers by enabling them with funds for expansion, inventory, equipment, and essential financial needs.

₹50,000 to 2 Lakhs

Loan Size

12-18 months

Tenure

Loan Against Property (LAP)



Our Loan Against Property is crafted to cater to the varied requirements of small entrepreneurs, be it acquiring equipment, renovating or expanding office space, or utilising funds for working capital. It provides a smooth and convenient avenue for them to access funds and embark on their pivotal next phase in the entrepreneurial journey.

₹2 Lakh to ₹10 Lakh

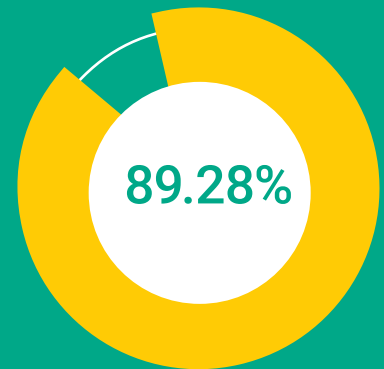
Loan Size

12 months to 10 years

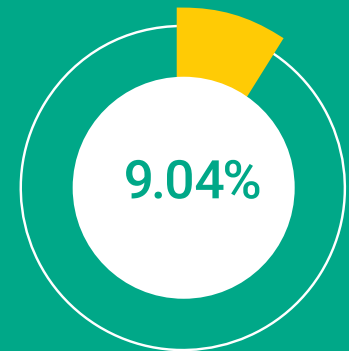
Tenure

AUM by product

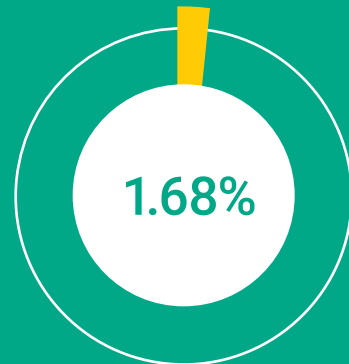
Individual loans



Loan Against Property (LAP)



Nano Enterprises Loans



New Developments

Strengthening our portfolio for broader impact

During FY24, we increased our focus on Loan Against Property and loans for Nano enterprises. These additions are crafted to resonate with our customers' aspirations, providing vital assistance to strengthen their enterprises and propel them towards success.

Loan Against Property (LAP)



In our efforts to strengthen our portfolio and support small entrepreneurs, we have made revitalising our Loan Against Property (LAP) product a top priority.

Our LAP loans support small entrepreneurs who are consistently searching for the ideal partner to guide them through the next stage of their journey. We play the role of a trustworthy ally, someone who will treat them equitably and safeguard their pledged property.

For LAP, property assessment is conducted, followed by the Branch Credit Manager

conducting Personal Discussions at the business premises. Legal and technical verification of the property is then carried out to assess its suitability accordingly.

We have established a dedicated team operating from the LAP branches. Direct sourcing is managed by Relationship Managers (RMs), with a separate credit team in place.

We have established a presence in five states with 56 branches and achieved an Asset Under Management (AUM) of ₹52.08 Crore.

Nano Enterprises Loans



During FY24, we also introduced Nano Enterprises Loans, tailored for micro and small business proprietors, providing them with unsecured loan options.

Our objective with Nano Enterprises Loans is to foster the growth and advancement of small shopkeepers. Through these loans, we aspire to empower these entrepreneurs by providing the essential funds needed to expand their businesses, acquire

inventory, invest in equipment, or address other critical financial needs.

Income assessment is conducted by the Branch Credit Manager through Personal Discussion at the business place. Available kachha bills/proof of income are considered, and income assessment is done through triangulation.

Quarter-wise progress for LAP and Nano Enterprises Loans

Q1

April to June

- Established processes and systems for Loan Against Property (LAP) and Nano Enterprise Loan.
- Launched LAP in Rajasthan.

Q2

July to September

- Unveiled Nano Enterprise Loan with a digital journey.
- Started disbursing LAP and Nano Enterprise Loans across operational branches in Rajasthan.

Q3

October to December

- Operationalised 11 branches (Total: 21).
- Activated disbursements in 4 branches in Andhra Pradesh.
- Initiated expansion in Madhya Pradesh, Karnataka, and Tamil Nadu.

Q4

January to March

- Expanded further into untapped areas of Madhya Pradesh, Karnataka, and Tamil Nadu as part of new state expansion, now operating a total of 56 branches.
- Launched esign, facilitating enhanced digitalisation.

Presence

Expanding across high-potential geographies

Over the years, we have evolved as a trusted and preferred financial services provider, serving the diverse needs of individuals and businesses alike.

Starting our journey in Andhra Pradesh and Telangana, we built a strong foundation by enabling countless lives to prosper through our lending services. Expanding from there to Rajasthan, Madhya Pradesh, Karnataka, and Tamil Nadu, we have broadened our footprint to impact even more lives.

This expansion marks a significant milestone in our commitment to empowering communities and fostering financial inclusion on a broader scale. We are dedicated to continuing our journey of service and impact, enriching lives and creating opportunities wherever we go.



1

Rajasthan

26

Branches

2

Madhya Pradesh

10

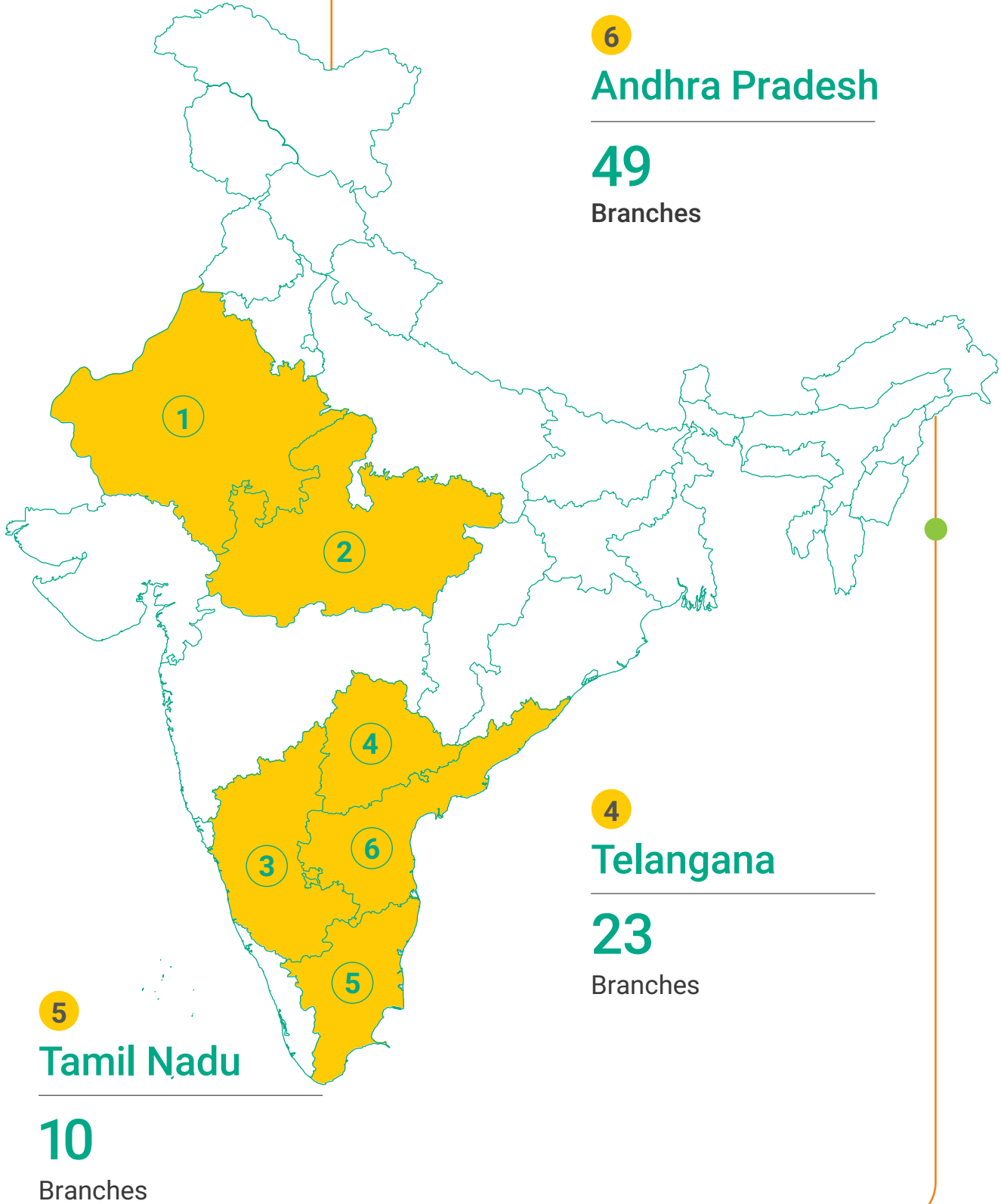
Branches

3

Karnataka

10

Branches



Key Performance Indicators

Maintaining our growth trajectory

Total Income

(₹ in Crore)



Profit before tax

(₹ in Crore)



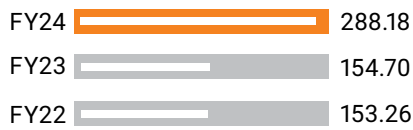
Profit after tax

(₹ in Crore)



Networth

(₹ in Crore)



AUM

(₹ in Crore)



Disbursements

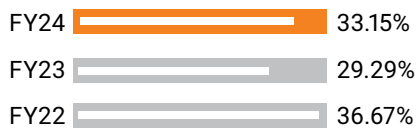
(₹ in Crore)



Our income and profitability have grown in tandem with the expansion of our portfolio, driven by our robust customer acquisition strategies and the continuous expansion of our branch network.

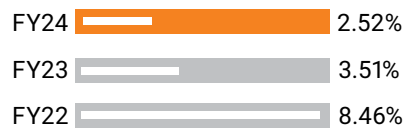
Capital adequacy ratio

(%)



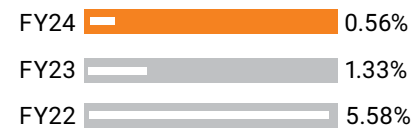
Gross NPA

(%)



Net NPA

(%)



Return on equity

(%)



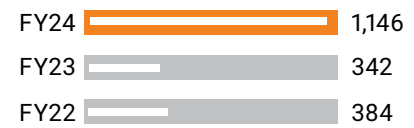
Borrowers

(in Lakh)



Employees

(Nos.)



Operational performance[^]

Particulars	FY22	FY23	FY24
Borrowers / Branch (Nos.)	1,859	2,231	3,345
AUM / Borrower (In ₹)	27,404	36,865	36,899
AUM / Branch (₹ in Crore)	5.10	8.22	12.34
Borrowers / Loan Officer (Nos.)	441	622	624
AUM / Loan Officer (₹ in Crore)	1.13	2.29	2.30
AUM/Employee (₹ in Crore)	0.89	2.06	1.78

[^]Individual Loans

Our credit ratings

Instrument	Rating Agency	Rating Action
Bank Loan (Long term facilities)	ICRA	[ICRA] A- Positive
Market Linked Debentures	ICRA	[ICRA] A- Positive
Non-Convertible Debentures	India Rating & Research	IND BBB+/Stable
Bank Loan (Long term facilities)	India Ratings & Research	IND BBB+/Stable

Corporate social responsibility

Driving women empowerment

We empower women with customised skill development programs tailored to enhance their abilities and foster their growth, enabling them to thrive in their personal and professional lives.

21st Century Skills Training Program for Girls/Women

This Youth Skilling Programme is a specialised training initiative focused on developing 21st-century skills and enabling sustainable livelihoods for marginalised youth. Our comprehensive 60 days training program equips participants with core life skills, workplace readiness, financial literacy, IT proficiency, and spoken English communication.

The program is specifically tailored to address the needs of young girls, youth and women who are often the most underserved and vulnerable members of our society. The program mission is to extend this essential intervention to 100% of deserving individuals, providing them with the skills necessary to break the cycle of poverty and access a world of employment possibilities.

Upon completion of the program, trainees receive placement support in corporate organisations, facilitating the application of their newfound skills in real-world settings.



Students participating in the group discussion activity- Vijayawada

415 girls

Beneficiaries Impacted

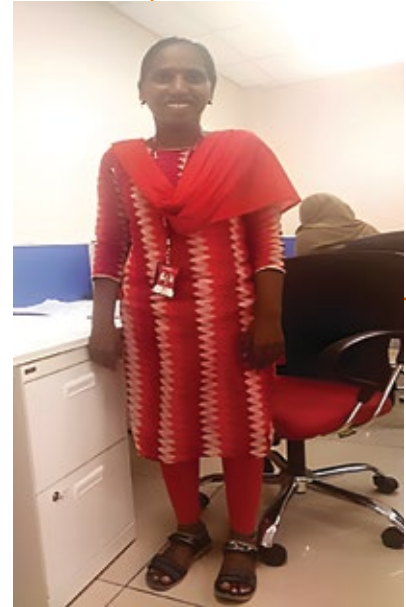
Success Stories From field to Fortune : Journey to corporate success

Shirisha's father is a dedicated daily wage worker who toils away at a bike tire puncture shop. Despite his resilience, life has been incredibly harsh, leaving him with the challenge of seeing with only one eye, making his already demanding job even more strenuous. Her mother, a nurturing homemaker, also battles her own health issues. Shirisha, the eldest of five sisters, has always been fiercely determined to support her family's collective dream of education.

Before her journey began, Shirisha worked tirelessly in the fields of her village, earning daily wages to support her family. Her income was crucial in ensuring her sisters could continue their studies.

Despite having completed her Intermediate studies, Shirisha had to put her own education on hold due to the family's severe financial constraints. Yet, she never let go of her dream of lifting her family out of hardship and completing her education.

One day, fate led Shirisha to the Criss Financial supported Magic Bus Livelihood Centre. This was the opportunity she had been waiting for to transform her dreams into reality. With unwavering commitment, Shirisha joined the program and dedicated herself to excelling. Her skills flourished, and her confidence soared. As a result, Shirisha secured a position as a Junior Associate at Kotak Mahindra Bank, earning a monthly salary of Rs. 14,500.



300 girls

Received job placement (72%)



Classroom training - Warangal

Board of Directors



MS. ABANTI MITRA
Chairperson and Independent Director

Ms. Abanti Mitra holds a postgraduate diploma in rural management from the Institute of Rural Management, Anand. She has previously worked with Micro-Credit-Ratings International Limited and ICICI Bank Limited, focused on rural and micro-banking businesses. She also serves as a director on the board of Positron Consulting Services Private Limited and Positron Capital Services LLP. In Positron, she works closely with private equity and NBFC clients. She is an Independent Director on the board of Spandana Sphoorty Financial Limited and Vedant Fashions Limited. She served as a Director on our Board since December 27, 2018.



MR. DEEPAK CALIAN VAIDYA
Independent Director

Mr. Deepak Calian Vaidya has been a fellow of the Institute of Chartered Accountants in England and Wales since 1979. He serves as a director on the boards of Marudhar Hotels Private Limited, Apollo Multispeciality Hospitals Limited (formerly known as Apollo Gleneagles Hospital Limited), Spandana Sphoorty Financial Limited, API Holdings Limited, and Spiracca Ventures LLP. He has been a Director on our Board since October 30, 2019.



MR. SHALABH SAXENA
Non-Executive Nominee Director

Mr. Shalabh Saxena has over 26 years of strong retail financial experience in the Consumer Banking and Life Insurance industry. Throughout his career, he has managed large profit centres and SBUs across various business lines in Life Insurance and Consumer Banking. His core competencies and exposure revolve around distribution, sales management in large business environments, marketing, strategy, information technology, planning, alliances, and acquisitions. He holds an MBA in Marketing from B K School of Management, Ahmedabad. Previously, he has worked with Bharat Financial Inclusion Limited as MD & CEO, HSBC Life Insurance, ING Life Insurance, and Standard Chartered Bank. He has been a Managing Director & CEO on the Board of the Spandana Sphoorty Financial Limited since March 19, 2022. He is the Nominee Director of the Company since August 03, 2022.



Mr. Kartikeya Dhruv Kaji*
Non-Executive Nominee Director

Mr. Kaji served as an Associate Director in the Mumbai office of Temasek, where he focused on public and private market investments in the financial services, telecom, and technology sectors. Previously, Mr. Kaji worked as an investment banker in New York, first at Merrill Lynch & Co., and then at the leading boutique firm Perella Weinberg Partners. He has also worked as a Summer Associate at the global private equity firm Warburg Pincus. He is also a member of the Mumbai chapter of the Entrepreneurs' Organisation.

*Resigned as a Non-Executive Nominee Director w.e.f. May 21, 2024.

Mr. Kaji holds a Master of Business Administration from The Wharton School of the University of Pennsylvania and a Bachelor of Arts in Economics from Dartmouth College. He served as a Nominee Director of Kedaara Capital on the Board of Spandana Sphoorty Financial Limited until May 21, 2024. Joining the start-up team of Kedaara Capital in 2013, a \$5bn AUM operationally oriented Indian private equity firm, he led the firm's investments in the financial services sector. His last role at Kedaara Capital was as a Managing Director until May 2024.

Mr. Kaji advised on Kedaara Capital's investments in AU Small Finance Bank, Aavas Financiers, Spandana Sphoorty Financial Limited, Care Health Insurance, Avanse Financial, and Perfios Software. He represented Kedaara on the boards of Aavas, Spandana, Care, Avanse, and Perfios, including serving on various key board committees.

Additionally, Mr. Kaji spent a year on secondment to the London office of Kedaara Capital's global partner, Clayton Dublier & Rice, where he advised on CD&R's investment in the German industrial packaging business Mauser. Prior to joining Kedaara Capital,



MR. ASHISH KUMAR DAMANI
Whole Time Director

Mr. Damani has over 24 years of experience in the microfinance industry. Mr. Damani has worked in various capacities at Bharat Financial Inclusion Limited with the last being CFO of the Company. He was instrumental in navigating the company through multiple disruptions that have impacted the microfinance industry over the years. Prior to merger of Bharat Financial Inclusion Limited into IndusInd Bank, Mr. Damani led the borrowing program of close to ₹12,000 Crore. He holds AGMP from IIM Ahmedabad and PGDBA from Symbiosis Pune.

Leadership team



Mr. Sushanta Tripathy
Chief Operating Officer
(COO)

Mr. Tripathy has over 19 years of professional experience in the field of Financial Inclusion, micro/rural finance, MSME. He has worked across a variety of functions viz. Sales, Strategy and Business development, Product development, Business planning & analytics.

He was leading MSME business in his last assignment at Bharat Financial Inclusion Ltd, prior to which he handled large sales & distribution network at BFIL disbursing micro-loans, mobilising small savings & leveraging cross sell opportunities. Prior to Spandana, Mr. Tripathy was associated with organisations such as YES Bank Ltd, ACCION International, IFMR Trust. He is an MBA from Institute of Rural Management, Anand (IRMA).



Mr. Ashutosh Sharma
Business Head - North

Mr. Ashutosh Sharma has 22 Years of professional experience in the areas of Secured & Unsecured Lending in NBFCs, Banking and Insurance. He has worked with variety of functions viz, Sales, Strategy & Business Development, Branch Operations & Customer Services, Underwriting & retentions, Third Party Distribution, Call Centre Management, Collections. He was leading Business, Collections, Customer Services and Retentions for North India in his previous experience with Shriram Housing Finance. Prior to Spandana,

Mr. Ashutosh Sharma was associated with Shriram Group, Indiabulls Housing Finance, HDFC, HSBC, Reliance Capital. He is having a vast experience in handling large sales and distribution network of big portfolios in his previous assignments with Shriram Group & Indiabulls Housing Finance. He is an Engineer with MBA in Marketing and Finance.



Mr. Melwin Alex
Business Head - South

Mr. Melwin has 22+ years of experience in MSME Lending space with various banks and NBFCs. He has extensive experience in various functions, viz, Sales, business development, product design & development, product launch, credit underwriting etc.

He has been in the leadership positions with ICICI Bank Ltd, HDB Financials Ltd, Capital First Ltd, Neogrowth Credit, Adani Capital Pvt Ltd. Prior to this he was heading the micro enterprise loan vertical at DvaraKGFS. He is a Economics graduate and a MBA from Bharathiyar University, Coimbatore.



Mr. R. Venugopal
Head of Operations
(Secured Lending)

Mr. Venugopal is an experienced professional, over 22 years of rich and varied experience in the Banking and Financial Services industry. His expertise spans process management, internal controls, and client servicing, with significant proficiency in retail assets operations and microfinance.

He holds an MBA and has completed executive certification programs in "Operations Management and Six Sigma" from IIM Raipur, and "Digital Transformation" from ISB. Prior to this, he worked at organisations such as BASIX, ICICI, HDFC, AXIS, L&T, AVANSE Financial Services, and IKF Home Finance.



Mr. Arun Kumar
Head of Operations
(Sales-Ind Loans Sales)

Mr. Arun Kumar has experience of over 19 years across NBFC's & MFI in Sales, Distribution, Marketing and Strategy. He has experience of launching business in multiple organisations in the financial service sector. His last assignment was as SBH – Kerala in Bharat Financial Inclusion Ltd. Prior to this, he worked in organisations like Vanchinad Finance & CCIL.

Mr. Arun Kumar holds a bachelor's degree in commerce from Osmania University, Hyderabad.



Mr. Lakshmi Kanth Ch
Head of Credit
(Secured Lending)

Mr. Lakshmi Kanth is a versatile professional with an impressive performance record in quantitative environments and has strong business background. He has over 20 years of experience in credit underwriting and risk management for Home Loans, Mortgage Loans, Gold Loans, Commercial Vehicle Loans, and Healthcare Equipment Loans.

Lakshmi Kanth has worked with several banks and financial services companies, including Ujjivan Small Finance Bank, Karvy, Deutsche Postbank Home Finance Ltd, Reliance Capital & IDBI Bank. In his most recent role, he served as Head of Risk, Audit, Product, Credit Compliance, and Digital Implementation at IKF Home Finance Limited. He holds an MBA in Finance from Nagarjuna University and a CFA from ICFAI University

Leadership team



Mr. Bathina H Vijay Kumar
Head of Internal Audit

Mr. Vijay Kumar has over 13 years of experience in auditing within the NBFC (Non-Banking Financial Company) and microfinance sectors. His expertise includes MSME secured and unsecured loans, loans against property (LAP), housing loans (HL), affordable housing loans (AHL), gold loans (GL), and joint liability group loans (JLG).

Mr. Vijay has worked with various NBFC-MFIs and NBFCs, including Muthoot Finance Ltd, RBL Finserv Ltd, HDB Financial Services Ltd, and Muthoot Homefin India Ltd. He has managed large audit teams and played a key role in the end-to-end digitisation of audit systems in his previous assignments. He holds a bachelor's degree in commerce from Andhra University, Visakhapatnam.



Mr. Subrahmanyam Murari
Head of Finance and Accounts

Mr. Murari has over 10 years of experience in the areas of Finance, Accounts, Audit & Taxation, Financial Reporting, Budgeting & Forecasting and regulatory audits. He is associating with Criss Financial Limited (CFL) since November 2021. Prior to CFL he has been associated with organisations like PACCS Healthcare as HOD Finance & Accounts and in various leadership capacities with JSS Pro Services and Italia & Associates.

Mr. Subrahmanyam Murari is a Chartered Accountant from the Institute of Chartered Accountants of India, a Cost Accountant from the Institute of Cost Accountants of India and holds Bachelor degree in finance & accounts.



Mr. Dinesh Mourya
Chief Compliance Officer and Company Secretary

Mr. Mourya has over 16 years of experience in Compliance, Secretarial, and Corporate Legal roles. Prior to joining the company, he worked in leading positions at Arohan Financial Services Limited, VFS Capital Limited, and Peerless Securities Limited. Mr. Mourya has extensive experience in regulatory compliances, secretarial matters, and listing compliances. He has handled due diligence processes for both debt and equity, including public issues and private placements of equity and debt. His work experience across sectors viz. in NBFC-MFIs, Broking Firms, Consultancy, Manufacturing.

He holds a bachelor's degree in commerce and a bachelor's degree in law. He is an associate member of the Institute of Company Secretaries of India.



Ms. Anchan Khanna
Head of Human Resources

As an established HR professional, Anchan has over 16 years of experience in Business Partnering, Talent Development, Change Management and Learning & Development.

She has a wide experience in driving process improvement and cultural transformation ensuring that growth of people within the organisation remains paramount. Prior to Criss, Anchan was associated with Axis Bank, Kotak Mahindra Bank and ICICI Bank. She is an MBA- HR and holds bachelor's degree in commerce.



Mr. Mukesh Kumar Sanodiya
Head of Information Technology

Mr. Mukesh has more than 12 years of work experience. Prior to joining CFL, he was associated with Fincare Small Finance Bank as Head of Data Science & Engineering, where he was heading MIS & Analytics vertical for all in-house reports & advance analytics for Digital Transformation and Data-led decisioning.

Mukesh has completed several analytics projects at the PAN bank level, assisting them with better portfolio management, designing up-sell and cross-sell campaigns, making decisions regarding over-limit authorisation, etc.

He had various technical positions at Firstsource Solution Limited & Quosphere Infosolution pvt ltd. He holds an M-Tech from BITS-Pilani and B-Tech in Computer Science Engineering. He has also completed multiple IT platform certifications from Microsoft & Oracle including An NIT Krukshetra 6-month boot camp.



Mr. Amit Saxena
Head of Legal

Mr. Amit Saxena has over 14 years of versatile experience in the field of Legal with different industries like NBFC- Microfinance, Banking, Telecom and Oil & Gas industry. He is having an expertise in handling key matters like Banking, Corporate & Financial matters, Property Search & related issues, Contractual Matters, Real Estate, Consumer Matters, Recovery Matters, Project Advisory, Land & Acquisition.

He did his master's in business law and has done Law (Hon's) 5 years integrated from Lucknow University. Prior to this, he worked at organisations such as Bharat Financial Inclusion Ltd, HDFC Bank, Indus Towers, Tower Vision, JV of GAIL India & Bharat Petroleum Ltd.

Board's Report

To,
The Members

Criss Financial Limited

Your directors have pleasure in presenting the 32nd Annual Report of the Company together with the audited financial statements for the financial year ended March 31, 2024.

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY:

The Financial Statements for the financial year ended March 31, 2024 ('FY24'), forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Key highlights of financial performance of your Company for the Financial Year 2023-24, is summarized below:

Particulars	Financial year ended (₹ In crores)	
	FY 23-24	FY 22-23
Total Revenue from operation	147.24	100.13
Other Income	1.83	1.28
Profit before Depreciation, Interest and Tax (PBDIT)	97.93	40.66
Finance Cost	52.51	39.03
Depreciation	0.68	0.19
Profit Before Tax	44.74	1.44
Less: Tax	11.25	0.03
Profit/(Loss) After Tax	33.49	1.41

The operational highlights of the Company are summarized below:

Particulars	Financial year ended (₹ In crores)	
	FY 23-24	FY 22-23
No of Branches	128	74
No of states	6	2
No of Active Borrowers (in lakhs)	1.91	1.31
Number of employees	1146	342
Gross Loan Portfolio (in crores) on Balance Sheet	784.80	538.41
Net Loan Portfolio (in crores) on Balance Sheet	744.06	509.12
Asset Under Management- AUM (₹ in crores)	774.19	531.46

In FY24, the focus areas have been developing the distribution channel, use of technology in the business, building the team, introducing new products, and establishing appropriate processes. On the team building side the Company have focused on bringing in experienced individuals from the industry and assembling dedicated teams for sales, operations, credit, internal audit, compliance, legal, and technical functions.

During the year under review, the LAP and Nano business has established its footprint across five states with 56 branches. These states include Rajasthan, Andhra Pradesh, Madhya Pradesh, Karnataka, and Tamil Nadu. Most of the business has been conducted in the state of Rajasthan, amounting to about ₹ 40 crores, which represents about 77% of the LAP and Nano AUM. At the end of the FY 24 LAP and Nano AUM stands at about ₹ 52 crores, comprising 75% LAP and 25% Nano Book. The total AUM of LAP & Nano stands at ₹ 83 crores, inclusive of the legacy LAP book worth ₹ 31 crores.

On the individual loan portfolio side, the Company has witnessed steady growth and FY24 ended with an AUM

of ₹ 691.17 crores and with a 35.3% growth in client acquisition.

During the year, the Income from operations of the Company was ₹ 147.24 crores. The Asset Under Management (AUM) of the Company was ₹ 774.19 crores as on March 31, 2024, as compared to ₹ 531.46 crores as on March 31, 2023, and the Profit before Tax in FY2023-24 was ₹ 44.74 crores as compared to ₹ 1.44 crores in previous year. The total loan disbursement made during FY24 was ₹ 645.67 crores.

The important statutory ratios were at appropriate levels. Total incremental borrowing in FY24 was ₹ 423.47 crores, up from ₹ 106.00 crores in FY23. The marginal cost of borrowings was comparatively lower in FY24 at 14.1% compared to 15% in FY23, indicating a year-on-year decrease in the average cost of borrowing. The Company onboarded 13 lenders in FY24, borrowing about ₹ 423.47 crores. This funding comprised 13% from banks, 75% from NBFCs, and 12% from the capital market. The Company's share of Inter Corporate Deposits decreased to 15% from 62% at the year end of March 2023, while the share of banks/NBFCs increased to 75% from 34% YoY.

The leverage ratio was 1.7 times as on March 31, 2024, when compared to 2.4 times as on March 31, 2023, as the first trench of growth capital raised from holding company in March 2024 amounts to ₹ 100 crores.

The Company has used securitization to improve its asset and liability mix in line with extant guidelines of RBI on securitization. As of March 31, 2024, out of total AUM, securitized portfolio was ₹ 163.41 crores on a standalone basis.

2. DIVIDEND:

Considering your Company's growth, future strategy and plans, your directors consider it prudent to conserve resources and do not recommend any dividend on equity shares for FY24.

3. PUBLIC DEPOSITS:

The Company is registered with Reserve Bank of India ("RBI"), as a non-deposit accepting Non-Banking Financial Company (NBFC-Investment and Credit Companies) under section 45-1A of the RBI Act, 1934. Directors hereby report that the Company has not accepted any public deposits during the year under review and it continues to be a non-deposit taking NBFC in conformity with the guidelines of the RBI.

4. STATUTORY RESERVE FUND:

As per section 45IC of RBI Act 1934, your Company has transferred ₹ 6.70 crores in Statutory Reserve Fund i.e. aggregating 20 % of its standalone net profit.

5. CAPITAL ADEQUACY RATION:

Your Company's Capital Adequacy Ratio ("CAR"), as on March 31, 2024, stood at 33.15 % of the aggregated risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which meets the regulatory requirement to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets.

6. ASSET LIABILITY MANAGEMENT:

The Structural Liquidity as of March 31, 2024, shows cumulative positive mismatch across all ALM buckets. Since there has been no cumulative negative mismatch in any of the buckets, there was no instance of exceeding the stipulated limits of 10% / 20% as of March 31, 2024. There was no cumulative mismatch in any of the buckets under short term dynamic liquidity.

7. SHARE CAPITAL/ DEBENTURES:

The Issued and Paid-Up Equity Share Capital of the Company as on March 31, 2024, stood at ₹ 11,67,12,680 (Rupees Eleven Crore Sixty-Seven Lakhs Twelve Thousand Six Hundred Eighty) consisting of 1,16,71,268 (One Crore Sixteen Lakhs Seventy-One Thousand Two Hundred Sixty-Eight) Equity Shares of ₹ 10/- each.

During FY24, the Paid-Up Equity Share Capital of the Company has increased from ₹ 7,67,12,680/- (Rupees Seven Crore Sixty Seven Lakhs Twelve Thousand Six

hundred Eighty) Equity shares having the face value of ₹ 10/- each to ₹ 11,67,12,680 (Rupees Eleven Crore Sixty Seven Lakhs Twelve Thousand Six Hundred Eighty) consisting of 1,16,71,268 (One Crore Sixteen Lakhs Seventy One Thousand Two Hundred Sixty Eight) Equity shares having the face value of ₹ 10/- each.

During the period under review, 1200 Secured, Redeemable, Principal Protected Market Linked Non-convertible Debentures with a face value of ₹ 0.01 crores each and carrying a coupon rate of 12.75% were redeemed. Further, 5000 Secured, Unlisted Non-convertible Debentures with a face value of ₹ 0.01 crores each and carrying a coupon rate of 12.97% were issued.

8. STATUTORY AUDITORS:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at the 31st Annual General Meeting (AGM), held on August 01, 2023, had re-appointed M/s. Raju & Prasad, Chartered Accountants (Firm Registration No. 003475S) as the Statutory Auditors of the Company for a further period of 5 years i.e. to hold office from the conclusion of the 32nd AGM till the conclusion of the 36th AGM of the Company.

The Report given by M/s. Raju & Prasad, Chartered Accountants on the financial statements of the Company for the year ended March 31, 2024, is part of the Annual Report. The Auditors' Report read along with the Notes on the Financial Statements is self-explanatory and does not call for any further comments. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the financial year 2023-24, the Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

9. INTERNAL AUDITORS:

The Company has its in-house Internal Audit team to conduct audits and also has a full-fledged audit team based out of Zonal and Regional/state offices. Each state has a State Audit Head, who has a team of Internal Auditors to manage the audit work of the state (for CFL Individual branches as well as LAP branches). The Internal Audit team follows the Annual Internal Audit plan, all the unsecured individual branches are audited once a quarter, and the LAP branches are audited once a month. which has operations till the previous quarter.

In terms of Section 138 of the Act, and Companies (Accounts) Rules, 2014, the Board of Directors at its Meeting held on May 02, 2023, upon recommendation of the Audit Committee, had appointed Laxminiwas & Co., as Internal Auditors of the Company, for the FY24, for conducting the internal audit.

10. COST AUDITORS:

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 relating to Cost Audit and maintaining of cost audit records does not apply to the Company.

11. DETAILS OF HOLDING/SUBSIDIARY, JOINT VENTURE OR ASSOCIATES:

Details of Holding Company of the Company as on March 31, 2024:

Name of the Company	No of Shares Held	% Shareholding
Spandana Sphoorty Financial Limited (CIN: L65929TG2003PLC040648)	1,16,59,389	99.90

Further, during the year under review, no Company has become or ceased to be a subsidiary, joint venture or associate of the Company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**(a) Directors:**

The composition of the Board is in accordance with the provisions of Section 149 of the Act, with an appropriate combination of Non-Executive Directors and Independent Directors. The affairs of your Company are being managed by a professional board comprising of eminent personalities having experience and expertise suited to guide the Company in the right direction. Details (including changes) of the Directors of your Company during FY 24 and till the date of this reporting are as below:

NAME OF DIRECTOR	CATEGORY
Ms. Abanti Mitra	Chairperson, Independent Director
Mr. Deepak Calian Vaidya	Independent Director
Mr. Kartikeya Dhruv Kaji*	Non-Executive Nominee Director
Mr. Shalabh Saxena	Non-Executive Nominee Director
Ms. Padmaja Gangireddy#	Non-Independent Non-Executive Director
Mr. Ashish Kumar Damani	Whole-time Director

**Resigned and vacated office as Non-Executive Nominee Director at the close of business hours on May 21, 2024.

*Non-Independent Non-Executive Director of the Company resigned and ceased to be a director of the Company w.e.f. May 01, 2023.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://crissfin.com/miscellaneous/>. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

(b) Rotation of Director:

In terms of the provisions of Section 152 of the Act, Mr. Shalabh Saxena [DIN 08908237] Non-Executive Nominee Director of the Company, being longest in the office is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for reappointment, the Board of Director's at their meeting held on June 04, 2024 recommended the reappointment of Mr. Shalabh Saxena as the Non-Executive Nominee Director to the Members of the Company.

(c) Declaration by Independent Directors:

The Company has received a declaration from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under section 149 of the Act and have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

(d) Changes in the Key Managerial Personnel:

During FY24, the following changes have taken place:

Mr. Srikanth Reddy Kolli (ACS -25290), previous Company Secretary of the Company had resigned from the Company with effect from July 15, 2023, and thereafter Mr. Dinesh Mourya (ACS - 28355) has been appointed as the Company Secretary and Chief Compliance Officer of the Company w.e.f. December 01, 2023.

As of March 31, 2024, your company has following Key Managerial Personnels:

- Mr. Ashish Damani – Whole-time Director
- Mr. Dinesh Mourya - Company Secretary and Chief Compliance Officer

13. MEETINGS OF THE BOARD OF DIRECTORS:

During FY24, 07 (Seven) Board Meetings were held. The intervening gap between the Board Meetings was within the period prescribed under the Act. The notice and agenda of the meeting is circulated to all Directors sufficiently in advance. All material information and minimum information required to be made available to the Board under the Act, were made available to the Board of Directors.

The details of Board meetings are given below: -

Date of Meeting	Board Strength	No. of Directors Present
April 20, 2023	6	4
April 28, 2023	6	4
June 05, 2023	5	4
July 21, 2023	5	5
October 28, 2023	5	5
January 20, 2024	5	5
March 05, 2024	5	5

14. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS OF COMPANY:

The Committees of the Board of Directors of the Company focuses on certain specific areas and make informed decisions in line with the delegated authority. They facilitate debate on important issues and can be effective forums for decision making. The following Committees constituted by the Board of Directors functions as per their respective roles and defined scope:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Risk Management Committee
5. IT Strategy Committee
6. Executive Committee
7. Asset-Liability Management Committee

The details of the Committee's composition, terms of reference, number of meetings held including attendance for respective committee meetings are elaborated in the Report in the further paras.

15. AUDIT COMMITTEE:

Pursuant to the Section 177 of the Act read with applicable rules thereto and RBI Master Directions, the Company has an Audit Committee, meeting the

Meetings and Attendance

During the financial year under review the members of the Audit Committee met six times i.e. April 28, 2023, July 21, 2023, October 28, 2023, January 20, 2024, February 15, 2024, and March 05, 2024, to discharge its responsibilities.

The details of attendance of the Members at the meeting(s) held during the year mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Ms. Abanti Mitra	Chairperson	6	5
Mr. Deepak Calian Vaidya	Member	6	6
Mr. Shalabh Saxena	Member	6	6
Mrs. Padmaja Gangireddy*	Member	6	0

*Ceased to be the Member of the Audit Committee pursuant to her resignation from her office as Director at the close of business hours on May 01, 2023.

Terms of Reference

The terms of reference of the Audit Committee, inter alia, includes the following:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor, internal auditor and cost auditor;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving payments to the statutory auditors, internal auditor and cost auditor, for any other services rendered by them;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;

composition prescribed thereunder with Independent Directors. All the members are financially literate and have accounting or related financial management expertise.

The composition of the Committee is in adherence to provisions of the Act and the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

All members of the Committee are financially literate and learned, experienced and well known in their respective fields. The Committee acts as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company. The Company Secretary acts as the Secretary to the Committee. The Meetings of the Audit Committee are also attended by the Head of Accounts, Internal Auditors and the Statutory Auditors as invitees. The minutes of each Audit Committee Meeting are circulated amongst the members for their approval.

Composition

Name	Position on the Committee
Ms. Abanti Mitra	Chairperson, Independent Director
Mr. Deepak Calian Vaidya	Member, Independent Director
Mr. Shalabh Saxena	Member, Non-Executive Nominee Director

- iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Disclosure of any related party transactions; and
 - vi. Qualifications and modified opinions in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - g) Scrutiny of inter-corporate loans and investments;
 - h) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - i) Evaluation of internal financial controls and risk management systems;
 - j) Approval or any subsequent modification of transactions of the Company with related parties;
- Explanation: The term "related party transactions" shall have the same meaning as provided in the applicable Indian Accounting Standards and/or the Act.
- k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 - m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
 - n) Reviewing the adequacy of internal audit function, if any, 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;
 - o) Discussion with internal auditors on any significant findings and follow up thereon;
 - p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - q) Discussion with statutory auditors, internal auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
 - t) Carrying out any other functions as provided under the Act and other applicable laws;
 - u) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
 - v) To review the financial statement with respect to its subsidiaries, if any, in particular investments made by the unlisted subsidiaries;
 - w) To examine the efficacy of audit functions and systems and suggesting steps on a periodic basis (quarterly, half yearly) for its improvement.
 - x) To facilitate smooth conduct of audits by external agencies, Statutory Auditors, Reserve Bank of India (RBI), lenders and any other external auditors as appointed by the Company or any other stakeholders (lenders, shareholders, regulators, government etc.)
 - y) To report, on a quarterly basis, the key findings of the quarter, as well as the action taken report on the same for previous quarters, to the Board of Directors.
 - z) To review compliance of various inspections and audit reports of internal, concurrent and statutory auditors and commenting on the action taken report prepared by the management and ensuring submission to the Board of the Company from time to time.
 - aa) To monitor and review all frauds that may have occurred in the Company involving an amount of ₹ 0.1 million and above or as decided from time to time.
 - bb) To report such frauds and other flag-offs to the Board of Directors regulators and other stakeholders, as the case warrants, along with the extent of losses. This would include drafting a calendar of reporting frauds and the remedial measures taken, to the Board of the Company.
 - cc) To conduct a root cause analysis and identify the systemic lacunae, if any, that may have facilitated perpetration of the fraud and put in place measures to rectify the same. Also, to ascertain reasons for delay in detection of such frauds, if any.
 - dd) To ensure the staff accountability is examined at all levels in all the cases of frauds and actions, if required, is completed quickly without loss of time.
 - ee) To review efficacy of remedial actions taken to prevent recurrence of frauds, such as strengthening internal controls and putting in place other measures as may be considered relevant to strengthen preventive mechanism.
 - ff) Reviewing and recommending to the board of directors of the Company potential risks involved in any new business plans and processes; and

- gg) Framing, devising, monitoring, assessing and reviewing the risk management plan and policy of the Company from time to time and recommend for amendment or modification thereof;
- hh) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable laws.

16. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (the "NRC") has been constituted by the Company in accordance with Section 178(1) of the Act and applicable ruled thereto and in accordance and RBI Master Directions.

Meetings and Attendance

During the financial year under review the members of the Nomination and Remuneration Committee met two times on April 28, 2023, and January 20, 2024, to discharge their responsibilities.

The details of attendance of the Members at the meeting(s) held during the year mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Mr. Deepak Calian Vaidya	Chairman	2	2
Ms. Abanti Mitra	Member	2	1
Mr. Kartikeya Dhruv Kaji	Member	2	1
Mr. Shalabh Saxena*	Member	2	1

*Ceased to be a member due to re-constitution of the Committee w.e.f. July 14, 2023

Terms of Reference

The terms of reference of the NRC, inter alia, includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees in accordance with Section 178(4) of the Act;
 - Formulation of criteria for the performance of evaluation of independent directors and the Board;
 - Devising a policy on Board diversity;
 - Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
 - To determine key performance indicators of senior executives of the Company and specify deliverables for the executive in line with the business plan of the Company.
- Senior executive to include the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Whole Time Directors, the Head of Departments of various functions and other key managerial personnel as decided from time to time in consultation with the Board of the Company and other stakeholders."
- To objectively examine the annual manpower plan in relation to the business plan of the Company and to examine management recommendations regarding manpower strategy and suggest corrective actions, if required.
 - To finalise top tier organization structure including top field level functionaries and direct reportees on a periodical basis or as and when required.
 - To evaluate and approve the compensation packages of above mentioned persons with particular reference to fixed and variable pay (including bonuses).
 - To recommend to the Board a policy, relating to remuneration for the Directors and Key Managerial Personnel
 - Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 - Framing suitable policies and systems to ensure that there is no violation of securities laws by, the Company, its employees or trust set up with respect to the Schemes, if any, of any applicable laws in India or overseas.

The composition of the NRC is in adherence to provisions of the Act and the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

Composition

Name	Position on the Committee
Mr. Deepak Calian Vaidya	Chairman, Independent Director
Ms. Abanti Mitra	Member, Independent Director
Mr. Kartikeya Dhruv Kaji*	Member, Non-Executive Nominee Director

*Resigned and vacated office as Non-Executive Nominee Director at the close of business hours on May 21, 2024.

- l) Determine whether to extend or continue the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors; and
- m) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of section 135 and Schedule VII of the Act read with rules made thereunder, the Board of Directors of your Company have constituted a CSR Committee.

Meetings and Attendance

During the financial year under review the members of the Corporate Social Responsibility Committee met four times on April 28, 2023, July 21, 2023, October 28, 2023 January 20, 2024, to discharge their responsibilities.

The details of attendance of the Members at the meeting(s) held during the year mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Mr. Shalabh Saxena	Chairman	4	4
Ms. Abanti Mitra*	Member	4	0
Mr. Kartikeya Dhruv Kaji	Member	4	3
Mr. Deepak Calian Vaidya**	Member	4	3

* Ceased to be a member due to re-constitution of the Committee w.e.f. July 14, 2023

** Appointed as a member of the Committee due to re-constitution w.e.f. July 14, 2023

Terms of Reference

The broad terms of reference of the CSR, inter alia, includes the following:

Formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which includes the following:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company;
- Recommend the modification to annual action plan, if any, to the Board during the financial year.
- Recommend the amount of expenditures to be incurred on such activities.

Composition

Sl. No.	Name	Designation & Category
1	Mr. Shalabh Saxena	Chairman, Non-Executive Director
2	Mr. Deepak Calian Vaidya	Member, Independent Director
3	Mr. Kartikeya Dhruv Kaji*	Member, Non-Executive Nominee Director

*Resigned and vacated office as Non-Executive Nominee Director at the close of business hours on May 21, 2024

- Review the periodical progress in implementing the CSR initiatives and ensure completion as per plan.
- Assess the impact of the CSR initiatives of the Company including appointment of independent firm/agency to conduct the impact assessment, if applicable.
- Identify the ongoing CSR projects and recommend to the Board the CSR spend for such ongoing CSR Projects.
- Review the periodical progress in implementing the initiatives of ongoing CSR Projects and recommend modifications, if any, to the Board during the financial year for smooth implementation of such projects

The details of the Corporate Social Responsibility Policy adopted by the Company have been disclosed on the website of the Company at <https://crissfin.com/csr-policy/> and the details of various CSR initiatives taken by the Company have been disclosed on the website of the Company at <https://crissfin.com/programs/>.

The Annual Report on CSR activities is annexed to this report as "Annexure A".

18. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Board has been constituted as per the provisions of the Act and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Company has a risk management framework duly approved by its Board. The Committee and the Board periodically review the Company's risk assessment and minimisation procedures to ensure that the Management identifies and controls risk through a properly defined framework.

Meetings and Attendance

During the financial year under review the members of the Risk Management Committee met four times i.e. April 28, 2023, July 21, 2023, October 28, 2023, and January 20, 2024, to discharge their responsibilities.

The details of attendance of the Members at the meeting(s) held during the year mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Mr. Kartikeya Dhruv Kaji	Chairman	4	4
Ms. Abanti Mitra*	Member	4	0
Mr. Shalabh Saxena	Member	4	4
Mr. Ashish Kumar Damani*	Member	4	1
Mr. Deepak Calian Vaidya**	Member	4	3

* Ceased to be a member due to re-constitution of the Committee w.e.f. July 14, 2023

** Appointed as a member of the Committee due to re-constitution w.e.f. July 14, 2023

Terms of Reference

The terms of reference of the RMC, inter alia, includes the following:

- To review company's risk management policies in relation to various risks;
- To review the risk return profile of the Company, Capital adequacy based on risk profile of the balance sheet, business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures and implementations of enterprise risk management.
- To hold such risk reviews to ensure adequate monitoring as may be felt necessary by the internal as well as external stakeholders and to apprise the Board of the Company on a periodic basis.

Meetings and Attendance

During the financial year under review the members of the IT Strategy Committee met four times i.e. April 28, 2023, July 21, 2023, October 28, 2023, and January 18, 2024, to discharge its responsibilities.

The details of attendance of the Members at the meeting(s) held during the year under mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Mr. Shalabh Saxena	Chairman	4	4
Ms. Abanti Mitra*	Member	4	0
Mr. Ashish Damani	Member	4	4
Mr. Rajesh Gupta*	Member	4	0
Mr. Naga Subba Reddy N**	Member	4	3

* Ceased to be a member due to re-constitution of the Committee w.e.f. July 14, 2023

** Appointed as a member of the Committee due to re-constitution w.e.f. July 14, 2023

Composition

Name	Position on the Committee
Mr. Kartikeya Dhruv Kaji*	Chairman, Non-Executive Nominee Director
Mr. Deepak Calian Vaidya	Member, Independent Director
Mr. Shalabh Saxena	Member, Non-Executive Nominee Director

*Resigned and vacated office as Non-Executive Nominee Director at the close of business hours on May 21, 2024

19. IT STRATEGY COMMITTEE:

The IT Strategy Committee has been constituted pursuant to RBI Master –Direction - Information Technology Framework for the NBFC Sector.

Composition

Name	Position in the Committee
Mr. Shalabh Saxena	Chairman, Executive Nominee Director
Mr. Ashish Kumar Damani	Member, Whole-time Director
Mr. Naga Subba Reddy N	Member- IT Head

Terms of Reference

The terms of reference of the IT Strategy Committee, inter alia, includes the following:

- To approve IT strategies and policy documents of the Company;
- To ascertain whether the Company's management has implemented processes / practices which ensure that IT delivers value to business;
- To ensure that the budgets allocated vis-à-vis IT investments in the Company are commensurate in nature and size of business of the Company;
- To monitor the method that the Company's management uses to ascertain the IT resources needed to achieve strategic goals; and
- To provide high-level directions for sourcing and use of IT resources.

Meetings and Attendance

During the financial year under review the members of the Executive Committee met thirteen times i.e. July 31, 2023, August 29, 2023, September 25, 2023, September 26, 2023, September 29, 2023, October 30, 2023, November 29, 2023, December 22, 2023, January 19, 2024, March 13, 2024, March 18, 2024, March 28, 2024, and March 29, 2024, to discharge its responsibilities.

The details of attendance of the Members at the meeting(s) held during the year mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Mr. Ashish Kumar Damani	Member	13	13
Mr. Shalabh Saxena	Member	13	13
Mr. Kartikeya Dhruv Kaji	Member	13	0

Terms of Reference

The terms of reference of the Executive Committee, inter alia, includes the following:

- to apply for loans and to provide security including hypothecation of book debts of the Company at such terms and conditions as may be decided by the Committee from time to time;
- to borrow moneys from time to time subject to an aggregate amount as approved by the Shareholders of the Company;
- to determine the terms of the Issue(s) of Debentures, and finalise the terms and conditions of such Issue(s) including the number of Debentures to be allotted in each Issue, Issue Price, Face Value, Rate of Interest, Redemption Period, the nature of security etc. for the purpose of raising funds in its absolute discretion as deemed fit and to do all such acts, deeds and things as may be required necessary in this regard;
- to determine the terms of the Issue(s) of Commercial Papers, and finalise the terms and conditions of such Issue(s) including the quantum of Commercial Papers to be allotted in each Issue, Issue Price, Face Value, Rate of Interest, Redemption Period, etc. for the purpose of raising funds in its absolute discretion as

20. EXECUTIVE COMMITTEE:

The Board of Directors has constituted a Executive Committee for execution of transactions inter alia related to borrowings, investments, managing various bank accounts and other day to day business transactions.

The current composition of the Executive Committee, is as follows:

Name	Position in the Committee
Mr. Ashish Kumar Damani	Member, Whole-time Director
Mr. Shalabh Saxena	Member, Non-Executive Nominee Director
Mr. Kartikeya Dhruv Kaji*	Member, Non-Executive Nominee Director

*Resigned and vacated office as Non-Executive Nominee Director at the close of business hours on May 21, 2024.

deemed fit and to do all such acts, deeds and things as may be required necessary in this regard;

- to sell loan portfolios of the Company up to a limit of ₹ 500 crores per sanction;
- to securitize the loan receivables arising from an identified pool of loans ("Receivables") provided to various persons from time to time standing in the books of the Company up to a limit of ₹ 500 crores per sanction;
- to purchase book debts of other micro-finance/ NBFC Companies up to a limit of ₹ 150 crores per sanction;
- to grant loans including inter corporate loans and advances on such terms and conditions as it may deem fit;
- to give guarantee or provide security for securing the loans or advances availed or to be availed by its subsidiaries.
- to authorize Company official/s for execution of any agreements, deeds and documents on behalf of the Company, including any loan documents;
- to change and authorise any officials of the Company to open, operate and close the Bank Accounts and Demat Accounts of the Company.

- l. to invest funds of the Company in Fixed Deposits to the extent necessary to avail credit facilities/ loans from the Banks/ Financial Institutions etc. and to invest surplus funds in liquid funds (i.e. mutual funds etc.) for the benefit of the Company including authorising the officials of the Company for such investments;
- m. to approve capital and operational expenditure including any exception thereof as per the Delegation of Authority Matrix as approved by the Board and amended from time to time.
- n. to appoint /authorize Company official/s for execution of documents, agreement, deeds and papers as may be required from time to time in relation to day-to-day operations of the Company;
- o. to make applications for obtaining licenses, registrations, connections, clearances, services etc. and to authorize/appoint directors/employees/officers for signing applications, returns, forms, bonds, agreements, documents, papers etc. and for representing Company before the authorities under various Laws including but not limited to Corporate Laws, Industrial Laws, Tax Laws, Labour Laws and other Business Laws applicable to the Company in respect of all present and future offices of the Company, for compliance of all provisions, rules, clauses, regulations, directives and other related matters under the said Laws, which may be applicable to the Company;
- p. to review lease, assign, sell, transfer or otherwise dispose of, any fixed assets or investments, whether by one transaction or by a series of transactions (whether related or not);
- q. any proposal relating to borrowings including issue of debt securities or commercial papers to be placed before the Committee should be pre-approved by the two Non-Executive Directors who are Members of the Committee.

21. ASSEST-LIABILITY AND MANAGMENT (ALM) COMMITTEE:

The ALM Committee has been constituted pursuant to RBI Master Direction (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, consisting of the Senior Management.

Composition

Name	Position in the Committee
Mr. Ashish Kumar Damani	Chairperson, Whole-time Director
Ms. Abanti Mitra	Member, Independent Director
Mr. Shalabh Saxena	Member, Non-Executive Nominee Director

Meetings and Attendance

During the financial year under review the members of the ALM Committee met four times i.e. April 28, 2023, July 21, 2023, October 28, 2023, and January 20, 2024 to discharge its responsibilities.

The details of attendance of the Members at the meeting(s) held during the year under mentioned herein below:

Name of the Member	Position	No. of Meetings Held	No. of Meetings attended
Mr. Ashish Kumar Damani	Chairman	4	4
Mr. Deepak Calian Vaidya*	Member	4	1
Mr. Kartikeya Dhruv Kaji*	Member	4	1
Mrs. Padmaja Gangireddy**	Member	4	0
Mr. Shalabh Saxena	Member	4	4
Ms. Abanti Mitra	Member	4	3

* Ceased to be a member due to re-constitution of the Committee w.e.f. July 14, 2023

** Ceased to be the Member of the ALM Committee pursuant to her resignation from her office as Director at the close of business hours on May 01, 2023.

Terms of Reference

The terms of reference of the ALM, inter alia, includes the following:

- a) To manage the Balance Sheet of the Company within the risk parameters laid down by the Board of Directors or a Committee thereof, with a view to manage the current income as well as to take steps for enhancing the same;
- b) To review the capital & profit planning and growth projections of the Company in line with the business plan and ensure that the same is reported to the Board of the Company;
- c) To put in place an effective liquidity management policy, including, inter alia, the funding strategies, liquidity planning under alternative crisis scenarios, prudential limits and to review the same periodically;
- d) To articulate the interest rate view of the Company and decide the pricing methodology for advances in line with extant regulatory guidelines;
- e) To oversee the implementation of the Asset Liability Management (ALM) system and review the functioning periodically and to ensure that the decisions taken on financial strategy are in line with the objectives of the Committee;

- f) To consider and recommend any other matter related to liquidity and market risk management to the Board of Directors of the Company for suitable action;
- g) To forecast and analyze the 'What if scenario' and preparation of contingency plan.

22. PERFORMANCE EVALUATION OF DIRECTORS:

Pursuant to the provisions of Section 134, 149 and 178 of the Act read with Schedule IV annexed to the Act and the Rules made there under, the Company has a Board framework on Performance Evaluation of Directors which laid down the criteria of performance evaluation of Board, its Committees and Individual Directors.

An annual performance evaluation for the FY24 was carried out in an independent and fair manner. The performance evaluation of the Board, Board Chairperson, Whole-time Director, Board Committees, Non-Executive Directors and Independent Directors was conducted through separate structured questionnaires, one each for Independent and Non-Executive Directors, Whole-time Director, Board Chairperson, Board Committees and the Board as a whole. These questionnaires were uploaded into an IT tool, to enable the directors to complete the survey online. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of the Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. A separate exercise was carried out to evaluate the performance of the Directors on parameters, inter-alia, such as attendance, contribution and independent judgment.

A formal performance evaluation was carried out at the meeting of NRC held on April 23, 2024, Meeting of Independent Directors held on April 26, 2024, and Board Meeting held on April 26, 2024. As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee and the Meetings are enriched by such diversity and complementarities. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

The Directors have expressed their satisfaction with the evaluation process.

23. CORPORATE GOVERNANCE:

In terms of Regulation 90 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Minimum Corporate Governance Disclosure, forms part of this report as **Annexure "B"**.

24. EXTRACT OF THE ANNUAL RETURN:

The extract of annual return as provided under Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is available on the website of the Company at the link: <https://crissfin.com/stock-exchanges-compliances/>.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2024, are as follows:

Conservation of Energy: Your Company operations are not energy intensive. However, measures are being undertaken to reduce energy consumption by using energy-efficient computers and electrical equipment. The Company believes in the optimum utilization of resources to reduce usage and conserve energy. Your Company is also exploring products to promote the use of renewable energy sources among clients in their households.

Research and Development: Research and development of new products and methodologies continue to be of importance to us. This allows us to enhance quality of service and customer satisfaction through continuous innovation.

Technology absorption, adaptation and innovation: As we continue to evolve in the digital age, it is imperative that we embrace technology to drive efficiency, enhance customer experience and maintain our competitive edge. Your company is focused on modernizing core business solutions coupled with digitization and automation, leverage transformation solutions to drive cost and process efficiencies, enable analytics to reduce NPA, minimize credit loss, increase profitability, leverage insights driven data to upsell / cross sell products, manage risks effectively, design and deliver a scalable infrastructure to address expansion, build a secured environment to ensure no data breaches and comply with regulatory requirements..

Foreign Exchange Earning and outgo: During the year, there was no foreign exchange earnings and outgo.

26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The details of employee remuneration as required under provisions of Section 197(12) of the Act, read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Section 136 of the Act, has been annexed herewith as **Annexure "C"** to the this Report.

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During FY24, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future, therefore the disclosure under Rule 8 (5)(vii) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

28. ESTABLISHMENT OF VIGIL MECHANISM:

The Company has established Vigil Mechanism/ Whistle Blower Policy for the directors and employees to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud, which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees who avail such a mechanism, and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases. Furthermore, no employee has been denied access to the Chairperson of the Audit Committee.

The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website <https://crissfin.com/policies/>.

29. BORROWER GRIEVANCES:

Your Company has a dedicated Borrower Grievance Cell to receive and handle the day-to-day grievances of the borrowers. Further, details of the Customer Support Service, and Principal Nodal Officer are also mentioned on the website of the Company, and a toll-free number is also displayed at every branch for the borrowers to lodge their complaints (if any). The borrowers can also directly reach out to the grievance redressal cell through the toll-free number to raise their concerns. All the grievances of borrowers are dealt expeditiously, in a fair and transparent manner.

30. FAIR PRACTICE CODE:

Your Company has duly formulated and adopted the Fair Practice Code (FPC) in compliance with the guidelines issued by RBI, to deliver quality services to the borrowers by maintaining the highest levels of transparency and integrity. It also aims to provide valuable information to the borrowers for making an informed decision. The FPC is available on the Company's website at <https://crissfin.com/policies/>.

31. RISK MANAGEMENT POLICY:

Risk management is ingrained in the Company's operational framework. Proper processes are in place for risk identification, measurement, reporting and management. The Company has duly approved and adopted the Risk Management Policy, wherein risk management practices are integrated into governance and operations and has developed a strong risk culture within the Organization. Further, the risk management process is continuously reviewed, improved and adapted in the context of changing risk scenarios and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Board of Directors has constituted a Risk Management Committee to identify, monitor and review all the elements of risk associated with the Company. The details of the Committee and its terms of reference are elaborated in the Report on Corporate Governance which forms a part of this Report.

32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Pursuant to the provisions of Section 186 (11) of the Act, disclosure requirement w.r.t. particulars of loans given, investments made, or guarantee given, or securities provided is not applicable to the Company.

33. MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF BALANCE SHEET:

There are no material changes and commitments between the end of FY24 and the date of this report affecting the financial position of the Company.

34. CHANGE IN NATURE OF BUSINESS:

During the year under review, there was no change in the nature of the business of the Company.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and during the year under review were in the ordinary course of business and at an arm's length pricing basis. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time.

There were no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company except as disclosed in note of the financial statements.

All contracts/ arrangements/ transactions entered by the Company during the Financial FY24, with its related parties, were in the ordinary course of business and on an arm's length basis and were reviewed and approved by the Audit Committee of the Board. Further, during the Financial Year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Act except those provided in Form AOC-2, annexed hereto, marked as **Annexure "D"**. Further, suitable disclosure as required by the Accounting Standards has been made in the Notes to the Financial Statements.

36. INTERNAL CONTROL SYSTEM:

The Company has adequate internal financial controls commensurate with the size and scale of the operations.

37. DEBENTURE TRUSTEE:

To protect the Interest of the Debenture Holders of the Company, your Company has appointed the below mentioned Debenture Trustee:

Catalyst Trusteeship Limited

Registered Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune-411038

Tel: +91 (020) 25280081/Fax: 91 (020) 25280275

dt@ctltrustee.com

Website: www.catalysttrustee.com

38. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company have an appropriate mix of executive and non-executive directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2024, the Board consists of five members, which includes two Independent Directors, two Nominee Directors and one Whole-time Director.

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board, the remuneration for key managerial personnel and other employees. The recommendation of the committee is forwarded to the Board for its approval. The Nomination and Remuneration Committee decided the remuneration of executive nominee director and key managerial personnel on the basis of following criteria;

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and

motivate directors of the quality required to run the Company successfully;

- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to executive 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.

39. DETAILS OF FRAUDS REPORTED BY THE AUDITORS:

During the year under review, the Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

40. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

41. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company believes in providing a safe and harassment-free workplace for every individual working in the Company premises through various interventions and practices. The Company endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has a well-defined policy on Prevention of Sexual Harassment for employees. The Company has not received any complaints in this regard during the year under review.

42. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:-

- a) that in the preparation of the annual financial statements for the financial year ended March 31, 2024; the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that such accounting policies as mentioned in Note no. 1 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as

- to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken 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) that the annual financial statements for the financial year ended March 31, 2024, have been prepared on a going concern basis;
- e) that the proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- f) that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

43. RATING UPGRADE

During the year under review, your Company has obtained credit ratings for Bank facilities and debt instruments. The details as on March 31, 2024, are as below mentioned:

Instrument	Rating Agency	Rating Action	Rated Amount (₹ In crores)
Bank Loan (Long term facilities)	ICRA	[ICRA] A- Positive	110
Market Linked Debentures	ICRA	[ICRA] A- Positive	82
Non-Convertible Debentures	India Rating & Research	IND BBB+/Stable	150
Bank Loan (Long term facilities)	India Ratings & Research	IND BBB+/Stable	200

44. APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during FY 2023-24.

45. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

The Company has not made any such valuation during FY 2023-24.

46. OTHER DISCLOSURES:

- a) The Company has not revised Financial Statements as mentioned under Section 131 of the Act during FY24.

- b) There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.
- c) No penalty was imposed by RBI during FY24. For the penalty of other regulators, please refer to Note 42 (s) of the Financial Statement for FY24.

47. GRATITUDE AND ACKNOWLEDGEMENTS:

Your Board expresses its deep sense of gratitude to the Government of India, Reserve Bank of India, Depositories and other Regulators for the valuable guidance and support, the Company has received from them during the year. The Board would also like to express its sincere appreciation of the cooperation and assistance received from its Stakeholders, Members, Bankers, Service Providers and other Business Constituents during the year. The Board places on record its appreciation of the dedicated services and contributions made by the employees for the overall performance of the Company.

For and on behalf of the Board of Directors of
Criss Financial Limited

Place: Mumbai
Date: June 04, 2024

Mr. Ashish Kumar Damani
Whole-time Director
DIN: 08908129

Mr. Shalabh Saxena
Director
DIN: 08908237

Annexure - A

Format for the Annual Report on CSR Activities to be included in the Board's Report for Financial Year April 01, 2023, to March 31, 2024

1. Brief outline on CSR Policy of the Company.

In pursuit of our mission to enhance the quality of life and economic status of individuals, we offer a range of financial products, including secured and unsecured loans, to eligible individuals. We constantly endeavor to deliver high-quality services to our clients and provide remunerative returns to our investors by maintaining the highest levels of transparency and integrity. We strive to be a responsive corporate citizen in the communities we serve, consciously designing and implementing various programs to make a lasting impact on society. In accordance with the Companies Act, 2013, the Company has committed 2% of its Net Profit before Tax annually towards CSR initiatives. Our Company focuses on supporting marginalized communities, particularly through skill development programs that offer placement-linked training for young girls and women

2. Composition of CSR Committee:

S. No.	Name of Director	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kartikeya Dhruv Kaji [#]	Chairperson	4	3
2.	Ms. Abanti Mitra [*]	Member	1	0
3.	Mr. Shalabh Saxena	Member	4	4
4.	Deepak Calian Vaidya ^{**}	Member	3	3

[#]Resigned and vacated office as Non-Executive Nominee Director at the close of business hours on May 21, 2024

^{*} Ceased to be a member due to re-constitution of the Committee w.e.f. July 14, 2023

^{**} Appointed as a member of the Committee due to re-constitution w.e.f July 14, 2023

3. Provide 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.

www.crissfin.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in crores)	Amount required to be set-off for the financial year, if any (₹ in crores)
01	2023-24	-	0.38*

6. Average net profit of the Company as per section 135(5).

Nil*

*The Company was not required to comply with Section 135(5) of the Companies Act 2013 regarding CSR spending for the financial year FY24, as it did not fall under Section 135(1) of the Act. However, the Company spent ₹ 0.38 crores on CSR during FY 23-24, which exceeds the requirement. This excess amount will be offset against CSR requirements for the next financial year, as approved by the Board on April 26, 2024.

7.

- Two percent of average net profit of the Company as per section 135(5) – NA
- Surplus arising out of the CSR projects, programs, or activities of the previous financial years. –NA
- Amount required to be set off for the financial year, if any = ₹ 0.38 crores
- Total CSR obligation for the financial year (7a+7b-7c)= ₹ (0.38) crores

8.

(a) CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹ crores)

Total Amount Spent for the Financial Year. (₹ in crores)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in crores)	Date of transfer	Name of the Fund	Amount.	Date of transfer.
0.38	0	NA	NA	NA	NA

(b) Details of CSR amount spent against on going for the financial year: Not Applicable

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	
S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (₹ in crores)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹ in crores)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹ in crores)	Mode of Implementation – Director (Yes/No).	
									Name	CSR Registration number.
	NA	NA	NA	NA	NA	NA	NA	NA		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Amount Unspent (in ₹ crores)

Total Amount Spent for the Financial Year. (₹ in crores)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in crores)	Date of transfer	Name of the Fund	Amount	Date of transfer
0.38	0	NA	NA	NA	NA

(d) Amount spent in Administrative overheads -NA

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = ₹ 0.38 crores

(g) Excess amount for set off, if any ₹ (0.38) crores

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	0.0
(ii)	Total amount spent for the Financial Year	0.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.38
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.38

(h) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crores)	Amount spent in the reporting Financial Year (₹ in crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in the succeeding financial years. (₹ in crores)
				Name of the Fund	Amount (₹ in crores)	Date of transfer	
1	2020-21	0.15	0.15	-	-	-	-
2	2021-22	0.42	0.42	-	-	-	-
3	2023-24	0	0	-	-	-	-
Total		0.57	0.57	-	-	-	-

(i) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

1.	2.	3.	4.	5.	6.	7.	8.	9.
S. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in crores)	Amount spent on the project in the reporting Financial Year (₹ in crores)	Cumulative amount spent at the end of reporting Financial Year. (₹ in crores)	Status of the project Completed / Ongoing.
-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(Asset-wise details).

- Date of creation or acquisition of the capital asset(s). NA
- Amount of CSR spent for creation or acquisition of capital asset. NA
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

For and on behalf of the Board of Directors of
Criss Financial Limited

Deepak Calian Vaidya

Member

DIN: 00337276

Shalabh Saxena

Chairman - CSR Committee

DIN: 08908237

Place: Mumbai
Date: June 04, 2024

Annexure – B

MINIMUM CORPORATE GOVERNANCE DISCLOSURE

(In terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023)

1. Composition of the Board

Sl. No.	Name of Director	Director since	Capacity - (i.e. Executive/ Non-Executive / Chairman/ Promoter / Nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in and convertible instruments
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1.	Ms. Abanti Mitra	December 27, 2018	Chairperson Independent Director	02305893	7	5	5	NIL	NIL	NIL	NIL
2.	Mr. Deepak Calian Vaidya	October 30, 2019	Non-Executive Independent Director	00337276	7	7	8	NIL	NIL	NIL	NIL
3.	Mr. Kartikeya Dhruv Kaji	December 27, 2018	Non-Executive Nominee Director	07641723	7	6	3	NIL	NIL	NIL	NIL
4.	Mr. Shalabh Saxena	August 03, 2022	Non-Executive Nominee Director	08908237	7	7	2	NIL	NIL	NIL	NIL
5.	Mr. Ashish Kumar Damani	August 03, 2022	Whole-time Director	08908129	7	7	1	NIL	NIL	NIL	1 Equity share

2. Details of change in composition of the Board during the current and previous financial year [FY 23 and FY24].

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Ashish Kumar Damani	Whole-time Director	Appointment	August 03, 2022
2	Mr. Shalabh Saxena	Non-Executive Nominee Director	Appointment	August 03, 2022
3	Ms. Padmaja Gangireddy	Non-Executive Nominee Director	Resignation	May 01, 2023
4	Mr. Kartikeya Dhruv Kaji	Non-Executive Nominee Director	Resignation	May 21, 2024

- Where an independent director resigns before expiry of her/his term, the reasons for resignation as given by her/him shall be disclosed – **Not Applicable**
- Details of any relationship amongst the directors inter-se shall be disclosed – **Not Applicable**
- Mention the names of the committees of the Board. **Note – Refer para no 14 of the Board Report para no 14**
- For each committee, mention the summarized terms of reference and provide the following details. **Note – Refer para no 15 to 21 for summarized terms of reference of the various committee and other details are disclosed below**

Audit Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1.	Ms. Abanti Mitra	October 20, 2019	Chairperson	6	5	NIL
2.	Mrs. Padmaja Gangireddy*	October 20, 2019	Member	6	0	1 Equity share
3.	Mr. Deepak Calian Vaidya	October 20, 2019	Member	6	6	NIL
4.	Mr. Shalabh Saxena	August 03, 2022	Member	6	6	NIL

*Ceased to be a member of the Audit Committee pursuant to her resignation as director of the Company w.e.f May 01, 2023

Nomination and Remuneration Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1	Mr. Deepak Calian Vaidya	October 30, 2019	Chairperson	2	2	NIL
2	Ms. Abanti Mitra	October 30, 2019	Member	2	1	NIL
3	Mr. Shalabh Saxena*	August 03, 2022	Member	2	1	NIL
4	Mr. Kartikeya Dhruv Kaji**	January 05, 2022	Member	2	1	NIL

*Ceased to be a member of the Committee due to re-constitution on July 14, 2023

**Ceased to be a member of the Committee due to his resignation as Director w.e.f. May 21, 2024

Corporate Social Responsibility Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1.	Mr. Shalabh Saxena	August 03, 2022	Chairperson	4	4	NIL
2.	Ms. Abanti Mitra*	February 13, 2019	Member	4	0	NIL
3.	Mr. Deepak Calian Vaidya**	July 14, 2023	Member	4	3	NIL
4.	Kartikeya Dhruv Kaji	January 05, 2022	Member	4	3	NIL

*Ceased to be a member of the Committee due to re-constitution on July 14, 2023

** Appointed as a member of the committee due to re-constitution w.e.f July 14, 2023

*** Ceased to be a member of the Committee due to his resignation as Director w.e.f. May 21, 2024.

Risk Management Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1.	Mr. Kartikeya Dhruv Kaji*	October 30, 2019	Chairperson	4	4	NIL
2.	Ms. Abanti Mitra**	July 07, 2022	Member	4	0	NIL
3.	Mr. Ashish Damani**	August 03, 2022	Member	4	1	1
4.	Mr. Deepak Calian Vaidya***	July 14, 2023	Member	4	3	NIL
5.	Mr. Shalabh Saxena	August 03, 2022	Member	4	4	NIL

*Ceased to be a member w.e.f. May 21, 2024

** Ceased to be a member of the committee due to re-constitution w.e.f July 14, 2023

***Appointed as member of the committee due to re-constitution w.e.f July 14, 2023

IT Strategy Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1.	Mr. Shalabh Saxena	August 03, 2022	Chairman	4	4	NIL
2.	Ms. Abanti Mitra*	August 03, 2022	Member	4	0	NIL
3.	Mr. Ashish Kumar Damani	August 03, 2022	Member	4	4	1
4.	Mr. Rajesh Gupta*	April 28, 2023	Member	4	0	NIL
5.	Mr. Naga Subba Reddy N	July 14, 2023	Member	4	3	NIL

* Ceased to be a member of the committee due to re-constitution w.e.f July 14, 2023

Executive Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1.	Mr. Shalabh Saxena	August 03, 2022	Chairman	13	13	NIL
2.	Mr. Kartikeya Dhruv Kaji*	December 27, 2018	Member	13	0	NIL
3.	Mr. Ashish Kumar Damani	August 03, 2022	Member	13	13	1

*Ceased to be a member w.e.f. May 21, 2024

Asset-Liability Management Committee

Sl. No.	Name of the Member	Member of Committee since	Capacity	No. of Meetings Held	No. of Meetings attended	No. of Shares held
1.	Mr. Ashish Kumar Damani	August 03, 2022	Chairman	4	4	1
2.	Mr. Kartikeya Dhruv Kaji*	January 05, 2022	Member	4	1	NIL
3.	Mr. Deepak Calian Vaidya*	July 07, 2022	Member	4	1	NIL
4.	Mrs. Padmaja Gangireddy**	October 30, 2019	Member	4	0	1
5.	Mr. Shalabh Saxena	August 03, 2022	Member	4	4	NIL
6.	Ms. Abanti Mitra	July 14, 2023	Member	4	3	NIL

* Ceased to be a member of the committee due to re-constitution w.e.f July 14, 2023

**Ceased to be a member of the committee pursuant to her resignation from her office as Director w.e.f May 01, 2023

6. General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings.

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1.	Annual General Meeting	August 01, 2023, at the Registered Office, Hyderabad	1. Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis. 2. To approve the amendment to the main object clause of the MOA of the Company. 3. To approve the amendment to Article 101 and insertion of Article 101A of the Articles of Association of the Company.
2.	Extra Ordinary General Meeting	March 18, 2024, at the Registered Office, Hyderabad	To increase the authorized share capital & consequent amendment to the capital clause in the memorandum of association of the Company.

7. Details of non-compliance with requirements of Companies Act, 2013

Details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards. Nil

8. Details of penalties and strictures

The Company should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority or regulator. No penalty was imposed by RBI during FY 24. For the penalty of other regulators, please refer to Note 42 (s) of the Financial Statement for FY 24.

9. Breach of covenant

The Company shall disclose all instances of breach of covenant of loan availed or debt securities issued. Nil

10. Divergence in Asset Classification and Provisioning

The Company shall disclose details of divergence as per the table given below, if either or both of the following conditions are satisfied:

- The additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period,
- The additional Gross NPAs identified by the Reserve Bank exceeds 5 percent of the reported Gross NPAs for the reference period.

Note – For the above details refer Note no. 42 (j) of the Financial Statements

Annexure - C

DISCLOSURES ON EMPLOYEE REMUNERATION

Particulars of employee remuneration for the financial year ended March 31, 2024

Details of top ten Employees in terms of remuneration drawn and other details in terms of subsection 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. Details of top ten employees in terms of remuneration drawn as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S No.	Name	Designation	Nature of employment, whether contractual or otherwise	Qualification	Experience (in years)	Age (in years)	Date of Commencement of the Employment	Last employment	Remuneration amount paid during FY24 (₹ in crores)	Percentage of equity shares held (in %)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Sushanta Kumar Tripathy	Chief Operating Officer	Full time	MBA	18	45	01-Nov-23	SKS Microfinance Ltd., Spandana Sphoorty Financial Limited	0.64	0.00%	Nil
2.	Lakshmi Kantha Rao Chittaluru	Senior Vice President	Full time	MBA	20	42	19-Feb-24	SKS Microfinance Ltd., Spandana Sphoorty Financial Limited	0.11	0.00%	Nil
3.	Ashutosh Sharma	Senior Vice President	Full time	BA	22	46	01-Nov-23	Spandana Sphoorty Financial Limited	0.25	0.00%	Nil
4.	Ramsetty Venugopal	Senior Vice President	Full time	MBA	22	47	14-Dec-23	HDB Financial Services Ltd.	0.13	0.00%	Nil
5.	Melwin Alex	Senior Vice President	Full time	MBA	22	48	21-Feb-24	Dvara KGFS	0.06	0.00%	Nil
6.	Anchan Khanna	Vice President	Full time	MBA	16	44	01-Feb-24	Axis Bank Limited, Spandana Sphoorty Finance Limited	0.07	0.00%	Nil
7.	Ashok Singh Shekhawat	Vice President	Full time	B.A.	42	42	30-Sep-23	Bharat Financial Inclusion Limited	0.11	0.00%	Nil
8.	Rajneesh H	Deputy Vice President	Full time	M.Sc.	10	42	04-Dec-23	IIFL Samasta Finance Limited	0.08	0.00%	Nil
9.	Subrahmanyam Murari	Associate Vice President	Full time	CA&CMA	10	35	25-Nov-21	Paccs Healthcare Pvt. Ltd.	0.33	0.00%	Nil
10.	Dinesh Mourya	Company Secretary & Chief Compliance Officer	Full time	B.Com (H), CS & LLB	16	40	01-Dec-23	Arohan Financial Services Limited	0.13	0.00%	Nil

b. Details of employees worked throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees- NIL

S No.	Name	Designation	Nature of employment, whether contractual or otherwise	Qualification	Experience (in years)	Age (in years)	Date of Employment	Last employment	Remuneration amount paid during FY24 (₹ in crores)	Percentage of equity shares held (in %)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	-	-	-	-	-	-	-	-	-	-	-

c. Details of employees worked for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;

S No.	Name	Designation	Nature of employment, whether contractual or otherwise	Qualification	Experience (in years)	Age (in years)	Date of Employment	Last employment	Remuneration amount paid during FY24 (₹ in crores)	Percentage of equity shares held (in %)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Sushanta Kumar Tripathy	Chief Operating Officer	Full time	MBA	18	45	01-Nov-23	SKS Microfinance Ltd., Spandana Sphoorty Finance Limited	0.64	0.00%	Nil

For and on behalf of the Board of Directors of
Criss Financial Limited

Mr. Ashish Kumar Damani
Whole-time Director
DIN: 08908129

Mr. Shalabh Saxena
Director
DIN: 08908237

Place: Mumbai
Date: June 04, 2024

Annexure - D

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 of the Companies Act, 2013 including certain 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:

2a	(a)	Name(s) of the related party and nature of relationship:	Spandana Sphoorty Financial Limited (Holding Company)
	(b)	Nature of contracts/arrangements/transactions:	(a) Interest Expenses (b) Rental Income (c) Rental Expense (d) Intercompany advances granted (Gross) (e) Inter-company advances repaid (f) Expenses reimbursement claimed from the Company (g) Expenses reimbursement claimed by the Company (h) Consideration by way of Corporate Guarantee provided by Holding Company (i) Investment in Equity by Holding Company
	(c)	Duration of the contracts / arrangements/ transactions:	FY 2023-24(One Year)
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 417.01 crores (Gross) The Company's funding requirements are fulfilled through various external sources, including Term Loans, Non-Convertible Debentures, Pass Through Certificates, and Direct Assignments. Additionally, as the holding company, SSFL supports the Company's growth plan by providing financial assistance through Inter-Corporate Advances from time to time. The Company has also entered into certain other Related Party Transactions with the holding company and for more details of the same, refer to Note no 29 of the Financial Statements FY24.
	(e)	Date of approval by the Board	April 28, 2023
	(f)	Amount paid as advances, if any:	Nil
2b	(a)	Name(s) of the related party and nature of relationship:	Caspian Financial Services Limited (Group Company)
	(b)	Nature of contracts/arrangements/transactions:	a) Disbursement Proceeds Transferred b) Commission Expenses
	(c)	Duration of the contracts / arrangements/ transactions:	NA
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL.
	(e)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors of
Criss Financial Limited

Mr. Ashish Kumar Damani

Whole-time Director

DIN: 08908129

Mr. Shalabh Saxena

Director

DIN: 08908237

Place: Mumbai

Date: June 04, 2024

Independent Auditor's Report

To

The Members of M/s. Criss Financial Limited

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Criss Financial Limited ("the Company") which comprises the Standalone Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31st March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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 standalone 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 standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

S No.	Key Audit Matter	Auditors Response
1	Provisioning based on Expected Credit Loss model (ECL) under IND AS 109:	Our Audit Procedures
	Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement are involved and therefore audit focus is more in the Company's estimation of ECL	<ul style="list-style-type: none"> Examined the policy approved by the board for methodology to be adopted for ECL. Assessed the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans, measurement of provision, stage-wise classification of loans, identification of NPA accounts, Assessed the reliability of management information, which included overdue reports. Understood management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals Tested controls over measurement of provisions.

S No.	Key Audit Matter	Auditors Response
	<ul style="list-style-type: none"> Probabilities of Default ("PD"), Loss Given Default ("LGD") are the key drivers of estimation of ECL provision and as a result are considered the most significant judgmental aspect of the Company's modelling approach. 	<p>Substantive Verification</p> <p>Verified key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data.</p> <p>Disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient</p>

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Report on Other Legal and Regulatory Requirements

- 1) 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 Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) 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 other comprehensive income, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone 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 the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company did not pay any remuneration to the directors and the reporting stipulated in the provision is not applicable.

- h. 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 has disclosed the pending litigations in its financial statements – Refer Note 30 to the financial statements.
 - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which 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 (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

- (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) During F.Y.2023-24, no dividends were paid and board of directors have not proposed for any dividend for the financial year ended 31st March, 2024. Hence reporting on compliance with Section 123 of the Act is not applicable.
- vi) According to the Information and explanation given to us and on our examination, the company has used FIMO, Adrenalin and Synoriq accounting software for maintaining its books of accounts in respect of Financial Year Commencing from 01.04.2023.

Based on our examination which included test checks, the company in respect of year commencing from 01.04.2023, has used above mentioned accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software, except for instances mentioned below. Further, during the course of our audit we did not

come across any instances of audit trail feature being tampered with, other than the consequential impact of the exceptions given below:

- a) The audit trail feature was not enabled at the database level for accounting software FIMO to log any direct data changes, used for maintenance of all relevant accounting records by the company
- b) The accounting software Synoriq and Adrenalin used for maintaining books of accounts of company is operated by the third party software service providers. In the absence of the Independent Service Auditor's assurance Report on the description of controls their design and Operating Effectiveness (Service Organisation Control Type 2(SOC 2) / SAE 3402 "Assurance Reports on Controls At a Service Organisation for the period under audit), we are unable to comment whether the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

For **Raju & Prasad**
Chartered Accountants
FRN: 003475S

H.V.V.Narayana Murthy
Partner

M. No: 246349

UDIN: 24246349BKBZMK5301

Place : Hyderabad

Date: 26-04-2024

Annexure - A to the Independent Auditors' Report on the Financial Statements of Criss Financial Limited for the year ended March 31, 2024

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- The company is maintaining proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As the company doesn't hold any immovable properties in the name of the company, the reporting requirement under Para 3 (i) (c) of the Companies (Auditors Report) Order, 2020 is not applicable.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ii. (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) During the year, the company has not availed any working capital limit in excess of 5 crores from Banks on the basis of security of current assets. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to it.
- iii. (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order are not applicable it.
- (b) As per the information and explanations provided and based on our verification, the company has not made any investments, not provided any guarantee or security. With respect to loans granted, the terms and conditions are not prejudicial to the company's interest.
- (c) & (d) The company's principal business is to give loans. Accordingly, the company has given loans to its customers (not granted any loans to associates, joint ventures). Schedule of repayment of principal and interest has been stipulated for the loans given by company. There are over dues in certain loan accounts and recovery measures are initiated in its normal course of business.
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.
- (f) Based on our audit procedures and the information and explanation made available to us, 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.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities in all cases during the year.
- According to the information and explanations provided by management and on examination of books of accounts, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, and other material statutory dues as of 31st March 2024 were in arrears for a period of more than six months from the date, they became payable.
- b) According to the information and explanations given to us, following are the disputed dues relating to income tax, wealth tax, cess and sales tax, which have not been deposited as at 31st March, 2024.

Nature of Statute	Nature of Dispute	Amount (₹ in Crs)	Period to which the amounts relate (A.Y)	Forum where the dispute is pending
Income Tax	Income tax assessment-cum-demand order for AY 2017-18 u/s 69A read with sec-115BBE of the Income Tax Act, 1961.	1.50	AY 2017-18	CIT (A)

Note: The company received demand for ₹ 1.87 Crs Out of which the company has deposited 20% of the demanded amount (i.e. ₹ 0.37 Crs) under protest, which is disclosed as Current Tax Assets in Balance sheet. Hence, only 80% of the demanded amount which has not been deposited as at 31st march, 2024 is shown under disputed due.

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest there on to any lender. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company
- (e) and (f) According to the information and explanations given to us, the company does not have any subsidiaries, joint ventures or associate companies and hence reporting under clause 3(ix) (e) and (f) of the Order is not applicable
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the current financial year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has made a private placement of 40,00,000 Shares at par value of ₹ 10 to its holding Company (Spandana Sphoorthy Financial Limited). The total Value of the Private Placement was ₹ 100 Cr with each share priced at ₹ 250. Refer Note 16 of the Financial Statements for more details
- xi. (a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported, except for instances of fraud noticed and reported by the management in terms of the regulatory provisions applicable to the Company amounting to ₹1.31 Crores (net of recovery). Refer Note 42(e) of the Financial Statements for more details.

- (b) In our opinion and according to the information and explanations given to us, no report under subsection (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As per the information and explanations received from the management, there are no whistle blower complaints received during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor for the period under audit for limited purposes.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company
- xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
- (d) As per information provided in course of our audit, the group to which the Company belongs, does not have CIC.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 37.2 to the Financial statements which describe the maturity analysis of assets & 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project, has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.
- xxi. The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

For **Raju & Prasad**
Chartered Accountants
FRN: 003475S

H.V.V.Narayana Murthy
Partner

Place : Hyderabad
Date: 26-04-2024

M. No: 246349
UDIN: 24246349BKBZMK5301

Annexure - B to the Auditors' Report on the Financial Statement of Criss Financial Limited for the year ended March 31, 2024.

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

We have audited the internal financial controls over financial reporting of Criss Financial Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 ('ICAI').

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively for the year ended 31st March 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 **Raju & Prasad**
Chartered Accountants
FRN: 003475S

H.V.V.Narayana Murthy
Partner
M. No: 246349
UDIN: 24246349BKBZMK5301

Place : Hyderabad
Date: 26-04-2024

Balance sheet

As at March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As At March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	4	12.48	3.01
Bank balances other than cash and cash equivalents	5	11.39	0.04
Loans	6	744.06	509.12
Other financial assets	7	1.47	1.50
Subtotal - Financial assets		769.40	513.67
Non-financial assets			
Current Tax Assets (net)	8	1.61	1.43
Deferred tax assets (net)	9	10.54	7.52
Property, plant and equipment	10	2.16	0.25
Other intangible assets	10A	0.65	-
Other non financial assets	11	1.46	0.53
Subtotal - Non-financial assets		16.42	9.73
Total assets		785.82	523.40
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	12	196.55	14.88
Borrowings (other than debt securities)	12	289.50	349.25
Other financial liabilities	13	9.57	3.72
Subtotal - Financial liabilities		495.62	367.85
Non-financial liabilities			
Provisions	14	0.63	0.07
Other non-financial liabilities	15	1.39	0.78
Subtotal - Non-financial liabilities		2.02	0.85
EQUITY			
Equity share capital	16	11.67	7.67
Other equity	17	276.51	147.03
Subtotal - Equity		288.18	154.70
Total liabilities and equity		785.82	523.40

Summary of significant accounting policies

3

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

As per our report of even date

For **Raju and Prasad**

Chartered Accountants

ICAI Firm registration number : 003475S

H.V.V Narayana Murthy

Partner

Membership No.246349

UDIN: 24246349BKBZMK5301

Place: Hyderabad

Date: April 26, 2024

For and on behalf of the Board of Directors of
Criss Financial Limited

Shalabh Saxena

Non Executive Director

DIN No. 08908237

Ashish Damani

Whole Time Director

DIN No. 08908129

Dinesh Mourya

Company Secretary &

Chief Compliance Officer

Membership No. A28355

Profit and Loss Statement

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	Notes	For year ended March 31, 2024	For year ended March 31, 2023
Revenue from operations			
Interest income	18	144.31	100.06
Recovery against loans written-off	19	2.93	0.07
Total revenue from operations		147.24	100.13
Other income	20	1.83	1.28
Total income		149.07	101.41
Expenses			
Finance cost	21	52.51	39.03
Net loss on fair value changes		-	0.01
Impairment on financial instruments	22	19.32	44.55
Employee benefit expenses	23	22.29	10.28
Depreciation and amortization expense	24	0.68	0.19
Other expenses	25	9.53	5.91
Total expenses		104.33	99.97
Profit before tax		44.74	1.44
Tax expense:			
Current tax	26	14.26	4.53
Prior Period Tax		-	0.11
Deferred tax	26	(3.01)	(4.61)
Income tax expense		11.25	0.03
Profit for the period		33.49	1.41
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(0.03)	0.04
Income tax effect		0.02	(0.01)
Items that will be reclassified subsequently to profit or loss			
Total comprehensive income for the period		33.48	1.44
Earnings per equity share	27		
Nominal value per equity share (₹)		10	10
Basic (₹)		43.41	1.84
Diluted (₹)		43.41	1.84

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

As per our report of even date

For **Raju and Prasad**

Chartered Accountants

ICAI Firm registration number : 003475S

H.V.V Narayana Murthy

Partner

Membership No.246349

UDIN: 24246349BKBZMK5301

Place: Hyderabad

Date: April 26, 2024

For and on behalf of the Board of Directors of

Criss Financial Limited

Shalabh Saxena

Non Executive Director

DIN No. 08908237

Ashish Damani

Whole Time Director

DIN No. 08908129

Dinesh Mourya

Company Secretary &

Chief Compliance Officer

Membership No. A28355

Statement of cashflow statement

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	44.74	1.44
Adjustments for:		
Depreciation and amortization	0.68	0.19
Provision for gratuity & leave encashment	0.53	(0.00)
Impairment on financial instruments and other provisions	10.88	13.27
Net Loss on fair value changes	-	0.01
Other provisions and write offs	0.39	0.20
Operating profit before working capital changes	57.22	15.11
Movements in working capital :		
Changes in bank balances other than cash and cash equivalents	(11.35)	-
Changes in loans	(245.82)	(154.61)
Changes in other financial assets	(0.36)	33.65
Changes in other non financial assets	(0.93)	(1.29)
Changes in other financial liabilities	5.85	0.85
Changes in provisions	0.00	0.04
Changes in other non financial liabilities	0.61	0.35
Cash used in operations	(194.78)	(105.90)
Income taxes paid	(14.43)	(4.64)
Net cash used in operating activities (A)	(209.21)	(110.54)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2.59)	(0.08)
Purchase of intangible assets	(0.65)	-
Net cash used in investing activities (B)	(3.24)	(0.08)
Cash flows from financing activities		
Proceeds from issuance of share capital & securities premium	100.00	-
Borrowings (Including Debt Securities) (Gross receipts)	50.00	-
Borrowings (other than debt securities) (Gross receipts)	790.48	474.28
Borrowings (Including Debt Securities) (repaid)	(18.71)	(7.25)
Borrowings (other than debt securities) (repaid)	(699.85)	(356.57)
Net cash from financing activities (C)	221.92	110.46
Net increased / (decrease) in cash and cash equivalents (A + B + C)	9.47	(0.16)

Statement of cashflow statement

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Cash and cash equivalents at the beginning of the period	3.01	3.17
Cash and cash equivalents at the end of the period (refer note 4)	12.48	3.01
Components of cash and cash equivalents at the period / year end		
Cash on hand	0.31	0.09
Balance with banks - on current account	12.17	2.92
Total cash and cash equivalents	12.48	3.01

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Cash flow from operating activities		
Interest received	147.81	99.21
Interest paid	(55.68)	(38.30)

As per our report of even date
For **Raju and Prasad**
Chartered Accountants
ICAI Firm registration number : 003475S

H.V.V Narayana Murthy
Partner
Membership No.246349
UDIN: 24246349BKBZMK5301

Place: Hyderabad
Date: April 26, 2024

For and on behalf of the Board of Directors of
Criss Financial Limited

Shalabh Saxena **Ashish Damani**
Non Executive Director Whole Time Director
DIN No. 08908237 DIN No. 08908129

Dinesh Mourya
Company Secretary &
Chief Compliance Officer
Membership No. A28355

Statement of Changes in Equity

for the period ended on March 31, 2024

A. Equity Share of ₹ 10 each issued, subscribed and fully paid

Particulars	(₹ in Crores unless otherwise stated)	
	No. of Shares	Amount
As at April 1, 2022	7,671,268	7.67
Issue of equity share capital during the year ended March 31, 2022	-	-
As at March 31, 2023	7,671,268	7.67
Issue of equity share capital during the year ended March 31, 2023	4,000,000	4.00
As at March 31, 2024	11,671,268	11.67

B. Other Equity

Particulars	Reserves & Surplus						Grand Total
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital Redemption Reserve	
Balance as at March 31, 2022	(0.98)	71.24	56.87	0.05	16.73	1.68	145.59
Profit for the year ended March 31, 2023	-	-	1.41	-	-	-	1.41
Remeasurement gain or loss on actuarial valuation	-	-	0.03	-	-	-	0.03
Total comprehensive income	-	-	1.44	-	-	-	1.44
Transfer to Statutory Reserve	-	-	(0.28)	-	0.28	-	-
Premium on issue of Equity shares	-	-	-	-	-	-	-
Balance as at March 31, 2023	(0.98)	71.24	58.03	0.05	17.01	1.68	147.03
Profit for the year ended March 31, 2024	-	-	33.49	-	-	-	33.49
Other comprehensive income net of taxes	-	-	(0.01)	-	-	-	(0.01)
Total comprehensive income	-	-	33.48	-	-	-	33.48
Transfer to Statutory Reserve	-	-	(6.70)	-	6.70	-	-
Premium on issue of Equity shares	-	96.00	-	-	-	-	96.00
Balance as at March 31, 2024	(0.98)	167.24	84.81	0.05	23.71	1.68	276.51

As per our report of even date

For **Raju and Prasad**

Chartered Accountants

ICAI Firm registration number : 003475S

H.V.V Narayana Murthy

Partner

Membership No.246349

UDIN: 24246349BKZMK5301

Place: Hyderabad

Date: April 26, 2024

For and on behalf of the Board of Directors of
Criss Financial Limited

Shalabh Saxena

Non Executive Director

DIN No. 08908237

DIN No. 08908129

Dinesh Mourya

Company Secretary &

Chief Compliance Officer

Membership No. A28355

Ashish Damani

Whole Time Director

Notes to the financial statements

for the year ended March 31, 2024

1. Corporate information

Criss Financial Limited ('CFL' or 'the Company') is a public company limited by shares domiciled in India and incorporated under the provision of the Companies Act, 1956 ('the Act') on 20th August, 1992. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI'). The Company is engaged in the business of finance by providing Individual Loans, Small Business Loans and Loan Against Property Loans. and the The registered office of the Company is located at Criss Financial Limited, Galaxy, Wing B, 16th Floor, Plot No .1, Sy No 83/1, Hyderabad Knowledge City, TSIC, Raidurg Panmaktha, Hyderabad, Telangana - 500081

2. Basis of preparation

a) Statement of compliance in preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments and other financial assets held for trading all of which have been measured at fair value. Further the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The functional currency of the Company is the Indian rupee. And these financial statements are presented in Indian rupees and all values are rounded to the nearest Crores, except when otherwise indicated.

In the preparation of the financial statements, Management makes estimates and assumptions considered in that affect reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Scale based regulation Directions, 2023 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are prepared as per the Ind AS

financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3. Significant accounting policies

a) Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Defined employee benefit assets and liabilities:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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

Notes to the financial statements

for the year ended March 31, 2024

these assumptions. All assumptions are reviewed at each reporting date.

(ii) Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iii) Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, and resulting in future changes to the impairment allowance.

(iv) Provisions other than impairment on loan portfolio

Provisions are held in respect of a range of future obligations such as employee entitlements and litigation provisions. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

(v) Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

b) Recognition of income and expense

The Company earns revenue primarily from giving loans (Individual Loans, Small Business Loans and Loan Against Property Loans). Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Interest income and Interest expense:

Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

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 and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortized 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.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Dividend income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

(iii) Input Tax credit (Goods and Service Tax):

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing / utilising the same. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

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for the year ended March 31, 2024

(iv) Other income and expense

All Other income and expense are accounted for in the period they relate to, regardless of whether these have already resulted in payments in that particular period

c) Property, plant and equipment(PPE) and intangible asset

Property, plant and equipment (PPE)

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Intangible Asset

Intangible assets represent software expenditure which is stated at cost less accumulated amortization and any accumulated impairment losses.

d) Depreciation and amortization

Depreciation

- i. Depreciation on property, plant and equipment provided on a written down value method at the rates arrived based on useful life of the assets, prescribed under Schedule II of the Act, which also represents the estimate of the useful life of the assets by the management.
- ii. Property, plant and equipment costing up to ₹5,000/- individually are fully depreciated in the year of purchase.

The Company has used the following useful lives to provide depreciation on its Property, plant and equipment:-

Asset Category	Useful Life (in years)
Furniture & Fixtures	10
Computers, Printers and Scanners	3
Office Equipment	5
Software	6

Amortization

Intangible assets are amortized at a rate of 40% per annum on a "Written down Value" method, from the date that they are available for use.

e) Business Combinations

In accordance with Ind AS 103, The Company uses pooling of interest method for business combinations between entities under common control, in accordance with pooling of interest method all assets and liabilities of combining entities are reflected at carrying amounts and no adjustments are made to reflect fair values other than adjustments made to harmonise accounting policies. the difference between carrying value of assets and purchase consideration is recognized directly in equity as capital reserve

f) Impairment

i) Overview of principles for measuring expected credit loss ('ECL') on financial assets.

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12 month period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with No overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS

Notes to the financial statements

for the year ended March 31, 2024

109, the Company measures ECL on such assets over next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days and less than 90 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount.

Methodology for calculating ECL

The Company determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts.

Key factors applied to determine ECL are outlined as follows:

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon.

Exposure at default (EAD) - It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD) - It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark

rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-off's. All such write-off is charged to the Profit and Loss Statement. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

ii) Non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Revenue from Contracts with Customers

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

Notes to the financial statements

for the year ended March 31, 2024

performance obligations. Revenue is measured at fair value of the consideration received or receivable.

- a. Commission income/Incentive Income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.
- b. The company recognizes revenue from advertisement activities upon satisfaction of performance obligation by rendering of services underlying the contract with third party customers

h) Operating Lease

Short term leases not covered under Ind AS 116, Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognized as per terms of the lease agreement in the Statement of Profit and Loss.

i) Retirement and Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company operates following employee benefit plans:

i) Employee Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

ii) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. 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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

iii) Leaves

As per the service rules of the Company, Company do not provide for the carry forward of the accumulated leave balance to next year and leaves to credit of employees are not en-cashed.

iv) Employee Stock Option Plan

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in Other equity, over the period in which the performance and/or service

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conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j) Income taxes

Current Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with The Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognized as income tax benefits or expenses in the income statement except for tax related to the FVOCI instruments. The Company also recognizes the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

k) Earnings per share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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 are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

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l) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

m) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the financial statements.

n) 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. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.

Financial Assets - All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- Investment in equity instruments and mutual funds at fair value through profit or loss
- Other financial assets at amortized cost

Loan Portfolio at amortized cost:

Loan Portfolio is measured at amortized cost where:

- contractual terms that give rise to cash flows on specified dates, that represent **solely payments of principal and interest (SPPI)** on the principal amount outstanding; and
- are held within a **business model** whose objective is achieved by holding to collect contractual cash flows.

Loan Portfolio at FVOCI:

Loan Portfolio is measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent **solely payments of principal and interest (SPPI)** on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost) or to collect contractual cash flows and sell (i.e. measured at fair value through other comprehensive income), the Company assesses

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whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3(e)).

Effective interest method - The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The amortized cost of the financial asset is adjusted if the Company revises its estimates of payments or receipts. The adjusted amortized cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'Interest and similar income' for financial assets. Income is recognized on an effective interest basis for loan portfolio other than those financial assets classified as at FVTPL

Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss Statement.

Financial liabilities:

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

o) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

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for the year ended March 31, 2024

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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:

- Level 1 financial instruments - 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 financial instruments - 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.
- Level 3 financial instruments - include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

p) **Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the Company

q) **Cash and cash equivalents**

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

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

4: Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.31	0.09
Balances with banks in current accounts	12.17	2.92
	12.48	3.01

5: Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits held as margin money (refer note below)	11.39	0.04
	11.39	0.04

Note: Represent margin money deposits placed to avail PTC transactions / term loans from banks and non banking financial companies

6: Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans (at amortized cost)		
Loan Portfolio	784.80	538.41
Less: Impairment loss allowance	(40.74)	(29.29)
Total Net	744.06	509.12
Break-up of loans		
(a) Secured by Tangible assets (Property including land and buildings)	71.13	55.84
(b) Unsecured	713.67	482.57
Total - Gross	784.80	538.41
Less: Impairment loss allowance	(40.74)	(29.29)
Total - Net	744.06	509.12
Loans in India		
(a) Public Sector	-	-
(b) others	784.80	538.41
Total - Gross	784.80	538.41
Less: Impairment loss allowance	(40.74)	(29.29)
Total - Net	744.06	509.12
Loans outside India	-	-
Total - Gross	-	-
Less: Impairment loss allowance	-	-
Total - Net	-	-

Gross Portfolio Movement for the year ended March 31, 2024

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2023	505.92	11.68	20.81	538.41
New assets originated	645.67	-	-	645.67
Asset derecognised or repaid (excluding write offs) #	(383.41)	(4.91)	(1.13)	(389.45)
Assets written off during the year ^	-	-	(9.83)	(9.83)
Inter-stage movements				
Stage I	0.68	(0.54)	(0.14)	-
Stage II	(9.89)	9.89	-	-
Stage III	(9.14)	(3.55)	12.69	-
Gross carrying amount as at March 31, 2024	749.83	12.57	22.40	784.80

Represents balancing figure

^ Gross carrying amount includes total accrued interest. Accordingly, assets written off during the year includes total accrued interest reversal against loan written off during FY23-24, while this interest reversal is net of impairment allowance in the statement of profit and loss under the head "interest income".

Notes to the financial statements

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(₹ in Crores unless otherwise stated)

6: Loans (Contd.)

Gross Portfolio Movement for the year ended March 31, 2023

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2022	324.23	24.54	35.03	383.80
New assets originated	500.98	-	-	500.98
Asset derecognised or repaid (excluding write offs) #	(294.71)	(10.81)	(5.00)	(310.52)
Assets written off during the year ^	-	-	(35.85)	(35.85)
Inter-stage movements				
Stage I	0.31	(0.28)	(0.03)	-
Stage II	(10.33)	10.35	(0.02)	-
Stage III	(14.56)	(12.12)	26.68	-
Gross carrying amount as at March 31, 2023	505.92	11.68	20.81	538.41

Represents balancing figure

^ Gross carrying amount includes total accrued interest. Accordingly, assets written off during the year includes total accrued interest reversal against loan written off during FY22-23, while this interest reversal is net of impairment allowance in the statement of profit and loss under the head "interest income".

ECL movement during the year ended March 31, 2024

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	12.61	3.80	12.88	29.29
Provision made/ (reversed) during the year	6.09	2.08	13.11	21.28
Inter-stage movements				
Stage-I	0.22	(0.18)	(0.04)	-
Stage-II	(0.25)	0.25	-	-
Stage-III	(0.23)	(1.15)	1.38	-
Write off	-	-	(9.83)	(9.83)
Closing Balance	18.44	4.80	17.50	40.74

ECL movement during the year ended March 31, 2023

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	0.95	3.23	11.84	16.02
Provision made/ (reversed) during the year	11.68	2.16	35.28	49.12
Inter-stage movements				
Stage-I	0.05	(0.04)	(0.01)	-
Stage-II	(0.03)	0.04	(0.01)	-
Stage-III	(0.04)	(1.59)	1.63	-
Write off	-	-	(35.85)	(35.85)
Closing Balance	12.61	3.80	12.88	29.29

7: Other financial assets (at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits	0.41	0.17
Receivable from advertisement income	0.08	-
Receivable from insurance company	0.89	1.31
Other assets	0.09	0.02
	1.47	1.50
Unsecured, considered doubtful		
Receivable from insurance company	-	0.23
Provision for doubtful debts - claims	-	(0.23)
	1.47	1.50

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

8: Current tax Assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provision)	1.61	1.43
	1.61	1.43

9: Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Effects of deferred tax assets/ liabilities :		
Impairment loss allowance and other provisions	10.25	7.37
Property, plant and equipment	0.12	0.07
Provisions allowable on payment basis	0.16	0.02
Others	0.01	0.06
Net deferred tax assets/(liabilities)	10.54	7.52

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

9.1: Deferred Tax Assets (net)

Movement in deferred tax balances for the year ended March 31, 2024

Particulars	Net Balance April 1, 2023	(Charge)/Credit in Profit & Loss	Recognised in OCI	Net Balance March 31, 2024
Deferred tax assets/ (liabilities)				
Impairment loss allowance and other provision	7.37	2.88	-	10.25
Property, plant and equipment	0.07	0.05	-	0.12
Provisions allowable on payment basis	0.02	0.14	-	0.16
Others	0.06	(0.07)	0.02	0.01
Net Deferred tax assets / (liabilities)	7.52	3.00	0.02	10.54

Movement in deferred tax balances for the year ended March 31, 2023

Particulars	Net Balance April 1, 2022	(Charge)/Credit in Profit & Loss	Recognised in OCI	Net Balance March 31, 2023
Deferred tax assets/ (liabilities)				
Impairment loss allowance and other provision	4.03	3.34	-	7.37
Property, plant and equipment	0.11	(0.04)	-	0.07
Provisions allowable on payment basis	0.07	(0.05)	-	0.02
Others	(1.29)	1.36	(0.01)	0.06
Net Deferred tax assets / (liabilities)	2.92	4.61	(0.01)	7.52

10: Property, plant and equipment

Particulars	Furniture & Fixtures	Office Equipment	Computers	Right of use asset	Total
Gross block					
At April 01, 2022	0.38	0.35	0.35	0.24	1.32
Addition	0.04	0.08	0.02	-	0.14
Disposals	0.03	0.04	0.02	0.24	0.33
At March 31, 2023	0.39	0.39	0.35	0.00	1.13
Addition	0.65	0.15	1.25	0.52	2.57
Disposals	-	-	-	-	-
At March 31, 2024	1.04	0.54	1.60	0.52	3.70

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

10: Property, plant and equipment (Contd.)

Particulars	Furniture & Fixtures	Office Equipment	Computers	Right of use asset	Total
Accumulated depreciation					
At April 01, 2022	0.33	0.15	0.31	0.17	0.96
Charge for the year	0.05	0.10	0.04	-	0.19
Disposals	0.07	0.01	0.02	0.17	0.27
At March 31, 2023	0.31	0.24	0.33	-	0.88
Charge for the year	0.24	0.10	0.23	0.09	0.66
Disposals	-	-	-	-	-
At March 31, 2024	0.55	0.34	0.56	0.09	1.54
Net Carrying Amount :					
At March 31, 2023	0.08	0.15	0.02	0.00	0.25
At March 31, 2024	0.49	0.20	1.04	0.43	2.16

10A: Other intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
At April 01, 2022	0.15	0.15
Addition	-	-
Disposals	-	-
At March 31, 2023	0.15	0.15
Addition	0.67	0.67
Disposals		
At March 31, 2024	0.82	0.82
Accumulated amortization		
At April 01, 2022	0.15	0.15
Charge for the year		-
Disposals		
At March 31, 2023	0.15	0.15
Charge for the year	0.02	0.02
Disposals	-	-
At March 31, 2024	0.17	0.17
Net Carrying Amount		
At March 31, 2023	-	-
At March 31, 2024	0.65	0.65

11: Other non financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid Expenses	0.57	0.03
Other receivables	0.89	0.50
	1.46	0.53

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

12: A. Debt securities (at amortised Cost)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Debentures (Secured)		
1200 (March 31, 2020: Nil), 12.75% Secured, Redeemable, Principal Protected Market Linked Non-convertible Debentures of face value of ₹ 0.01 crores each redeemable at par at the end of Twenty Five months from the date of allotment i.e. June 15, 2021.	-	14.88
5000 (September 26, 2023: Nil), 12.97% Secured rated unlisted Non-convertible Debentures of face value of ₹ 0.01 cores each redeemable at par at the end of Thirty Six months from the date of allotment i.e. September 26, 2023.	50.02	-
(b) Borrowing under securitisation arrangement (Secured)		
From from banks	-	-
From non-banking financial companies	146.53	-
	196.55	14.88
Nature of Security		
The above debt securities are secured by the way of first and exclusive charge over eligible specified book debts and margin money deposits		
Out of the above debt securities		
Debt securities in India	196.55	14.88
Debt securities outside India	-	-
Total	196.55	14.88

12: B. Borrowings (at amortised Cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (other than debt securities)		
Secured		
Term loan from banks	44.38	1.45
Term loan from non-banking financial companies	171.52	123.74
Unsecured		
Loans from related parties(unsecured)	73.60	224.06
Total Borrowings (other than debt securities)	289.50	349.25
Above amount includes		
Secured borrowings	215.90	125.19
Unsecured borrowings	73.60	224.06
Net amount	289.50	349.25
Borrowings in India	289.50	349.25
Borrowings outside India	-	-
Total	289.50	349.25

Nature of security

Borrowings (other than debt securities) are secured by the way of hypothecation of book debts.

The Unsecured borrowings are in the nature of Inter Corporate Debt from Holding Company

Refer Note 12A for terms of principal repayment and the applicable interest rate on the borrowings (other than debt securities).

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

12A: Terms of principal repayment of borrowings and applicable interest rate on borrowings (other than Debentures, secured) as at March 31, 2024

Original maturity of loan	Effective interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly								
0-3 years	12%-12.99%							
	13.5%-14%	80	76.80	39	21.38	-	-	98.18
	14%-15.45%	207	175.47	60	49.25	-	-	224.72
Quarterly								
0-3 years	13.42%	3	15.00	5	20.00	1	5.00	40.00
Total		290	267.27	104	90.63	1	5.00	362.90
Impact of EIR								(1.94)
Interest accrued on borrowings								1.47
Total								362.43

Note : Intercorporate debts is not considered in borrowings

12A: Terms of principal repayment of borrowings and applicable interest rate on borrowings (other than Debentures, secured) as at March 31, 2023

Original maturity of loan	Effective interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly								
0-3 years	12%-12.99%	3	1.64	-	-	-	-	1.64
	13%-14%	68	49.10	48	52.76	5	5.16	107.02
	15.25%	3	1.43	-	-	-	-	1.43
Quarterly								
0-3 years	12%-12.99%							-
Halfyearly								
0-3 years	12%-12.99%							-
	13%-14%	4	15.11	-	-	-	-	15.11
	15%							-
Total		78	67.28	48	52.76	5	5.16	125.20
Impact of EIR								(0.73)
Interest accrued on borrowings								0.72
Total								125.19

Note : Intercorporate debts is not considered in borrowings

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

12B: Terms of principal repayment of long term borrowings as at March 31, 2024

- Secured term loans from banks and financial institution are secured by way of hypothecation of Book debts & Corporate Guarantee from Holding Company Spandana Spoorthy Financial Limited
- The Company has been regular in meeting all its obligations to lenders during FY23-24.
- The Company has utilised the borrowings for the purpose for which it was obtained

12C. Changes in liabilities arising from financing activities

Particulars	As at		Cash flows	Others	As at	
	March 31, 2023	March 31, 2024			March 31, 2023	March 31, 2024
Debt securities	14.88	241.47	(59.80)		196.55	
Borrowings (other than debt securities)	125.19	182.00	(91.29)		215.90	
	140.07	423.47	(151.09)		412.45	
<hr/>						
Particulars	As at		Cash flows	Others	As at	
	March 31, 2022	March 31, 2023			March 31, 2022	March 31, 2023
Debt securities	19.80	-	(4.92)		14.88	
Borrowings (other than debt securities)	120.85	106.00	(101.66)		125.19	
	140.65	106.00	(106.58)		140.07	

Note : Intercorporate debts is not considered in borrowings

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

13: Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Related Payables	1.78	0.66
Expenses payable	0.36	0.20
Lease liability	0.46	-
Other Payables	6.97	2.86
	9.57	3.72

14: Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity (Refer note no 34)	0.25	0.07
Leave Encashment	0.38	-
	0.63	0.07

15. Other non financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1.39	0.78
	1.39	0.78

16: Equity Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
2,50,00,000 (March 31, 2023: 1,00,00,000) equity shares of ₹10 each	25.00	10.00
	25.00	10.00
Issued, subscribed and paid-up		
1,16,71,268 (March 31, 2023: 76,71,268) equity shares of ₹10 each fully paid up	11.67	7.67
Total	11.67	7.67

(a) Terms / rights attached to equity shares

The Company has only one class of equity shares of par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees. During the current financial year no dividend has been proposed by the company.

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.

(b) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	7,671,268	7.67	7,671,268	7.67
Issued during the year - Preferential Allotment	4,000,000	4.00	-	-
Outstanding at the end of the period	11,671,268	11.67	7,671,268	7.67

Note:

During the year, the Company has allotted 40,00,000 equity shares of ₹ 10 each at issue price of ₹ 250 per share including premium of ₹ 240 per share to Spandana Sphoorty Financial Limited on preferential basis, pursuant to the provisions of

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

16: Equity Share capital (Contd.)

Sections 23, 42, 62 and 179 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and the other rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force)

(c) Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Spandana Sphoorty Financial Limited	11,659,389	99.90%	7,659,389	99.85%

(d) Shareholding of Promoters as defined in the Companies Act, 2013 as below:

(i) As at March 31, 2024

Shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of total shares	% Change during the year
SPANDANA SPHOORTHY FINANCIAL LTD	11,659,389	99.90%	0.05%
FEROZ KHAN ABDUL	1	0.000009%	-0.000004%
PADMAJA GANGIREDDY	1	0.000009%	-0.000004%
VIJAYA SIVARAMI REDDY VENDIDANDI	1	0.000009%	-0.000004%
REVAN SAAHITH REDDY VENDIDANDI	1	0.000009%	-0.000004%
RAJU DANNTU	1	0.000009%	-0.000004%
CH VENKATA NAGESWARA RAO	1	0.000009%	-0.000004%
Total	11,659,395	99.90%	0.05%

(ii) As at March 31, 2023

Shares held by promoters at the end of the year

Promoter Name	No. of Shares	% of total shares	% Change during the year
SPANDANA SPHOORTHY FINANCIAL LTD	7,659,389	99.85%	1.40%
FEROZ KHAN ABDUL	1	0.000013%	0
PADMAJA GANGIREDDY	1	0.000013%	0
VIJAYA SIVARAMI REDDY VENDIDANDI	1	0.000013%	0
REVAN SAAHITH REDDY VENDIDANDI	1	0.000013%	0
RAJU DANNTU	1	0.000013%	0
CH VENKATA NAGESWARA RAO	1	0.000013%	0
Total	7,659,395	99.85%	1.40%

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

17: Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	167.24	71.24
General reserve	0.05	0.05
Capital redemption reserve	1.68	1.68
Statutory reserve	23.71	17.01
Capital reserve	(0.98)	(0.98)
Retained earnings	84.81	58.03
Total other equity	276.51	147.03

For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2024.

Nature and purpose of other equity

Securities premium

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

General reserve

Amount set aside from retained profits as a general reserve to be utilised in accordance with provisions of the Companies Act, 2013.

Capital redemption reserve

In accordance with section 55 of the Companies Act, 2013, the Company had transferred an amount equivalent of the nominal value of OCCRPS redeemed during previous years, to the Capital Redemption Reserve. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

Capital Reserve

In accordance with agreement of business transfer, company had acquired LAP business from its parent company on March 31, 2021 for a consideration of ₹ 90.22 Crores which was higher than LAP business by ₹ 0.98 Crores which was treated as capital reserve as per IndAs-103

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

18: Interest Income

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Measured at amortized cost		
Interest on portfolio loans	144.06	100.03
Interest on margin money deposits*	0.25	0.03
	144.31	100.06

*Represent Interest on deposits with banks and financial institutions

19: Others

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Recovery against loans written off	2.93	0.07
	2.93	0.07

20: Other income

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Advertisement Income	0.62	1.17
Miscellaneous income	1.21	0.11
	1.83	1.28

21: Finance costs

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on debt securities	9.38	2.32
Interest on borrowings (other than debt securities)	43.07	36.71
Interest on lease liabilities	0.05	-
Other finance cost	0.01	-
	52.51	39.03
Net loss on fair value changes		
Financial assets designated at fair value through Profit and loss	-	0.01
	-	0.01

22: Impairment on financial instruments

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Measured at amortised cost		
Impairment allowance on Loans	10.88	13.27
Loans written-off	8.44	31.28
	19.32	44.55

23: Employee benefits expenses

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Salaries, wages and bonus	20.08	9.55
Contribution to provident fund and Other Funds	1.50	0.54
Gratuity expense (Refer note 34)	0.15	0.04
Leave benefits	0.39	0.13
Staff welfare expenses	0.17	0.02
	22.29	10.28

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

24: Depreciation and amortization expenses

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
On property, plant and equipment	0.57	0.19
On right of use assets	0.09	-
On Intangible Assets	0.02	-
	0.68	0.19

25: Other expenses

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Rent	1.66	1.10
Rates and taxes	0.24	0.03
Bank charges	0.30	0.26
Office maintenance	0.51	0.33
Computers and network maintenance	0.41	0.26
Electricity charges	0.13	0.08
Travelling expenses	2.14	1.53
Communication expenses	0.03	0.01
Printing and stationery	0.28	0.15
Legal and professional charges	1.85	0.68
Auditors remuneration (Refer note 25.1 below)	0.09	0.09
Other provisions and write off	1.74	0.51
CSR Expenditure (Refer note 25.2 below)	-	0.50
Miscellaneous expenses	0.15	0.38
	9.53	5.91

25.1 Details of payment to auditors

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Audit fee	0.08	0.08
Tax Audit Fee	0.01	0.01
Out of pocket expenses	0.00	0.00
	0.09	0.09

25.2 Details of CSR expenditure:

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Gross amount required to be spent during the year	-	0.50
Amount approved by the Board to be spent during the year	0.38	0.50
Amount spent during the year		
(i) Construction/ acquisition of asset	-	-
(ii) On purposes other than (i) above	0.38	0.50
Shortfall at the end of the year / (Excess spent at the end of the year)*	(0.38)	-
Total of previous years shortfall	-	0.57

*The Company has spent ₹ 0.38 Crores amount in excess of requirement provided under sub-section (5) of section 135 and such excess amount is recognized as an asset to set off against the CSR obligation of the succeeding financial year.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

25.2 Details of CSR expenditure: (Contd.)

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Nature of CSR activities	Skill development and livelihoods	1. Skill development and Livelihoods 2. Health
Provision made / (Advance made) during the year	(0.38)	-
Disclosure under section 135 (5) of the Companies Act, 2013		
Unspent balances as at the beginning of the year	-	0.57
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	-	0.50
Amount spent during the year	0.38	1.08
Unspent balances / (Excess spent) as at the closing of the year	(0.38)	-

26: Tax Expense

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Current tax	14.26	4.53
Adjustment in respect of current income tax of prior years	-	0.11
Deffered Tax	(3.01)	(4.61)
Total tax charge	11.25	0.03
Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's tax rate		
Accounting profit before Tax	44.74	1.44
Expected tax expense at the Indian tax rate 25.168% (March 31, 2023: 25.168%)	11.26	0.36
Tax effect of amounts which are not deductible/taxable in calculating taxable income:	-	0.13
Effect of expenses not deductible under the IT Act, 1961	(0.01)	(0.46)
Income tax expense reported in the statement of profit and loss	11.25	0.03
Income tax recognised in other comprehensive income		
Deferred tax arising on income and expenses recognised in other comprehensive income	0.02	(0.01)
Total	11.27	0.02

27: Earning per Share

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
Net profit after tax as per statement of profit and loss	33.49	1.41
Net profit as above for calculation of basic EPS and diluted EPS	33.49	1.41
Weighted average number of equity shares for basic and diluted EPS	7,714,984	7,671,268
Basic earnings per share (In ₹)	43.41	1.84
Diluted earnings per share (In ₹)	43.41	1.84

28: Segment Reporting

The Company operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic, and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer aggregates to 10% or more of the Company's total revenue during the year ended March 31, 2024 or March 31, 2023.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

29: Related parties under Ind AS 24 with whom transactions have taken place during the period.

I. Holding Company

Spandana Sphoorty Financial Limited (w.e.f December 27 , 2018)

II. Other related party in accordance with Ind AS 24 with whom transactions have taken place

- Spandana Mutual Benefit Trust #
- Mrs. Padmaja Gangireddy - Director #
- Mr. Vendidandi Vijaya Sivarami Reddy - Relative of Director #
- Caspian Financial Services Limited^

Transactions takes placed in previous year i.e FY 2022-23 and there were no transacions in FY 2023-24

^ Common key managerial personnel

III. Key Management Personnel

- Ashish Damani - Whole Time Director
- Dinesh Mourya - Company Secretary & Chief Compliance Officer

A. Transactions with related parties	For year ended March 31, 2024	For year ended March 31, 2023
Spandana Sphoorty Financial Limited		
Interest expense	23.11	26.21
Rental income	0.26	0.03
Rental expense	0.11	0.08
Inter-corporate advances granted (gross)	417.01	368.28
Inter-corporate advances repaid	566.80	258.74
Expense reimbursement claimed from the Company	0.31	3.07
Expense reimbursement claimed by the Company	3.15	6.04
Consideration by way of CG provided by Holding Co.	0.30	-
Investment in Equity by Holding Company	100.00	-
Mr.Vendidandi Vijaya Sivarami Reddy		
Rent paid	-	0.02
Spandana Mutual Benefit Trust		
Receipt against Gold branches collection	-	41.42
Related to sale of Fixed Assets towards Gold branches	-	-
Related to redemption of rental deposits towards gold branches	-	0.01
Caspian Financial Services Limited		
Disbursement Proceeds transferred	0.03	1.07
Commission Expenses	0.01	0.33

B. Balance receivable / (payable)	For year ended March 31, 2024	For year ended March 31, 2023
Loans		
Spandana Sphoorty Financial Limited	(73.60)	(224.06)
Other financial liabilities		
Spandana Sphoorty Financial Limited	-	(0.26)
Mr.Vendidandi Vijaya Sivarami Reddy	-	-
Caspian Financial Services Limited	-	(0.45)
Other financial assets		
Spandana Sphoorty Financial Limited	-	0.03
Spandana Mutual Benefit Trust	-	-

Notes

- All above transactions are in the ordinary course of business and on arms length basis. All outstanding balances are to be settled in cash and are unsecured.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

30: Claims against the Company not acknowledged as debt

Particulars	March 31, 2024	March 31, 2023
Income tax	1.87	1.87
Goods and service tax	2.03	-
Total	3.90	1.87

Income Tax: The Company received an income tax assessment-cum-demand order for FY 2016-17, inter alia, raising a demand of ₹ 1.87 Crores (including interest) under section 69A read with section 115BBE of the Income Tax Act, 1961. The Company has filed an appeal against this order before the Commissioner of Income Tax (Appeals) that will be heard in due course. However, based on the expert opinions obtained, the Company confident that the matter will be decided in its favour. Accordingly, the aforesaid amount has been considered as a contingent liability as at March 31, 2024. The Company has deposited ₹ 0.37 Crores against such demand in the process of filling the aforesaid appeal.

Goods and service Tax: Additional Director, DGGI, Mumbai, has issued penalty SCN and alleged that Company has by willful acts of omission and commission have passed ineligible ITC under cover of invoices without underlying supply of goods or services have rendered themselves liable for penal action under the provision of Section 122 (I)(ii) of CGST Act, 2017 during the FY Nov 2017 to Oct 2020. Company has filed response to SCN on February 6, 2024. However, given the facts of these cases and general opinion, the penalty indicated in the SCN ₹2.03 Crores is considered as a Contingent Liability as at March 31, 2024.

31: Fair Value

Fair value 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 a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement .

Valuation framework

The Company will assess the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

1. Benchmarking prices against observable market prices or other independent sources;
2. Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions.

The management assessed that carrying value of financial asset except loan portfolio and financial liabilities except borrowings (other than debt securities) approximate their fair value largely due to short term maturities of these instruments.

32: Fair Value Hierarchy of assets and liabilities

Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Hierarchy includes financial instruments of which prices is available in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

32: Fair Value Hierarchy of assets and liabilities (Contd.)

- I. The following table shows an analysis of financial instruments not recorded at fair value by level of the fair value hierarchy

	Fair value measurement using		
	Level -1	Level -2	Level -3
Assets measured at fair value as at March 31, 2024			
Loans (measured at Amortized Cost)		788.83	
	-	788.83	-
Assets measured at fair value as at March 31, 2023			
Loans (measured at Amortized Cost)	-	538.74	-
	-	538.74	-

- II. The following table shows an analysis of financial liabilities that are not carried at fair value

	Amortized cost	Fair value measurement using		
		Level -1	Level -2	Level -3
Liabilities measured at fair value as at March 31, 2024				
Debt securities	196.55		196.55	
Borrowings (other than debt securities)	289.50		233.84	
Lease Liabilities	0.46		0.46	
	486.51	-	430.85	-
Liabilities measured at fair value as at March 31, 2023				
Debt securities	14.88		14.88	
Borrowings (other than debt securities)	349.25	-	351.38	
Lease Liabilities	-		-	
	364.13	-	366.26	-

Valuation technique used

For Loan Portfolio

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the Balance sheet date. The discounting factor is applied assuming the cashflows will be evenly received in a month. Further the overdue cashflows upto 90 Days (upto stage 2) are discounted assuming they will be received in the third month. Fairvalue of cashflows for stage 3 loans are assumed as carrying value less provision for expected credit loss.

For Borrowing

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings.

The fair value of floating rate borrowing is deemed to equal its carrying value.

Note: There have been no transfer between Level 1, 2 and 3 during the year ended March 31, 2024 and March 31, 2023.

33: Capital Management

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

The company has a board approved policy on resource planning which states that the resource planning of the company shall be based on its Asset Liability Management (ALM) requirement. The policy of the company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

33: Capital Management (Contd.)

Regulatory Capital

Particulars	March 31, 2024	March 31, 2023
Tier I Capital	244.43	147.18
Tier II Capital	-	6.56
Total Capital	244.43	153.74
Risk weighted assets	737.30	524.94
Tier I CRAR	33.15%	28.04%
Tier II CRAR	0.00%	1.25%
Total CRAR	33.15%	29.29%

34: Employee Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity, on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 0.20 Crores as per The Payment of Gratuity Act, 1972.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Movement in defined benefit obligations

Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation as at the beginning of the year	0.07	0.07
Current service cost	0.15	0.04
Interest on defined benefit obligation	-	-
Remeasurements- Actuarial (gain)/ Loss on total liabilities	0.03	(0.04)
Benefits paid	-	-
Defined benefit obligation as at the end of the year	0.25	0.07

Movement in plan assets

Particulars	March 31, 2024	March 31, 2023
Fair value of plan assets as at the beginning of the year	-	-
Actuarial gains	-	-
Actual Return on plan assets	-	-
Employer Contributions	-	-
Benefits Paid	-	-
Closing fair value of Plan Assets	-	-

Reconciliation of net liability/ (asset)

Particulars	March 31, 2024	March 31, 2023
Net defined benefit liability/ (asset) as at the beginning of the year	0.07	0.07
Expense charged to statement of profit & loss	0.15	0.04
Amount recognised in other comprehensive income	0.03	(0.04)
Employer contributions	-	-
Net defined benefit liability/ (asset) as at the end of the year	0.25	0.07

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

34: Employee Benefit Plans (Contd.)

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2024	March 31, 2023
Present value of obligations	0.25	0.07
Fair value on plan assets	-	-
Net defined benefit liability recognised in balance sheet	0.25	0.07

Expenses charged to the statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current service cost	0.15	0.04
Interest Cost	-	-
Total	0.15	0.04

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2024	March 31, 2023
Actuarial Gain / (Loss) on Liabilities		
-due to change in financial assumptions	(0.06)	-
-due to change in demographic assumptions	-	(0.01)
-due to experience variance	0.03	0.05
Amount recognised under Other Comprehensive Income	(0.03)	0.04

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Category of Assets	March 31, 2024	March 31, 2023
Fund managed by Insurer	0%	0%
Total	0%	0%

Summary of Actuarial Assumptions

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.18%	7.47%
Expected return on plan assets	NA	NA
Rate of Increase in compensation levels	12.50%	5.00%
Retirement age (years)	58	58

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate (+0.5%)	(0.01)	-
Discount rate (-0.5%)	0.01	-
Salary Inflation (+1%)	0.02	0.01
Salary Inflation (-1%)	(0.02)	-
Withdrawal Rate (+5%)	(0.03)	(0.01)
Withdrawal Rate (-5%)	0.04	-

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

34: Employee Benefit Plans (Contd.)

Projected plan cash flow

The weighted average duration of the defined benefit obligation of Company is ~ 5 years

Particulars	March 31, 2024	March 31, 2023
1Year	0.01	-
2Year	0.01	-
3Year	0.01	-
4Year	0.02	0.01
5 Year	0.03	0.01
After year 5	0.43	0.10

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

35: Leases

Company as a lessee

The Company's significant leasing arrangements are in respect of operating leases of office premises (Head office and branch offices). The branch office premises are generally rented on cancellable term of eleven months with or without escalation clause, however none of the branch lease agreements carries non-cancellable lease periods. The Company hub office premises have been obtained on a lease term of five years with an annual escalation clause of five percent. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

Amounts recognised in statement of profit or loss:

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	0.09	-
Interest expense on lease liabilities	0.05	-
Expense relating to short-term leases	1.66	1.10
Total amount recognised in profit or loss	1.80	1.10

Particulars	March 31, 2024	March 31, 2023
Total commitments for short term leases	1.21	0.37

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	March 31, 2024	March 31, 2023
Balances as at the beginning of the year	-	0.07
Addition	0.52	-
Deletion	-	(0.07)
Depreciation	(0.09)	-
Balances as at the end of the year	0.43	-

Notes to the financial statements

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(₹ in Crores unless otherwise stated)

35: Leases (Contd.)

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

Particulars	March 31, 2024	March 31, 2023
Balances as at the beginning of the year	-	0.15
Addition	0.51	-
Accretion of interest	0.05	-
Deletion	-	(0.15)
Payments	(0.11)	-
Balances as at the end of the year	0.45	-

The details of the contractual maturities of lease liabilities on an undiscounted basis is as follows:

Particulars	March 31, 2024	March 31, 2023
Less than one year	0.07	-
One to five years	0.39	-
More than five years	-	-
Total	0.46	-

36: Amount payable to micro small and medium enterprises

Based on information available with the Company, as at the reporting period, there are no dues payable to suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

37: Risk Management and financial objectives

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

37.1 Credit Risk :

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as loan receivables, balances with banks and other receivables.

Financial instruments that are subject to concentration of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Financial assets that are neither past due nor impaired.

Loans

Credit risk is the risk of loss that may occur from defaults by our Borrowers under our loan agreements. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. We also follow a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, our client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed Individual borrower and to confirm that they meet our criteria.

Notes to the financial statements

for the year ended March 31, 2024

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37.1 Credit Risk : (Contd.)

The Company is a rural focused NBFC-ICC with a geographically diversified presence in India and offer income generation loans, predominantly to women from low-income households in Rural Areas. Further, as we focus on providing Individual, Loan against property-loans & Business Loans (Nano) in Rural Areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our most of the loans are provided at a free of collateral for Individual Loans and whereas collaterals are required for Loan against property Loans. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

In order to mitigate the impact of credit risk in the future profitability, the Company creates impairment loss allowance basis higher of the expected credit loss (ECL) model or RBI Provisioning Norms for the outstanding loans as at balance sheet date.

The criteria of default, significant increase in credit risk and stage assessment is mentioned in note 3(e) of the significant accounting policies. The below discussion describes the Company's approach for assessing impairment.

A) Probability of default (PD)

The Company determines PD on a collective basis by stratifying the entire portfolio into meaningful categories. The Company uses historical vintage information of its loan portfolio to estimate PD. Based on uncertainties and risks arising from its operations in different geographical states in the country, the Company bifurcates the entire portfolio into different states. Further the Company performs analysis of its defaults in various states over different observation period. In determining the PD's, an effort is made to eliminate outliers for a particular observation period which are not likely to happen in future. Accordingly, the Company determines PD for each stage depending upon the underlying classification of asset (i.e., Stage I or Stage II). The PD rates for Stage I and II have been further bifurcated based on the days-past-due (DPD) status of the loans (i.e., current, 1-30 DPD, 31-60 DPD and 61-90 DPD) to incorporate adequate granularity. PD rate for stage 3 is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 90 days.

B) Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

C) Loss given default

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate. Similar to PDs, the LGD rates have also been reassessed for COVID-19 affected portfolio by comparing past recovery experience from less frequent / non-recurring default events. Appropriate adjustments have also been made for recoveries observed during the post-pandemic period which are considered as an appropriate representation of expected post-default recoveries. The Company has estimated 70% as LGD across all states for unsecured & secured loans for below GNPA cases, 75% as LGD for all GNPA cases till 455 days past due (dpd) cases and 100% as LGD more than 455 dpd cases.

Analysis of concentration risk is as follows:-

States	March 31, 2024	March 31, 2023
Andhra Pradesh	70.47%	74.28%
Telangana	23.53%	25.72%
Rajasthan	5.17%	0.00%
Madhya Pradesh	0.57%	0.00%
Karnataka	0.11%	0.00%
Tamilnadu	0.15%	0.00%
Total	100.00%	100.00%

Collateral and other credit enhancement

The company's secured portfolio includes loans against property (including land and building). Although collateral is an important mitigant credit risk, the company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of the product and the company's assessment of the customer's credit risk, a loan may be offered with suitable collateral.

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37.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. In order to reduce dependence on a single lender, the Company has adopted a cap on borrowing from any single lender at 25%. The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has a asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk

The tables below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Particulars	Borrowings *		Other financial liabilities	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Upto 1 month	33.21	28.21	8.86	3.55
1 to 2 months	33.74	24.64	0.01	-
2 to 3 months	35.41	23.97	0.01	-
3 to 6 months	106.82	80.92	0.03	-
6 months to 1 year	169.83	108.56	0.33	0.17
1 to 3 years	159.92	131.72	0.29	-
3 to 5 years	-	-	0.18	-
Over 5 years	-	-	-	-
Total	538.93	398.02	9.71	3.72

*Represents debt securities, borrowings (other than debt securities) and Includes Interest Payables as per agreed repayment schedule

Maturity Analysis of assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered and settled.

Particulars	March 31, 2024			March 31, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	12.48	-	12.48	3.01	-	3.01
Bank balances other than cash and cash equivalents	11.39	-	11.39	0.04	-	0.04
Loans	463.83	280.23	744.06	297.40	211.72	509.12
Other financial assets	1.47	-	1.47	1.50	-	1.50
Subtotal - Total financial assets	489.17	280.23	769.40	301.95	211.72	513.67
Non-financial assets						
Current tax assets (net)	1.61	-	1.61	1.06	0.37	1.43
Deferred tax assets (net)	-	10.54	10.54	-	7.52	7.52
Property, plant and equipment	-	2.16	2.16	-	0.25	0.25
Intangible assets	-	0.65	0.65	-	-	-
Other non-financial assets	-	1.46	1.46	-	0.53	0.53
Subtotal - Total non-financial assets	1.61	14.81	16.42	1.06	8.67	9.73
Total assets	490.78	295.04	785.82	303.01	220.39	523.40

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for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

37.2 Liquidity Risk (Contd.)

Particulars	March 31, 2024			March 31, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Debt securities	123.26	73.29	196.55	14.88	-	14.88
Borrowings (other than debt securities)	219.10	70.40	289.50	226.31	122.94	349.25
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	9.25	0.46	9.71	3.72	-	3.72
Subtotal - Total financial liabilities	351.61	144.15	495.76	244.91	122.94	367.85
Non-financial liabilities						
Provisions	0.38	0.25	0.63	-	0.07	0.07
Other non-financial liabilities	1.39	-	1.39	0.78	-	0.78
Subtotal - Total non-financial liabilities	1.77	0.25	2.02	0.78	0.07	0.85
Total Liabilities	353.38	144.40	497.78	245.69	123.01	368.70
Net	137.40	150.64	288.04	57.31	97.38	154.70

37.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed to two types of market risks as follows:

37.3a Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

States	March 31, 2024	March 31, 2023
Finance Cost		
0.50 % Increase	(2.42)	(0.62)
0.50 % Decrease	2.42	0.62

37.3b Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

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38: Transfer of Financial assets

a. Securitisation Transaction:

The Company has entered into securitisation arrangement with various parties. Under such arrangement, the Company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under Ind AS 109 as the Company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties

The value of Financial assets and liabilities as on :-

Particulars	March 31, 2024	March 31, 2023
Carrying amount of assets	163.41	-
Carrying amount of associated liabilities	146.53	-
Fair value of assets	165.39	-
Fair value of associated liabilities	148.05	-

The shortfall of fair value of associated liabilities over fair value of assets is ₹ 17.34 Crores (March 31, 2023: ₹ Nil)

b. Assignment Transaction:

During the year ended 31st March 2021, the Company has sold some loans and advances measured at FVOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition, per type of asset :-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Carrying amount of derecognised financial assets	0.87	0.89
Gain/(loss) from derecognition	-	-

Since the company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

- 39: Employee Stock Option Plan (ESOP): The company has not provided any options to its employees during the year and previous year
- 40: The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 41: The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

42. Additional information required by Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI

a. Capital to risk assets ratio ('CRAR')

Particulars	March 31, 2024	March 31, 2023
CRAR (%)	33.15%	29.29%
CRAR-Tier I Capital (%)	33.15%	28.04%
CRAR-Tier II Capital (%)	0.00%	1.25%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-
LIQUIDITY COVERAGE RATIO	511.50%	629.89%

CRAR as at March 31, 2024 and March 31, 2023 has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards.

b. Exposure to real estate sector

Category	March 31, 2024	March 31, 2023
A. Direct exposure		
I. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	72.16	56.52
II. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose Commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
III. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial Real Estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
Total	72.16	56.52

c. The Company has no exposure to capital market during current and previous year

d. Asset liability management - Maturity Pattern of certain items of assets and liabilities:

Maturity pattern	March 31, 2024		March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
	Advances	Borrowings	Advances	Borrowings
0-7 Days	23.96	3.96	3.74	7.20
8-14 Days	13.81	9.81	8.63	16.30
15-30/31 Days	0.33	17.84	11.28	0.53
Over 1 month to 2 months	40.92	29.45	24.78	22.26
Over 2 months upto 3 months	41.78	29.82	24.81	20.45
Over 3 months to 6 months	126.68	96.14	76.36	75.35
Over 6 months to 1 year	216.35	155.34	147.80	99.11
Over 1 year to 3 years	253.33	143.69	211.72	122.93
Over 3 years to 5 years	23.81	-	-	-
Over 5 years	3.09	-	-	-
Total	744.06	486.05	509.12	364.13

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

42. Additional information required by Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI (Contd.)

e. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2024:

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement - For the year ended March 31, 2024	158	1.57	0.26	1.31
Cash Embezzlement - For the year ended March 31, 2023	22	0.24	0.02	0.22

*Includes recoveries in respect of frauds reported in earlier years

f. The Company has no transactions / exposure in derivatives in the current and previous year.

g. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sr. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit
1	Bank Loan (Long term facilities)	ICRA	January 15, 2024	[ICRA]A- Positive	One year	110.00
2	Market Linked Debentures	ICRA	January 15, 2024	[ICRA]A- Positive	One year	82.00
3	Bank Loan (Long term facilities)	India Rating & Research	September 11, 2023	IND BBB+/Stable	One year	200.00
4	Non Convertible Debentures	India Rating & Research	September 11, 2023	IND BBB+/Stable	One year	150.00

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Previous year

Sr. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit
1	Bank Loan (Long term facilities)	India Rating & Research	March 31, 2023	IND BBB+/Stable	One year	200.00
2	Bank Loan (Long term facilities)	ICRA	March 1, 2023	[ICRA]BBB Positive	One year	200.00
3	Market Linked Debentures	ICRA	March 1, 2023	[ICRA]BBB Positive	One year	100.00

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

h. Concentration of Advances, Exposures and NPAs

Particulars	March 31, 2024	March 31, 2023
Concentration of Advances		
Total advances to twenty largest borrowers	4.77	5.82
(%) of advances to twenty largest borrowers to total advances	0.62%	1.10%
Concentration of Exposures		
Total exposure to twenty largest borrowers	4.98	5.97
(%) of exposure to twenty largest borrowers to total exposure	0.63%	1.10%
Concentration of NPAs*		
Total exposure to top four NPA accounts	0.95	0.99

* Represents stage III loans including interest

i. Sector wise NPAs*

Sector	Percentage of NPAs to total advances in that sector	
	March 31, 2024	March 31, 2023
Agriculture and allied activities	1.58%	2.48%
MSME	1.88%	0.85%
Unsecured Personal Loans	2.79%	1.92%
Other personal loans	10.85%	18.32%

* Represents amount of principal outstanding for stage III loans

The above sector wise classification is based on the Company's determination of the purpose/activity for which the loan was granted.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

j: Comparison between provisions required under Income Recognition and Asset Classification and Provision norms (IRACP) as per RBI master directions and impairment allowances made under Ind AS 109 for the year ended March 31, 2024

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowances (Provisions) as required as per Ind AS 109	Net Carrying Amount	Provisions as per IRACP norms *	Difference between Ind AS 109 Provisions and IRACP norms
1	2	3	4	5= 3-4	6	7 = 4-6
Performing Assets						
Standard	Stage 1	749.83	18.44	731.39	2.97	15.47
	Stage 2	12.63	4.81	7.82	0.05	4.76
Subtotal		762.46	23.25	739.21	3.02	20.23
Non Performing Assets (NPA)						
Substandard	Stage 3	19.56	14.71	4.85	1.73	12.98
Doubtful - up to 1 year	Stage 3	2.78	2.78	-	0.45	2.33
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		2.78	2.78	-	0.45	2.33
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		22.34	17.49	4.85	2.18	15.31
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under current income Recognition - Asset Classification and Provisioning (IRACP) Norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	749.83	18.44	731.39	2.97	15.47
	Stage 2	12.63	4.81	7.82	0.05	4.76
	Stage 3	22.34	17.49	4.85	2.18	15.31
	Total	784.80	40.74	744.06	5.20	35.54

1. Interest on NPA loans is required to be de-recognised under IRACP norms. However, interest on Stage III loans is required to be recognised on the credit impaired (net of ECL) loan balance. Such income de-recognition is not considered as a provision for the purpose of above comparison.

* Figures under this columns represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under RBI Master Directions.

Comparison between provisions required under Income Recognition and Asset Classification and Provision norms (IRACP) as per RBI master directions and impairment allowances made under Ind AS 109 for the year ended March 31, 2023

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowances (Provisions) as required as per Ind AS 109	Net Carrying Amount	Provisions as per IRACP norms *	Difference between Ind AS 109 Provisions and IRACP norms
1	2	3	4	5= 3-4	6	7 = 4-6
Performing Assets						
Standard	Stage 1	505.92	12.60	493.32	2.01	10.60
	Stage 2	11.80	3.80	8.00	0.05	3.75
Subtotal		517.72	16.40	501.32	2.06	14.35

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowances (Provisions) as required as per Ind AS 109	Net Carrying Amount	Provisions as per IRACP norms *	Difference between Ind AS 109 Provisions and IRACP norms
Non Performing Assets (NPA)						
Substandard	Stage 3	20.69	12.89	7.80	1.87	11.03
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		20.69	12.89	7.80	1.87	11.03
Other items such as guarantees, loan commitments, etc which are in the scope of Ind AS 109 but not covered under current income Recognition - Asset Classification and Provisioning (IRACP) Norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	505.92	12.60	493.32	2.01	10.60
	Stage 2	11.80	3.80	8.00	0.05	3.75
	Stage 3	20.69	12.89	7.80	1.87	11.03
	Total	538.41	29.29	509.12	3.93	25.38

1. Interest on NPA loans is required to be de-recognised under IRACP norms. However, interest on Stage III loans is required to be recognised on the credit impaired (net of ECL) loan balance. Such income de-recognition is not considered as a provision for the purpose of above comparison.

* Figures under this columns represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under RBI Master Directions.

k. Movement of NPAs

Particulars	March 31, 2024	March 31, 2023
Net NPAs to net advances (%)	0.66%	1.56%
Movement of NPAs (gross)		
1. Opening balance	20.81	35.03
2. Additions during the year	12.55	26.63
3. Reductions / write off during the year	(10.96)	(40.85)
4. Closing balance	22.40	20.81
Movement of Net NPAs		
1. Opening balance	7.92	23.19
2. Additions during the year	(1.89)	(10.27)
3. Reductions / write off during the year	(1.13)	(5.00)
4. Closing balance	4.90	7.92
Movement of provision for NPAs (excl. standard assets)		
1. Opening balance	12.89	11.84
2. Additions during the year	14.44	36.90
3. Reductions/ write off during the year	(9.83)	(35.85)
4. Closing balance	17.50	12.89

* NPA loans and related provision considered in the above table represent loans classified as stage III in accordance with Ind AS 109 and the related ECL provision. Also refer note 6.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

- I. There has been no drawdown from reserves during the current year and previous year.
- m. There are no Investments during the year and previous year
- n. **Disclosure under Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021**

Particulars	March 31, 2024	March 31, 2023
1. No. of SPVs sponsored by the NBFC for securitisation transactions during the year	5	-
2. Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on the date	146.53	-
3. Total amount of exposures retained to comply with minimum retention requirement ('MRR')		
a) On balance sheet exposures		
- First loss (MRR)	30.13	-
- Others	-	-
4. Amount of exposures to securitization transactions other than MRR:		
a) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	11.08	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

- o. The Company has not purchased / sold non-performing financial assets in the current and previous year.
- p. The company has not financed any products of the parent company.
- q. Unsecured Advances – Refer note 6
- r. Registration obtained from other financial sector regulators:
The Company is registered with the 'Ministry of Corporate Affairs' (Financial regulators as described by Ministry of Finance)
- s. **Disclosure of Penalties imposed by RBI and other regulators:**
- i. No penalties imposed by RBI during the current year and previous year
- ii. As per Telangana Tax on Professions, Trades, Callings and Employments Act and Rules, 1987 - Madhapur-I Circle of Hyderabad Rural Divn., notice dated 09/10/2023, Proposition of Assessment of tax made under Sec.(8), read with Rule12 of the Telangana Profession Tax Act and Rules, 1987 against CFL on Examination of tax office records which do not comply in filing monthly returns within the stipulated period 2019-23 of Profession Tax dues having qualifiable for taking action in the form of imposing Penalty and Interest as required under the Telangana – ₹ 0.02 Crores

- t. **Provisions and contingencies (shown under expenditure in statement of profit and loss)**

Particulars	March 31, 2024	March 31, 2023
Provision for income tax (net)	11.25	0.03
Provision for non-performing assets (impairment allowance on stage III loans)	4.60	1.01
Provision for standard assets (impairment allowance on stage I and stage II loans)	6.28	12.26
Provision for gratuity	0.15	0.04
Provision for leave benefits	0.39	0.13
Provision for insurance claims (net of recoveries and write-off)	0.39	0.20

- u. The Company has no unhedged foreign currency exposure.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

43: The Company has certain litigations pending with income tax authorities and other litigations which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liability where applicable in the financial statements. Refer note 30 for details on tax litigations.

44. Public Disclosure on liquidity risk

1. Funding concentration based on significant counterparty (both deposits and borrowings) - The Company does not accept any deposits

As at March 31, 2024

Number of significant counterparties	Amount	% of Total Liabilities
14 (Fourteen)	486.04	97.67%

As at March 31, 2023

Number of significant counterparties	Amount	% of Total Liabilities
6 (Six)	362.68	98.37%

2. Top 20 Large Deposits : Not Applicable

3. Top 10 borrowings

Number of significant counterparties	March 31, 2024	March 31, 2023
Amount of top 10 borrowings Amount	430.97	364.13
% of Total Borrowings	88.67%	100.00%

4. Funding concentration based on significant instrument/product

Name of Instrument/product	As at March 31, 2024		As at March 31, 2023	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Term Loans	215.90	43.40%	125.19	33.95%
Intercompany Debt	73.60	14.79%	224.06	60.77%
Borrowings under securitization arrangement	146.53	29.45%	-	NA
Non convertible Debentures	50.02	10.05%	14.88	4.04%
Total Liabilities	497.64		368.70	

5. Stock Ratios

- Commercial papers as a % of total public funds, total liabilities and total assets - NIL
- Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets – NIL
- Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

Particulars	March 31, 2024	March 31, 2023
Commercial Papers to Total Public Funds	Nil	Nil
Commercial Papers to Total Liabilities	Nil	Nil
Commercial Papers to Total Assets	Nil	Nil
NCDs (Original Maturity <1 yrs.) to Total Public Funds	Nil	Nil
NCDs (Original Maturity <1 yrs.) to Total Liabilities	Nil	Nil
NCDs (Original Maturity <1 yrs.) to Total Assets	Nil	Nil
Other Short Term Liabilities to Total Public Funds	72.82%	65.72%
Other Short Term Liabilities to Total Liabilities	71.13%	64.91%
Other Short Term Liabilities to Total Assets	45.04%	45.72%

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

44. Public Disclosure on liquidity risk (Contd.)

6. Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

Notes:

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.
4. Short term liabilities includes all financial and non-financial liabilities expected to be paid within one year.
5. Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

45: During the year, to relieve COVID-19 pandemic related stress, the Company had invoked and implemented resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI vide its circular dated May 5, 2021 (Resolution Framework – 2.0).

Type of borrower	A	B	C	D	E
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end previous year i.e. March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the year @	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year i.e. March 31, 2024.
Personal Loans	0.01	-	-	0.01	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	0.01	-	-	0.01	-

@ Represents aggregate debt that slipped into NPA during the half-year excluding written-off portion of debt

Note 1: The Company has not restructured any loan accounts under RBI's Resolution Framework 1.0 dated August 6, 2020.

46: Pursuant to the RBI circular dated November 12, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning ('IRAC') pertaining to Advances-Clarifications" to be read with circular dated February 15, 2022, the Company has changed its NPA definition to comply with the applicable norms effective from October 1, 2022.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

47 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

Particulars	March 31, 2024		March 31, 2023	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1) Liabilities side:				
Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	50.02		14.88	-
: Unsecured (other than falling within the meaning of public deposits)			-	-
(b) Deferred Credits			-	-
(c) Term Loans	215.90		125.19	-
(d) Inter-Corporate loans and borrowing	73.60		224.06	-
(e) Commercial Paper			-	-
(f) Other Loans - Borrowing under securitisation arrangement (secured)	146.53		-	-

Particulars	March 31, 2024	March 31, 2023
	Amount outstanding	Amount outstanding
2) Assets side:		
Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
(a) Secured	60.45	55.84
(b) Unsecured	683.61	453.28
3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sudry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
4) Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
	Amount outstanding	Amount outstanding
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Certificate of Deposits and Commercial Paper)	-	-
Long Term Investments:		
1. Quoted:		
(i) Shares: (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) Security receipts	-	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	March 31, 2024			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	-	-	-	-	-	-
2. Other than related parties	60.45	683.61	744.06	55.84	453.28	509.12
Total	60.45	683.61	744.06	55.84	453.28	509.12

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

	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				
Total	-	-	-	-

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

7) Other Information

Category	March 31, 2024	March 31, 2023
(i) Gross Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties	22.40	20.81
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	4.90	7.92
(iii) Assets acquired in satisfaction of debt		-

48: Additional Regulatory Information

a. Disclosure of complaints

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

Sr. No.	Particulars	March 31, 2024	March 31, 2023
	Complaints received by the NBFC from its customers		
1.	No. of complaints pending at the beginning of the year	-	-
2.	No. of complaints received during the year	94	72
3.	No. of complaints disposed during the year	94	72
3.1	Of Which, no. of complaints rejected during the year	-	-
4.	No. of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.	No. of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1	Of 5, no. of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, no. of maintainable complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, no. of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.	No. of Awards unimplemented within the stipulated time (other than those appealed)	-	-

(ii) Top five grounds of complaints received by the NBFC from customers

Grounds of complaints, (i.e. complaints relating to)	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
Current year					
Ground - 1: OD Issues	-	20	186%	-	-
Ground - 2: Insurance claim settlements	-	11	100%	-	-
Ground - 3: New loan request	-	38	153%	-	-
Ground - 4: Interest related enquiries	-	13	225%	-	-
Others	-	12	-74%	-	-
Total	-	94		-	-

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

48: Additional Regulatory Information (Contd.)

Grounds of complaints, (i.e. complaints relating to)	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
Previous year					
Ground - 1: OD Issues		7			
Ground - 2: Insurance claim settlements		-			
Ground - 3: related new loan request		15			
Ground - 4: Interest related enquiries		4			
Others		46			
Total	-	72		-	-

b. Sectoral Exposure*

Sectors	As at March 31, 2024			As at 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
Agriculture and allied activities	459.57	7.24	1.58%	270.61	7.58	2.80%
Services	235.75	4.44	1.88%	187.62	1.60	0.86%
Other Personal Loans	78.88	7.84	9.94%	74.12	10.36	13.98%
Total	774.20	19.52	2.52%	532.35	19.54	3.67%

* Represents amount of principal outstanding

c. Intra-group exposures

Category	March 31, 2024	March 31, 2023
(i) Total amount of intra-group exposures	-	-
(ii) Total amount of top 20 intra-group exposures	-	-
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	0.00%

d. Related party transactions – Refer note 29

e. There are no loans transferred / acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

- (i) The company has not transferred any non-performing assets(NPAs)
- (ii) The Company has not acquired any loans through assignment.
- (iii) The Company has not acquired any stressed loan.

Notes to the financial statements

for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

f. The Company has not purchased non-performing financial assets in the current and previous year.

49: Additional Regulatory Information

- (a) There is no such immovable property whose title deeds are not held in the name of the Company
- (b) There are no investment property as on March 31, 2024 and March 31, 2023
- (c) The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- (d) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- (e) The Company has not taken borrowings from banks or financial institutions on the basis of security of current assets.
- (f) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (g) No transactions were carried out during the year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (h) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- (j) There are no such transaction or undisclosed income that need to be disclosed in accordance with this provision of Companies Act, 2013.
- (k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

50. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification. The impact of such restatements/ regroupings are not material to Financial Statements

51: There have been no events after the reporting date that require adjustment / disclosure in these financial statements.

52. The Company has chosen to publish the financial statements in ₹ crores for the year ended March 31, 2024. Accordingly, the previous year figures have been rounded off.

As per our report of even date

For **Raju and Prasad**

Chartered Accountants

ICAI Firm registration number : 003475S

H.V.V Narayana Murthy

Partner

Membership No.246349

UDIN: 24246349BKBZMK5301

Place: Hyderabad

Date: April 26, 2024

For and on behalf of the Board of Directors of

Criss Financial Limited

Shalabh Saxena

Non Executive Director

DIN No. 08908237

Ashish Damani

Whole Time Director

DIN No. 08908129

Dinesh Mourya

Company Secretary &

Chief Compliance Officer

Membership No. A28355



Criss Financial Limited

CIN: U65993TG1992PLC014687

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