

Independent Auditor's Report

To

The Members of M/s. Criss Financial Limited (Formerly known as "Criss Financial Holdings 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, 2022, 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,

- i) In the case of Balance sheet, state of affairs of the company as at 31 March 2022,
- ii) In the case of the Statement of Profit and Loss, profit for the company for the year ended on that date; and
- iii) In the case of Cashflows of the company 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.

Mumbai Branch:
511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:
202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :
Flat No. 704, Yash Ashoka CHSL,
Near Mangla High School,
Thane - 400 060.
Cell : +91-9967738900

Tirupati Branch:
Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati.
Cell : +91-9704899666

Emphasis of Matter:

During the month of October 2021, w.r.t. all gold loan branches of the Company, certain disputes arose between the company and Spandana Mutual Benefit Trust ("SMBT").

On 22.06.2022, company has entered into a gold loan agreement (part of settlement agreement). As per which it is understood that, disputes between the Board of directors of the company and erstwhile director are settled and the board ratified the appointment of SMBT as collecting agent.

Based on the information and explanations given to us, SMBT has recovered substantial amount of gold loans (Rs. 62.29 Crores) during the months of November and December 2021. It has remitted an amount of Rs.39.72 Crores to the company from November 2021 to March, 2022 and balance amount of Rs.41.42 Crores is shown as receivable under other financial assets as on 31.03.2022. During May and June 2022, company has realized balance amount of Rs.41.42 Crores. The company has recognized an amount of 2.19 Crores as interest on gold loans for the aforesaid period, which has been received as part of settlement agreement.

Our opinion is not qualified in respect of this matter.

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, 2022. 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.

Mumbai Branch:
511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:
202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :
Flat No. 704, Yash Ashoka CHSL,
Near Mangla High School,
Thane - 400 060.
Cell : +91-9967738900

Tirupati Branch:
Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati.
Cell : +91-9704899666



S.No.	Key Audit Matter	Auditors Response
1	<p><u>Provisioning based on Expected Credit Loss model (ECL) under IND AS 109:</u> 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</p> <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><u>Our Audit Procedures</u></p> <ul style="list-style-type: none"> 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. <p><u>Substantive Verification</u> Verified key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data. 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>
3	<p><u>Disruption of IT Environment</u> During the Financial Year there was disruption in IT Environment thereby the company has lost access to data. The company has created a parallel IT Environment. As the Loan Management system and the books</p>	<p><u>Audit Procedures</u> We have verified whether the opening balances in the books maintained in the new environment is correctly carried forward from the previous IT Environment.</p>

Mumbai Branch:
511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:
202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :
Flat No. 704, Yash Ashoka CHSL,
Near Mangla High Schol,
Thane - 400 060.
Cell : +91-9967738900

Tirupati Branch:
Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati.
Cell : +91-9704899666



	<p>of Accounts of the company are maintained in the IT Environment . It is considered as Key Audit Matters.</p>	<p>We have validated certain key fields in Loan portfolio in the new IT Environment by comparing the data in previous IT environment.</p> <p>We have validated the Loan Collections and disbursement by reconciling the same with Bank Statement.</p> <p>Subsequent to the balance sheet date, the company was able to access the data from old servers. Hence, we have validated the data in new IT environment.</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.



Mumbai Branch:
511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:
202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :
Flat No. 704, Yash Ashoka CHSL,
Near Mangla High School,
Thane - 400 060.
Cell : +91-9967738900

Tirupati Branch:
Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati
Cell : +91-9704899666

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,



Mumbai Branch:
511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:
202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :
Flat No. 704, Yash Ashoka CHSL,
Near Mangla High Schcol,
Thane - 400 060.
Cell : +91-9967738900

Tirupati Branch:
Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati
Cell : +91-9704899666

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, 2016 ("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, 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 as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



- f. With respect to the adequacy of the internal financial controls 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 Internmediary 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) (a) During F.Y.2021-22, no dividends were paid and board of directors have not proposed for any dividend for the financial year ended 31st March, 2022. Hence reporting on compliance with Section 123 of the Act is not applicable.

For Raju & Prasad
Chartered Accountants
FRN: 0034755



I Dileep Kumar

Partner

M. No: 223943

UDIN: 22223943AMJROL8107



Place : Hyderabad

Date : 07-07-2022

Annexure - A to the Independent Auditors' Report on the Financial Statements of Criss Financial Limited (Formerly known as "Criss Financial Holdings Limited") for the year ended 31 March 2022

- 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, 2016 is not applicable.

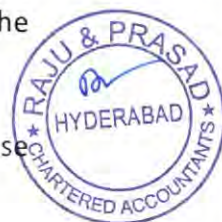
(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(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

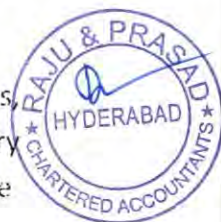
- ii. (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

(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 to 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.

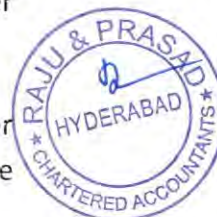
According to the information and explanations provided by management and on examination of books of accounts, no amount was in arrear as on 31 March 2022, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues except for Goods and Service tax amounting to Rs. 3,89,680/- which was in arrears as at 31 March 2022 for a period of more than six months from the date they became payable but was subsequently paid in April 2022.

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, 2022.

Nature of Statute	Nature of Dispute	Amount (Rs.)	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.	Rs.1,49,89,094	AY 2017-18	CIT (A)
Note: The company received demand for Rs.1,87,36,367. Out of which the company has deposited 20% of the demanded amount (i.e.Rs.37,47,273) 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 31 st march, 2022 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 raised moneys through issue of listed market linked non-convertible debentures during the year. Based on our verification and explanations given by company, such amounts were utilized for the purpose for which they are raised.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.

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 Rs.21.25 lakhs. Refer Note 42 (f) 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



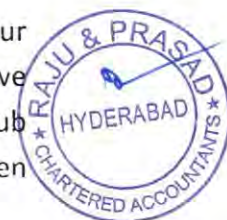
in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(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. (a) 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 except for the transaction mentioned in Emphasis of Matter Paragraph for which prior approval of board is not obtained. However, as explained in Emphasis of Matter paragraph, the arrangement or transaction was ratified by the board through settlement agreement. Details of all the transactions have been disclosed in the financial statements as required by the applicable accounting standards
- 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 amount Rs. 57.40 lakhs (inclusive of Previous years unspent of Rs. – 15.4 lakhs) which is 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: 0034755


Dileep Kumar

Partner

M. No: 223943

UDIN: 22223943AMJROL8107



Place : Hyderabad

Date : 07/07/2022

Mumbai Branch:

511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:

202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :

Flat No. 704, Yash Ashoka CHSL,
Near Mangla High Schrol,
Thane - 400 060.
Cell : +91-9967738900

Tirupati Branch:

Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati.
Cell : +91-9704899666

Annexure - B to the Auditors' Report on the Financial Statement of Criss Financial Limited (Formerly known as "Criss Financial Holdings Limited") for the year ended 31 March 2022.

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 31 March, 2022 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.

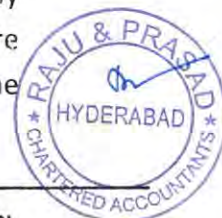
Meaning of Internal Financial Controls Over Financial Reporting

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



Mumbai Branch:
511, The Corporate Centre,
Nirmal Lifestyle Mall, L.B.S. Road,
Mulund West, Mumbai - 400 080
Ph: 022-25671155 / 1199

Bangalore Branch:
202, Akash Avenue, # 34, 1st Main,
SBM Colony, Anand Nagar,
Bangalore - 560 024
Ph : +91-9241570047

Thane Branch :
Flat No. 704, Yash Ashoka CHSL,
Near Mangla High Schcol,
Thane - 400 060.
Cell : +91-9967738900


Tirupati Branch:
Door No. 19-9-1G,
Kakathiya Nagar,
Old Thiruchanur Road, Tirupati.
Cell : +91-9704899666

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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raju & Prasad
Chartered Accountants
FRN: 003475S


Dileep Kumar
Partner

M. No: 223943

UDIN: 22223943AMJROL8107



Place : Hyderabad
Date : 07/07/2022

CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')

Balance sheet as at March 31, 2022

(Rupees in Lakhs unless otherwise stated)

	Notes	As At March 31, 2022	As At March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	316.63	441.11
Bank balances other than cash and cash equivalents	5	-	50.02
Loan portfolio	6	36,778.41	39,077.80
Other financial assets	7	4,221.62	153.00
Total financial assets		41,316.66	39,721.93
Non-financial assets			
Current Tax Assets	8	387.47	37.47
Deferred tax assets (net)	9	292.02	20.98
Property, plant and equipment	10	36.35	20.31
Intangible assets			
Other non financial assets	11	20.81	189.65
Total non-financial assets		736.65	268.41
Total assets		42,053.31	39,990.35
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Debt securities	12	1,980.31	-
Borrowings (other than debt securities)	12	23,386.91	24,988.26
Subordinated liabilities		-	-
Other financial liabilities	13	266.46	1,347.70
Total financial liabilities		25,633.69	26,335.96
Non-financial liabilities			
Current tax liabilities	14	1,040.94	593.07
Provisions	15	9.73	5.78
Other non financial liabilities	16	43.42	38.88
Total non-financial liabilities		1,094.09	637.74
Equity			
Equity share capital	17	767.13	767.13
Other equity	18	14,558.41	12,249.52
Total equity		15,325.53	13,016.65
Total liabilities and equity		42,053.31	39,990.35

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

I. Dileep Kumar

Partner

Membership No.223943



Place: Hyderabad

Date: July 07, 2022

For and on behalf of the Board of Directors of

Criss Financial Limited

(formerly known as "Criss Financial Holdings Limited")

Abanti Mitra

Abanti Mitra

Director

DIN No. 02305893

Kaartikya Dhruv Kaj

Kaartikya Dhruv Kaj

Director

DIN No. 07641723

Place: Mumbai

Date: July 07, 2022



Place: Mumbai

Date: July 07, 2022

CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')

Statement of Profit and Loss for the period ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	19	9,842.75	5,111.50
Net gain on fair value changes		-	87.49
Commission income		-	78.75
Others	20	78.66	132.35
Total revenue from operations		9,921.42	5,410.09
Other income	21	198.06	206.08
Total Income		10,119.47	5,616.17
Expenses			
Finance cost	22	3,884.92	2,085.95
Net loss on fair value changes		8.58	-
Impairment on financial instruments	23	1,473.95	525.90
Employee benefit expenses	24	1,151.74	517.92
Depreciation and amortization expense	10	63.12	13.78
Other expenses	25	316.19	146.61
Total expenses		6,898.50	3,290.16
Profit before tax		3,220.97	2,326.01
Tax expense:	26		
Current tax		1,179.40	638.24
Deferred tax		-271.39	-6.25
Income tax expense		908.01	631.99
Profit for the period		2,312.96	1,694.02
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		1.37	2.47
Income tax effect		-0.35	-0.62
Total comprehensive income for the period		2,313.98	1,695.87

Earnings per share (equity share, par value of Rs.10 each)

Computed on the basis of total profit for the period

Basic	30.15	34.90
Diluted	30.15	34.90

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 : 0034755

I. Dileep Kumar

Partner

Membership No.223943



Place: Hyderabad

Date: July 07, 2022

For and on behalf of the Board of Directors of

Criss Financial Limited

(formerly known as "Criss Financial Holdings Limited")

Abanti Mitra

Director

DIN No. 02305893

Place: Mumbai

Date: July 07, 2022

Karkeya Dhruv Kaji

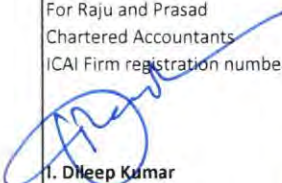

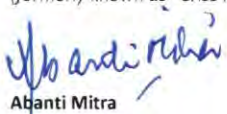


Director

DIN No. 07641723

Place: Mumbai

Date: July 07, 2022



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')			
Statement of audited cashflow statement for the year ended March 31, 2022			
(Rupees in Lakhs unless otherwise stated)			
	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities			
Profit before tax		3,220.97	2,326.01
Adjustments for:			
Interest on income tax		22.58	82.09
Depreciation and amortization	10	63.12	13.78
Provision for gratuity	15	2.59	2.54
Impairment on Financial Instruments	23	1,388.19	178.61
Net Loss on fair value changes		8.58	-87.49
Other provisions and write offs	25	1.36	-1.21
Share based payment to employees	24	-	-2.00
Finance Cost			-
Operating profit before working capital changes		4,707.39	2,512.32
Movements in working capital :			
(Increase) / decrease in bank balances other than cash and cash equivalents		50.02	-9.43
(Increase) / decrease in loan portfolio		911.20	-22,465.52
(Increase) / decrease in financial assets		-4,428.57	847.19
(Increase) / decrease in other non financial assets		168.84	-90.63
Increase / (decrease) in other financial liabilities		-1,081.24	1,186.24
Increase / (decrease) in provisions		2.73	0.34
Increase / (decrease) in other non financial liabilities		4.54	-31.77
Increase in trade receivables			
Cash used in operations		334.92	-18,051.24
Income taxes paid		-754.12	-631.02
Net cash used in operating activities (A)		-419.20	-18,682.26
Cash flows from investing activities			
Purchase of property, plant and equipment	10	-79.15	-21.35
Proceeds from derecognition of property, plant and equipment		-	-
Purchase of intangible assets	10	-5.10	-92.67
Purchase of current investments			-
Sale of current investments			-
Net cash used in investing activities (B)		-84.25	-114.02
Cash flows from financing activities			
Proceeds from issue of equity shares	17		5,000.00
Debt securities		1,980.31	-
Borrowings (other than debt securities) (net)	12	-1,601.35	13,636.41
Subordinated liabilities (net)			
Net cash from financing activities (C)		378.96	18,636.41
Net increased / (decrease) in cash and cash equivalents (A + B + C)		-124.48	-159.87
Cash and cash equivalents at the beginning of the period		441.11	600.98
Cash and cash equivalents at the end of the period (refer note 4)		316.63	441.11
Components of cash and cash equivalents at the period / year end			
Cash on hand		0.82	20.09
Balance with banks - on current account		315.81	421.02
Deposits with original maturity of less than or equal to 3 months			-
Total cash and cash equivalents		316.63	441.11
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 : 0034755		For and on behalf of the Board of Directors of Criss Financial Limited (formerly known as "Criss Financial Holdings Limited")	
 I. Dileep Kumar Partner Membership No.223943		 Abanti Mitra Director DIN No. 02305893	 Kartikeya Dhruv Kaji Director DIN No. 07641723
Place: Hyderabad Date: July 07, 2022		Place: Mumbai Date: July 07, 2022	 Place: Mumbai Date: July 07, 2022

CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Statement of Changes in Equity for the period ended on March 31, 2022

(Rupees in Lakhs unless otherwise stated)

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

Particulars	No. of Shares	Amount
As at April 01, 2020	48,46,410	484.64
Issue of equity share capital during the year ended March 31, 2021 (refer note 17)	28,24,858	282.49
As at March 31, 2021	76,71,268	767.13
Issue of equity share capital during the year ended March 31, 2022 (refer note 17)	-	-
As at March 31, 2022	76,71,268	767.13

B. Other Equity

Particulars	Reserves & Surplus							Total	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	Share option outstanding reserve		
Balance as at April 01, 2020	-	2,406.01	2,478.92	0.52	870.87	167.61	6.88	5,930.81	5,930.81
Received for the year ended March 31, 2021	-92.67	4,717.51	1,694.02	-	-	-	-2.00	4,622.84	4,622.84
Profit for the year ended March 31, 2021	-	-	1,85	-	-	-	-	1,694.02	1,694.02
Remeasurement gain or loss on actuarial valuation	-	-	1.85	-	-	-	-	1.85	1.85
Total comprehensive income	-92.67	4,717.51	1,695.87	-	-	-	-2.00	6,318.71	6,318.71
Transfer to Statutory Reserve	-	-	-339.17	-	339.17	-	-	-	-
Balance as at March 31, 2021	-92.67	7,123.53	3,835.62	0.52	1,210.04	167.61	4.88	12,249.52	12,249.52
Received for the year ended March 31, 2022	-5.08	-	4.88	-	-	-	-4.88	-5.08	-5.08
Profit for the year ended March 31, 2022	-	-	2,312.96	-	-	-	-	2,312.96	2,312.96
Remeasurement gain or loss on actuarial valuation	-	-	1.03	-	-	-	-	1.03	1.03
Total comprehensive income	-5.08	-	2,313.98	4.88	-	-	-4.88	2,308.91	8,632.70
Transfer to Statutory Reserve	-	-	-462.82	-	462.80	-	-	-0.02	-0.02
Balance as at March 31, 2022	-97.74	7,123.53	5,686.78	5.40	1,672.84	167.61	-	14,558.41	14,558.41

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 : 0034755


Dileep Kumar
Partner

Membership No.223943



Place: Hyderabad
Date: July 07, 2022

For and on behalf of the Board of Directors of
Criss Financial Limited
(formerly known as "Criss Financial Holdings Limited")


Abanti Mitra
Director

DIN No. 02305893

Kartikya Dhruv Kaji
Director
DIN No. 07641723

Place: Mumbai
Date: July 07, 2022

Place: Mumbai
Date: July 07, 2022



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

	(Rupees in Lakhs unless otherwise stated)	
	As at March 31, 2022	As at March 31, 2021
4: Cash and cash equivalents		
Cash on hand	0.82	20.09
Balances with banks		
On current accounts*	315.81	421.02
Deposit with original maturity of less than three months		-
	316.63	441.11
*of above Rs.18.60 Lakhs is earmarked for Corporate Social Responsibility expenditure		
5: Bank balances other than cash and cash equivalents		
Margin money deposit (refer note below)	-	50.02
	-	50.02
Note: Represent margin money deposits placed to avail term loans from banks and non banking financial companies		
6: Loan portfolio		
Term Loans		
Loan Portfolio	38,380.11	39,323.99
Less: Impairment Allowance	-1,601.70	-246.19
Total Net	36,778.41	39,077.80
(a) Secured by Tangible assets (Gold, Property including land and buildings)	9,515.05	11,518.44
(b) Unsecured	28,865.06	27,805.55
Total - Gross	38,380.11	39,323.99
Less: Impairment Allowance	-1,601.70	-246.19
Total - Net	36,778.41	39,077.80
(a) Public Sector	-	-
(b) others	38,380.11	39,323.99
Total - Gross	38,380.11	39,323.99
Less: Impairment Allowance	-1,601.70	-246.19
Total - Net	36,778.41	39,077.80
(a) Within India	38,380.11	39,323.99
(b) Outside India	-	-
Total - Gross	38,380.11	39,323.99
Less: Impairment Allowance	-1,601.70	-246.19
Total - Net	36,778.41	39,077.80

* Represents assets classified under stage I and stage II in accordance with Company's asset classification policy [refer note 3(f)(i)]

** Represents assets classified under stage III in accordance with Company's asset classification policy [refer note 3(f)(i)]

Overview of the loan portfolio of the Company

The Company is primarily in the business of providing Individual & Loan against property loans with its operations spread out in Andhra Pradesh & Telangana in India.

The table below discloses credit quality of the Company's exposures (net of impairment loss allowance) as at reporting date:

Portfolio classification as at March 31, 2022

Particulars	Stage I	Stage II	Stage III	Total
Net Portfolio as on March 31, 2022				
New portfolio	32,482.24	1,982.93	2,313.24	36,778.41
Considered doubtful				
New portfolio	-	-	-	-
Total	32,482.24	1,982.93	2,313.24	36,778.41

* Represents assets classified under stage I and stage II in accordance with Company's asset classification policy [refer note 3(f)(i)]

** Represents assets classified under stage III in accordance with Company's asset classification policy [refer note 3(f)(i)]

Portfolio classification as at March 31, 2021

Particulars	Stage I	Stage II	Stage III	Total
Others			-	-
Net Portfolio as on March 31, 2021				
New portfolio	38,066.64	638.72	-	38,705.35
Considered doubtful				
New portfolio	-	-	372.45	372.45
Total	38,066.64	638.72	372.45	39,077.80



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

As at March 31, 2022 As at March 31, 2021

Gross Portfolio Movement for the year ended March 31, 2022

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2021	38,115.90	753.26	454.83	39,323.99
New assets originated	31,041.55	-	-	31,041.55
Assets repaid	-31,938.48	-220.42	259.24	-31,899.66
Write offs	-	-	-85.76	-85.76
Inter-stage movements				
Stage I	2.67	-1.88	-0.79	-
Stage II	-2,345.36	2,345.36	-	-
Stage III	-2,453.61	-422.06	2,875.67	-
Gross carrying amount as at March 31, 2022	32,422.67	2,454.25	3,503.19	38,380.11

Gross Portfolio Movement for the year ended March 31, 2021

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2020	16,807.88	45.79	4.80	16,858.47
New assets originated	32,595.32	-	-	32,595.32
Assets repaid	-10,372.07	111.15	-99.81	-10,360.74
Write offs	3.00	1.10	226.84	230.94
Inter-stage movements				
Stage I	102.81	-96.94	-5.86	-0.00
Stage II	-729.37	732.97	-3.60	0.00
Stage III	-291.67	-40.80	332.47	-
Gross carrying amount as at March 31, 2021	38,115.90	753.26	454.83	39,323.99

ECL (Expected Credit Loss) movement during the year ended March 31, 2022:-

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	49.26	114.54	82.38	246.19
Provision made/ (reversed) during the year	45.26	208.43	1,101.83	1,355.52
Inter-stage movements				
Stage I	8.17	67.12	-75.29	-
Stage II	-4.40	4.40	-	-
Stage III	-3.77	-71.52	75.29	-
Write off	-	-	-	-
Closing Balance	94.52	322.97	1,184.21	1,601.70

Note :-

- a) ECL for Stage I has increased primarily on account of change of provisioning policy during the year.
b) ECL for stage II has increased primarily on account of new assets originated during the year.
c) ECL for stage III has increased primarily on account of new assets originated during the year.

ECL movement during the year ended March 31, 2021:-

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	67.16	0.18	0.24	67.58
Provision made/ (reversed) during the year	-17.89	114.36	82.14	178.61
Inter-stage movements				
Stage I	3.01	-3.23	0.22	-
Stage II	-112.40	112.41	-0.01	0.00
Stage III	-98.04	-0.21	98.25	-
Write off	207.42	-108.97	-98.45	-
Closing Balance	49.26	114.54	82.38	246.19

Note :-

- a) ECL for Stage I has increased primarily on account of new assets originated during the year.
b) ECL for stage II has increased primarily on account of new assets originated during the year.
c) ECL for stage III has declined primarily on account of write off and recoveries/collections made by the Company during the year.

7: Other financial assets (at amortised cost)

A. Security deposits

Unsecured, considered good

21.14 18.85

B. Other assets

Term deposits placed with non banking financial companies#

52.94 50.00

Retained interest on Asset Assigned

5.32 71.59

Other assets

4,142.22 12.56

4,200.48 134.15

Total (A+B)

4,221.62 153.00

Represent margin money deposits placed to avail term loans from non banking financial institution transactions.

8: Current tax Assets

Advance income tax

387.47 37.47

387.47 37.47

9: Deferred tax assets (net)

Deferred tax assets (net)

292.02 20.98

Net deferred tax assets/(liabilities)

292.02 20.98



(Handwritten signature)

CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

9.1: Deferred Tax Assets (net)

Movement in deferred tax balances for the year ended March 31, 2022

Particulars	Net Balance April 01, 2021	(Charge)/Credit in Profit & Loss	Recognised in OCI	Net Balance March 31, 2022	Deferred Tax Assets/(Deferred Tax Liabilities)
Deferred tax assets/ (liabilities)					
Impact of difference between tax depreciation/ amortisation	6.39	4.79		11.18	11.18
Remeasurement gain / (loss) on defined benefit plan	-0.04		-0.35	-0.39	-0.39
Impairment allowance for loans	61.96	341.16		403.12	403.12
Other items	-47.33	-74.55		-121.88	-121.88
Net Deferred tax assets / (liabilities)	20.98	271.39	-0.35	292.02	292.02

Movement in deferred tax balances for the year ended March 31, 2021

Particulars	Net Balance April 01, 2020	(Charge)/Credit in Profit & Loss	Recognised in OCI	Net Balance March 31, 2021	Deferred Tax Assets/(Deferred Tax Liabilities)
Deferred tax assets/ (liabilities)					
Impact of difference between tax depreciation/ amortisation	5.43	0.96	-	6.39	6.39
Remeasurement gain / (loss) on defined benefit plan	-0.00	-	-0.04	-0.04	-0.04
Impairment allowance for loans	17.01	44.95	-	61.96	61.96
Other items	-7.09	-40.24	-	-47.33	-47.33
Net Deferred tax assets / (liabilities)	15.35	5.67	-0.04	20.98	20.98



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')

Notes to the Financial Statements for the Year ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

10: Property, plant and equipment

Particulars	Furniture & Fixtures	Office Equipment	Computers	Right of use asset	Total
Gross block (at cost)					
At March 31, 2020	22.39	4.86	22.71	-	49.96
Addition	5.31	2.39	13.65	-	21.35
Disposals	-	-	-	-	-
At March 31, 2021	27.70	7.25	36.36	-	71.31
Addition	89.89	131.78	17.24	23.74	262.64
Disposals	79.82	104.12	18.52	-	202.47
At March 31, 2022	37.76	34.90	35.08	23.74	131.49
Depreciation					
At March 31, 2020	19.74	4.22	17.79	-	41.75
Charge for the year	3.19	0.86	5.19	-	9.24
Disposals	-	-	-	-	-
At March 31, 2021	22.93	5.09	22.97	-	50.99
Charge for the year	15.73	19.14	11.42	16.83	63.12
Disposals	6.16	8.83	3.98	-	18.97
At March 31, 2022	32.50	15.39	30.41	16.83	95.14
Net Carrying Amount					
At March 31, 2020	2.65	0.63	5.93	-	8.21
At March 31, 2021	4.76	2.16	13.39	-	20.31
At March 31, 2022	5.27	19.51	4.67	6.90	36.35
Intangible assets					
Particulars			Computer Software	Good will	Total
Gross block (at cost)					
At March 31, 2020			14.51		14.51
Addition			-		-
Disposals			-		-
At March 31, 2021			14.51		14.51
Addition					
Disposals					
At March 31, 2022			14.51		14.51
Amortization					
At March 31, 2020			9.98		9.98
Charge for the year			4.54		4.54
Disposals			-		-
At March 31, 2021			14.51		14.51
Charge for the year					
Disposals					
At March 31, 2022			14.51		14.51
Net Carrying Amount					
At March 31, 2020			4.54		4.54
At March 31, 2021			-0.00		-
At March 31, 2022			-0.00		-0.00



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
11: Other non financial assets		
Unsecured, considered good		
Employee Loans	3.79	0.32
Insurance Claim receivables	14.21	82.67
Prepaid Expenses	1.20	0.07
Other receivables	0.17	106.41
Other deposits	1.44	0.18
	20.81	189.65
12: Debt securities (at amortised Cost)		
Secured		
600 (March 31, 2020: Nil), 12.65% Secured, Redeemable, Principal Protected Market Linked Non-convertible Debentures of face value of Rs.1 Lakh each redeemable at par at the end of Nineteen months from the date of allotment i.e. June 15, 2021.	660.56	-
1200 (March 31, 2020: Nil), 12.75% Secured, Redeemable, Principal Protected Market Linked Non-convertible Debentures of face value of Rs.1 Lakh each redeemable at par at the end of Twenty Five months from the date of allotment i.e. June 15, 2021.	1,319.75	-
	1,980.31	-
12: Borrowings (at amortised Cost)		
Borrowings (other than debt securities)		
Term loans		
Secured		
Indian rupee loan from banks	1,919.72	2,146.14
Indian rupee loan from non-banking financial companies	10,165.10	15,437.23
Unsecured		
Advances from related parties(unsecured)	11,302.08	7,404.89
Total Borrowings (other than debt securities)	23,386.91	24,988.26
Above amount includes		
Secured borrowings*	12,084.82	17,583.37
Unsecured borrowings #	11,302.08	7,404.89
Net amount	23,386.91	24,988.26
Borrowings in India	23,386.91	24,988.26
Borrowings outside India	-	-
Total	23,386.91	24,988.26

* The Indian rupee loans are secured by hypothecation of book debts and margin money deposits.

The Unsecured borrowings are in the nature of subordinated debt and advance from related parties

The Company is regular in filing of quarterly returns and statements of current assets with lenders and are in agreement with the books of account.



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

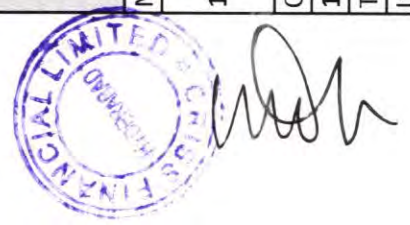
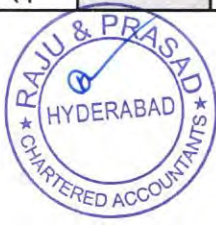
(Rupees in Lakhs unless otherwise stated)

12A: Terms of principal repayment of long term borrowings as at March 31, 2022

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								
1-3 years	12%-12.99%	68	2,449.22	27	492.17	-	-	2,941.39
	13%-14%	116	5,291.58	3	143.42	-	-	5,435.00
	15%	-	-	-	-	-	-	-
Quarterly								
1-3 years	12%-12.99%	4	500.00	-	-	-	-	500.00
Halfyearly								
1-3 years	12%-12.99%	4	833.33	2	2,344.19	-	-	3,177.52
MILD								
1-3 years	12%-12.99%			2	1,812.97	-	-	1,812.97
ICD	13%	40	11,302.08					11,302.08
Total		232	20,376.21	34	4,792.75	-	-	25,168.96
Impact of EIR								198.26
Grand Total								25,367.22

12A: Terms of principal repayment of long term borrowings as at March 31, 2021

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								
1-3 years	12%-12.99%	23	2,792.91	8	1,010.99	-	-	3,803.90
	13%-14%	92	6,523.63	89	6,263.07	2	65.29	12,851.99
	13%	-	7,280.00	-	-	-	-	7,280.00
Quarterly								
1-3 years	12%-12.99%	4	500.00	4	500.00	-	-	1,000.00
Total		119	17,096.54	101	7,774.06	2	65.29	24,935.89
Impact of EIR								52.37
Grand Total								24,988.26



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
13: Other financial liabilities		
Employee benefits payable	31.95	74.91
Employee Related Payables	12.18	66.89
Bonus Payable	5.52	5.52
Leave Encashment	14.25	2.51
Expenses payable	124.21	35.69
Payable on assigned loans	56.14	250.19
Insurance premium collected and claims payable	6.51	23.71
Sundry creditors	32.84	825.17
Other Payables	14.81	138.03
	266.46	1,347.70
14: Current tax liabilities		
Provision for tax	1,040.94	593.07
	1,040.94	593.07
15: Provisions		
Provision for gratuity (net of contribution)	6.82	4.23
Provision for doubtful claims	2.91	1.55
	9.73	5.78
16. Other non financial liabilities		
Statutory dues payable	41.43	38.88
Unamortized Collection fees	1.99	
	43.42	38.88
17: Equity Share capital		
<i>Authorized</i>		
1,00,00,000 (March 31,2021: 1,00,00,000,) equity shares of Rs.10 each	1,000.00	1,000.00
	1,000.00	1,000.00
<i>Issued, subscribed and paid-up</i>		
76,71,268 (March,31,2020: 76,71,268) equity shares of Rs.10 each fully paid up	767.13	767.13
Total	767.13	767.13

(a) Terms / rights attached to equity shares

The Company has only one class of equity shares of face value of Rs.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 Board of Directors.

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 outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the period	76,71,268	767.13	48,46,410	484.64
Issued during the period	-	-	28,24,858	282.49
Outstanding at the end of the period	76,71,268	767.13	76,71,268	767.13

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.

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Spandana Sphoorthy Financial Limited	75,52,204	98.45%	75,52,204	98.45%

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

Promoter Name	Shares held by promoters at the end of the year		% Change during the year**
	No. of Shares*	% of total shares*	
Spandana Sphoorthy Financial Limited	75,52,204	98.45	0
Feroz Khan Abdul	1	-	0
Padmaja Gangireddy	1	-	0
Vijaya Sivarami Reddy Vendidandi	1	-	0
Revan Saahith Reddy Vendidandi	1	-	0
Raju Danttu	1	-	0
CH Venkata Nagareswara Rao	1	-	0
Total	75,52,210	98.45	0

* The Company is having only one class of equity shares



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
18: Other Equity		
Money received against share warrants		
Securities premium		
Balance as per the last financial statements	7,123.53	2,406.01
Add: Premium on issue of equity shares	-	4,717.51
Less: Utilized for premium on redemption of Preference shares	-	-
Closing balance	7,123.53	7,123.53
General reserve	5.40	0.52
Share options outstanding reserve	-	4.88
Capital redemption reserve		
Balance as per the last financial statements	167.61	167.61
Add: Addition during the year	-	-
Closing balance	167.61	167.61
Statutory reserve		
Balance as per the last financial statements	1,210.04	870.87
Add: Amount transferred from surplus of profit and loss	462.80	339.17
Closing balance	1,672.84	1,210.04
Capital reserve	-97.74	-92.67
Surplus in the statement of profit and loss		
Balance as per the last financial statements	3,835.59	2,478.92
Add: Profit for the year	2,312.96	1,694.02
Add: Other Comprehensive Income	1.03	1.85
Less: Transfer to Statutory Reserve [@ 20% of profit after tax as required by Section 45-IC of Reserve Bank of India Act, 1934]	-462.80	-339.17
Net surplus in the statement of profit and loss	5,686.78	3,835.62
Total other equity	14,558.41	12,249.52
*For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2022.		
Nature and purpose of other equity		
Securities premium		
Securities premium reserve 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		
Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.		
Share options outstanding reserve		
The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.		
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 451C of Reserve Bank of India Act 1934.		
Retained earnings		
Retained earnings represents the surplus in profit and loss account and appropriations.		
Other Comprehensive income		
Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income) and net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.		
19: Interest Income		
Measured at amortised cost		
Interest on portfolio loans	9,839.47	5,083.23
Interest on margin money deposits*	3.29	3.56
Interest on inter corporate advances	-	24.71
	9,842.75	5,111.50
*Represent margin money deposits placed to avail term loans from banks and non banking financial companies		
20: Others		
Recovery against loans written off	78.66	132.35
	78.66	132.35
21: Other income		
Income from assignment of loans	-	15.25
Advertisement Income	158.22	140.19
Miscellaneous income	39.84	50.64
	198.06	206.08



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
22: Finance cost		
Interest		
Measured at amortised cost		
On Debt Securities	177.89	-
On Borrowings (other than debt securities)	3,681.17	2,003.86
On income tax	22.58	82.09
On lease liabilities	3.28	-
	3,884.92	2,085.95
Net loss on fair value changes		
Derivative assets designated at fair value through Profit and loss	8.58	-87.49
Derivative liabilities designated at fair value through Profit and loss	-	-
	8.58	-87.49
Net (gain) / loss on fair value instruments at fair value through profit or loss		
On MLD's	12.97	-
Gain on Direct assignment	-4.39	-87.49
Total Net (gain) / Loss on fair value changes	8.58	-87.49
23: Impairment on financial instruments		
Impairment on portfolio loans	1,388.19	178.61
Portfolio loans written off	85.76	347.29
	1,473.95	525.90
24: Employee benefits expenses		
Salaries, wages and bonus	1,087.38	481.66
Contribution to provident fund and Other Funds	54.16	28.34
Expenses on Employee Stock Option Plan	-	-2.00
Gratuity expense	-	0.07
Staff welfare expenses	10.20	9.86
	1,151.74	517.92
25: Other expenses		
Rent	92.36	49.41
Rates and taxes	0.52	0.10
Bank charges	24.32	23.10
Office maintenance	28.87	12.13
Repairs and maintenance	0.34	0.09
Electricity charges	8.78	4.88
Travelling and Conveyance expenses	5.37	0.95
Communication expenses	1.36	0.40
Credit Bureau Expenses	1.14	0.16
Printing and stationery	8.49	4.47
Legal and professional charges	17.90	7.60
Auditors remuneration (refer details below)	8.20	4.91
Insurance Expenses	1.31	1.53
Professional Tax Charges	0.02	0.05
Advertisement Expenses	31.04	3.32
Other provisions and write off	1.36	-1.21
GST Late filing Fee	-	0.09
NSDL Joining and Custodian Fee	0.26	-
Loss from theft & Fraud	21.25	0.36
CSR Expenses	42.00	33.87
Miscellaneous expenses	21.27	0.39
	316.19	146.61
Payment to auditors		
Audit fee	7.63	4.91
Certification Fee	0.20	-
Out of pocket expenses	0.37	-
	8.20	4.91



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the period ended March 31, 2022

	(Rupees in Lakhs unless otherwise stated)	
	As at March 31, 2022	As at March 31, 2021
26: Income Tax Expense		
A. Income tax expense in the statement of profit and loss consists of:		
Current Income Tax:		
Income Tax	1,179.40	638.24
Deffered Tax	-271.39	-6.25
Income Tax expense reported in the statement of profit or loss	908.01	631.99
Income tax recognised in other comprehensive income		
Deffered tax arising on income and expenses recognised in other comprehensive income	-0.35	-0.62
Total	907.67	631.37
B. The reconciliation between the provision of Income Tax of the Company and amounts computed by applying the Indian statutory Income Tax rate to profit before taxes is as follows:		
Profit before tax	3,222.34	2,328.48
Enacted tax rates in India	0.25	0.25
Computed tax expense	811.00	586.03
Effect of :		
Non-deductible expenses	16.25	29.19
Additional Deductions as per Income tax	-12.22	-6.18
Others	92.63	22.33
Total Income Tax expense	907.67	631.37
27: Earning per Share		
Net profit after tax as per Statement of Profit and Loss	2,312.96	1,694.02
Calculation of weighted average number of equity shares for basic EPS		
Equity shares		
Opening No. of shares	76,71,268	48,54,149
Add: Fresh issued during the year	-	-
	76,71,268	48,54,149
Weighted average number of equity shares for diluted EPS	76,71,268	48,54,149
Basic earnings per share (In rupees)	30.15	34.90
Diluted earnings per share (In rupees)	30.15	34.90
Nominal value per share: Rs.10 (Previous year: Rs.10)		



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

28: Segment Reporting

The Company operates in a single business segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

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

- a) Abhiram Marketing Services Limited
- b) Spandana Rural and Urban Development Organization
- c) Spandana Mutual Benefit Trust

III. Key Management Personnel

- a) Mrs. Padmaja Gangireddy - Director
- b) Mr. Vendidandi Vijaya Sivarami Reddy - Relative of Director

Related party transactions during the period:

(Rupees in Lakhs unless otherwise stated)

S. No	Related Party	Nature of Transactions	Transactions during	Transactions during	(Payable)/Receivable	
			year ended March 31, 2022	year ended March 31, 2021	March 31, 2022	March 31, 2021
1	Spandana Sphoorty Financial Limited	Expenses reimbursement	813.03	0.81	0.59	-0.26
		Loans given	27,759.27	10,800.00	-11,188.84	-7,280.00
		Loans repaid	23,850.43	13,850.00	-	-
		Interest expense	1,283.70	1,489.43	-113.24	-124.89
		LAP Branches	-	9,027.72	-	-805.65
		Subscription to equity shares	-	5,000.00	-	-
2	Abhiram Marketing Services Limited	Others	-	57.59	-	7.50
		Purchases	-	2.49	-	-
		Commission Received	-	78.75	-	77.56
		Unsecured Loan Received	-	800.00	-	-
		Interest Received	-	24.71	-	-
		Others	-	1,082.99	-	-13.12
3	Mrs. Padmaja Gangireddy	Rent paid	-	5.56	-	-
4	Mr. Vendidandi Vijaya Sivarami Reddy	Rent paid	8.40	2.10	-0.63	-0.65
5	Spandana Rural and Urban Development Organization	Interest paid	-	16.13	-	-
6	Spandana Mutual Benefit Trust	Gold Loan Portfolio amount to be received	9,305.60	-	4,142.22	-
		Related to Fixed Assets towards Gold branches	226.39	-	-	-
		Related to Rental Deposits towards Gold branches	33.56	-	1.48	-

Transactions during the period are shown net of service tax/GST and inclusive of TDS.



30: Contingent Liabilities not provided for

Particulars	March 31, 2022	March 31, 2021
Claims against the Company not acknowledge as debts: Income tax assessment order for FY 2016-17	187.36	187.36
Total	187.36	187.36

The Company received an income tax assessment-cum-demand order for FY 2016-17, inter alia, raising a demand of Rs.187.36 Lakhs(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, 2022. The Company has deposited Rs.37.47 Lakhs against such demand in the process of filing the aforesaid appeal.

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.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

1. Fair values of investments held under FVTPL have been determined under level 1 using quoted Net Asset Value of the underlying instruments;
2. Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and selling the loans are measured at FVOCI. The fair value of these loans has been determined under level 2.

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying Value as at		Fair Value as at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Assets measured at FVOCI				
Loan Portfolio	34,766.91	38,728.70	34,733.92	38,724.11
Financial Assets measured at cost				
Cash and cash equivalents	316.63	441.11	316.63	441.11
Bank Balances other than cash and cash equivalent	-	50.02	-	50.02
Other Financial Assets	4,221.62	140.44	4,221.62	140.44
Total Financial Assets	39,305.16	39,360.28	39,272.17	39,355.69
Financial liabilities				
Borrowings (Other than Debt Securities)	23,386.91	24,988.26	23,633.61	25,073.94
Borrowings (Debt Securities)	1,980.31	-	1,980.31	-
Other financial liabilities	266.46	1,347.70	266.46	1,347.70
Total Financial Liabilities	25,633.69	26,335.96	25,880.38	26,421.64

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.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required):-

I. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2022 is as follows:

Assets

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Loan Portfolio at amortized cost	34,766.91	34,733.92	-	34,733.92	-	34,733.92
Total	34,766.91	34,733.92	-	34,733.92	-	34,733.92



Liabilities

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Borrowings (Other than Debt Securities)	23,386.91	23,633.61	-	23,633.61	-	23,633.61
Subordinated Liabilities	-	-	-	-	-	-
Total	23,386.91	23,633.61	-	23,633.61	-	23,633.61

II. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2021 is as follows:

Assets

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Loan Portfolio at amortized cost	38,728.70	38,724.11	-	38,724.11	-	38,724.11
Total	38,728.70	38,724.11	-	38,724.11	-	38,724.11

Liabilities

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Borrowings (Other than Debt Securities)	24,988.26	25,073.94	-	25,073.94	-	25,073.94
Subordinated Liabilities	-	-	-	-	-	-
Total	24,988.26	25,073.94	-	25,073.94	-	25,073.94

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, 2022 and March 31, 2021.

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 Company's policy 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.

Regulatory Capital

Particulars	March 31, 2022	March 31, 2021
Tier I Capital	15,033.51	12,995.67
Tier II Capital	90.89	49.26
Total Capital	15,124.40	13,044.93
Risk weighted assets	41,241.75	39,583.70
Tier I CRAR	36.45%	32.83%
Tier II CRAR	0.22%	0.12%
Total CRAR	36.67%	32.96%

CRAR is computed in line with RBI notification dated March 13, 2020 w.r.t implementation of Indian Accounting Standards.

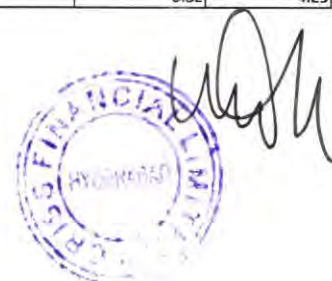
34: Employee Benefit Plans

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 Rs.2,000,000 as per The Payment of Gratuity Act, 1972. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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, 2022	March 31, 2021
Defined benefit obligation as at the beginning of the year	4.23	4.17
Current service cost	3.68	2.28
Interest on defined benefit obligation	0.28	0.26
Remeasurements- Actuarial (gain)/ Loss on total liabilities	-1.37	-2.47
Benefits paid	-	-
Defined benefit obligation as at the end of the year	6.82	4.23



Movement in plan assets

Particulars	March 31, 2022	March 31, 2021
Fair value of plan assets as at the beginning of the year	-	-
Actual return on plan assets	-	-
Actuarial gains	-	-
Employer contributions	-	1.04
Benefits paid	-	-1.04
Fair value of plan assets as at the end of the year	-	-

Reconciliation of net liability/ asset

Particulars	March 31, 2022	March 31, 2021
Net defined benefit liability/ (asset) as at the beginning of the year	4.23	4.17
Expense charged to statement of profit & loss	3.96	2.54
Amount recognised in other comprehensive income	-1.37	-2.47
Employer contributions	-	-
Net defined benefit liability/ (asset) as at the end of the year	6.82	4.23

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2022	March 31, 2021
Present value of obligations	6.82	4.23
Fair value on plan assets	-	-
Net defined benefit liability recognised in balance sheet	6.82	4.23

Expenses charged to the statement of profit and loss

Particulars	March 31, 2022	March 31, 2021
Current service cost	3.68	2.28
Interest Cost	0.28	0.26
Total	3.96	2.54

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2022	March 31, 2021
Remeasurements- Actuarial Gain/	1.37	2.47
Amount recognised under Other Comprehensive Income	1.37	2.47

Summary of Actuarial Assumptions

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.81%	6.65%
Expected return on plan assets	NA	NA
Rate of Increase in compensation levels	5.00%	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, 2022	March 31, 2021
Discount rate (+0.5%)	-0.19	-0.19
Discount rate (-0.5%)	0.20	0.20
Salary Inflation (+1%)	0.42	0.43
Salary Inflation (-1%)	-0.39	-0.37
Withdrawal Rate (+5%)	-0.82	-0.41
Withdrawal Rate (-5%)	0.85	0.25

Projected plan cash flow

Particulars	March 31, 2022	March 31, 2021
1Year	0.27	0.05
2Year	0.42	0.12
3Year	0.62	0.22
4Year	0.84	0.38
5 Year	1.31	0.53
After year 5	7.35	7.80

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.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during 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.



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

35: Leases

Operating lease where the Company is a lessee

The Company's significant leasing arrangements are in respect of operating leases of office premises (Head office and branch office). The branch office premises are generally rented on cancellable term of eleven months with or without escalation clause, however none of the lease agreement carries non-cancellable lease periods. There are no sub-leases. Lease payments during the period are charged to statement of profit and loss.

Particulars	March 31, 2022	March 31, 2021
Operating lease payments recognized in the Statement of Profit & Loss	92.36	49.41

Minimum lease obligations

Particulars	March 31, 2022	March 31, 2021
Not later than one year	8.39	-
Later than one year and not later than five years	6.42	-
Later than five years	-	-

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

Particulars	ROU assets
As at April 01, 2020	-
Addition	-
Deletion	-
Depreciation	-
As at March 31, 2021	-
Addition	23.74
Deletion	-
Depreciation	-16.83
As at March 31, 2022	6.90

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	Amount
As at April 01, 2020	-
Addition	-
Accretion of interest	-
Deletion	-
Payments	-
As at March 31, 2021	-
Addition	23.74
Accretion of interest	3.28
Deletion	-
Payments	-12.21
As at March 31, 2022	14.81

The Maturity analysis of lease liabilities:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Lease Liabilities - 31 March 2022	0.65	0.65	0.66	2.02	4.40	6.42	-	-	14.81
Lease Liabilities - 31 March 2021	-	-	-	-	-	-	-	-	-

The following are the amounts recognised in statement of profit or loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	16.83	-
Interest expense on lease liabilities	3.28	-
Expense relating to short-term leases	92.36	49.41
Expense relating to leases of low-value assets	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	112.47	49.41

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Lease Liabilities - 31 March 2022	0.80	0.80	0.80	2.40	4.97	6.73	-	-	16.50
Lease Liabilities - 31 March 2021	-	-	-	-	-	-	-	-	-

36: Amount payable to micro small and medium enterprises

As per information available with the Company, There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

As at March 31, 2022 & March 31, 2021, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

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 NBFC, 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 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.

The Company is based on providing Individual & Loan against property-loans, our results of operations are affected by the performance and the future growth potential of NBFC business in 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 as discussed below.

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 periods. Such observation time frame varies depending upon the type of underlying assets analysed by the Company i.e. for Stage II, the timeframe used is more than 1 year.

In determining the above 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 state depending upon the underlying classification of asset (i.e. Stage I or Stage II).

Re-calibration of PDs for FY 2021-22 on account COVID-19 pandemic:

During the year, the Company has reassessed its estimates of PD for the loan portfolio impacted by COVID-19 disruption, considering it as a separate cohort. In respect of this cohort, the Company has considered more recent flow rates (i.e. slippages into default category) subsequent to expiry of loan moratorium granted to borrowers pursuant to the RBI's COVID-19 Regulatory Package. Such flow rates are considered to represent the expected defaults more appropriately than the pre-COVID loss experience. 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.

Summary of the range of PD rates determined by the Company for its portfolio (including the cohort impacted by COVID-19) are as follows:

State	March 31, 2022		March 31, 2021	
	Stage-I	Stage-II	Stage-I	Stage-II
Andhra Pradesh	0.6%-2%*	40.00%	0.03%-2%*	61.61%
Telangana	0.1%-2%*	48.00%	0.03%-2%*	35.94%

*Represents PD rates for cohort impacted by COVID-19

For stage-III portfolio the PD rate is 100 %

B) Exposure at default (EAD)

A summary of LGD rates determined by the Company are given below:

State	March 31, 2022	March 31, 2021
Andhra Pradesh	20%-50%*	0%-50%*
Telangana	20%-50%*	5.86%-50%*

*Represents LGD rates for cohort impacted by COVID-19

Analysis of concentration risk is as follows:-

States	March 31, 2022	March 31, 2021
Andhra Pradesh	86.35%	87.91%
Telangana	13.65%	12.09%
Total	100.00%	100.00%

Collateral and other credit enhancement

The Company's secured portfolio includes loans against security of Gold and 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.

37.1.a Inter-corporate advance given by the Company to related parties are repayable on demand and governed by Company's policy on demand loans approved by the board of directors. Such policy requires credit appraisal of the financial and operational performance of the counter parties, to be performed by the Company before renewing/rolling over of the advance.

37.1.b Credit Risk due to Covid-19 Pandemic

The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020, the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers which has consequently impacted the carrying value of the financial assets, financial position and performance of the Company.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of installments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy.

In management's view, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated and recorded a management overlay allowance in its provision for expected credit loss, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.

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 an 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.



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

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

Maturity pattern of assets and liabilities as on March 31, 2022:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*#	1,660.29	2,113.35	4,475.89	5,894.46	8,109.29	4,406.57	-	-	26,660
Other Financial Liabilities	121.49	-	6.51	14.25	124.21	-	-	-	266.46
Advances	2,445.34	2,633.06	2,631.20	7,705.69	11,761.55	9,007.66	1,356.22	9,552.20	47,093
Other Financial Assets	833.76	828.44	828.44	1,656.89	52.94	21.14	-	-	4,221.62

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

#Refer note 12A

Maturity pattern of assets and liabilities as on March 31, 2021:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	840.21	830.31	967.01	2,982.64	13,290.76	8,335.82	-	-	27,246.76
Other Financial Liabilities	1,308.05	-	13.59	14.56	11.51	-	-	-	1,347.70
Advances**	3,227.59	2,652.67	2,298.79	6,119.62	11,764.32	20,317.07	3,127.41	1,147.76	50,655.24
Other Financial Assets	11.24	8.75	7.98	19.52	20.08	54.01	18.85	-	140.45

*Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

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.

	March 31, 2022			March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	316.63	-	316.63	441.11	-	441.11
Bank balances other than cash and cash equivalents	-	-	-	50.02	-	50.02
Trade receivables	-	-	-	-	-	-
Loan Portfolio	23,115.48	13,662.92	36,778.41	19,317.78	19,760.02	39,077.80
Other financial assets	4,200.48	21.14	4,221.62	67.58	72.86	140.44
Subtotal - Total financial assets	27,632.59	13,684.06	41,316.66	19,876.50	19,832.88	39,709.38
Non-financial assets						
Current tax assets (net)	-	387.47	387.47	-	37.47	37.47
Deferred tax assets (net)	-	292.02	292.02	-	20.98	20.98
Property, plant and equipment	-	36.35	36.35	-	20.31	20.31
Intangible assets	-	-	-	-	-	-
Other non-financial assets	19.37	1.44	20.81	202.02	0.18	202.20
Subtotal - Total non-financial assets	19.37	717.29	736.65	202.02	78.95	280.97
Total assets	27,651.96	14,401.35	42,053.31	20,078.52	19,911.83	39,990.35
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Borrowings (including debt securities)	21,173.66	4,193.57	25,367.22	17,138.02	7,850.24	24,988.26
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	266.46	-	266.46	1,347.70	-	1,347.70
Subtotal - Total financial liabilities	21,440.12	4,193.57	25,633.69	18,485.72	7,850.24	26,335.96
Non-financial liabilities						
Current tax liabilities (net)	1,040.94	-	1,040.94	593.07	-	593.07
Provisions	2.91	6.82	9.73	1.55	4.23	5.78
Other non-financial liabilities	43.42	-	43.42	38.88	-	38.88
Subtotal - Total non-financial liabilities	1,087.26	6.82	1,094.09	633.50	4.23	637.74
Total Liabilities	22,527.38	4,200.39	26,727.77	19,119.22	7,854.47	26,973.70
Net	5,124.58	10,200.96	15,325.53	959.30	12,057.35	13,016.65

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:

Particulars	March 31, 2022	March 31, 2021
Finance Cost		
0.50 % Increase	20.98	43.29
0.50 % Decrease	-20.98	-43.29



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.

38: Transfer of Financial assets

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	For the year ended
Carrying amount of derecognised financial assets	267.96	1,260.79
Gain/(loss) from derecognition	-4.39	87.49

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 provided various equity settled share based payment schemes to its employees. The details are ESOP scheme are as follows as on March 31, 2022

Particulars	Grant	Number of Options granted	Vesting Period (in years)	Vesting Conditions
ESOP Scheme 2018	Grant 3	13,500	4	30%, 30%, 20% and 20% vests every year subject to continuance of services

Exercise period for all the above schemes is 9 years from the date of grant of the options.

The expense recognised for employee services received during the year is Rs. 4.88 Lakhs

A. The following table lists the input to the black scholes models used for the options granted during the year ended March 31, 2021

Particulars	Grant III
Date of Grant	07-Feb-19
Date of Board / Compensation/ Committee Approval	07-Feb-19
Number of Options Granted	13500
Method of settlement	Equity
Graded Vesting Period	
Day following the expiry of 12 months from grant	30%
Day following the expiry of 24 months from grant	30%
Day following the expiry of 36 months from grant	20%
Day following the expiry of 48 months from grant	20%
Day following the expiry of 60 months from grant	
Exercise Period	9 Years from the date of grant
Vesting conditions	Employee must be in service at the
Weighted average of remaining contractual Life in Years	7.85

b. The details of activity under ESOP Scheme 2018 Plan with an exercise price of Rs.263.35/- for the year ended March 31, 2022 have been summarised as below:

Particulars	Grant III
Outstanding at the Beginning of the period/ year *	3000
Granted during the period/ year	-
Lapsed during the period/ year	3,000.00
Outstanding at the end of the period/ year *	-

*There are no options exercisable at the end of period.

Details of Stock Options granted

The weighted fair value of stock option granted during the year was Rs. 192.91 for Grant III. The Black -Scholes Model has been used for computing the weighted average fair value considering the following:

Grant -III	Tranche I	Tranche II	Tranche III	Tranche IV
Share price on the date of Grant	322.35	322.35	322.35	322.35
Exercise Price	263.35	263.35	263.35	263.35
Expected Volatility(%)	47.13%	47.13%	47.13%	47.13%
Life of the options granted in year	5.0	5.5	6.0	6.5
Risk Free Interest Rate(%)	7.28%	7.38%	7.38%	7.42%
Expected dividend rate(%)	0.00%	0.00%	0.00%	0.00%
Fair Value of the option	183.79	191.28	197.80	204.14

40: Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents

For the year ended March 31, 2022

Name of instrument	Opening Balance	Converted into equity share capital*	Premium added on conversion of preference shares into equity shares	Cash Flows	Closing Balance
Equity Share capital*	5,484.64	-	-	-	5,484.64
Total Borrowings	24,388.26	-	-	378.96	25,367.22
Total	30,472.92	-	-	378.96	30,851.86

*Closing balance of equity share capital includes premium amount added on issue of equity Shares during the year.

For the year ended March 31, 2021

Name of instrument	Opening Balance	Converted into equity share capital*	Premium added on conversion of preference shares into equity shares	Cash Flows	Closing Balance
Equity Share capital	484.64	-	4,717.51	282.49	5,484.64
Total Borrowings	11,351.85	-	-	13,636.41	24,988.26
Total	11,836.49	-	4,717.51	13,918.89	30,472.90

41. Revenue from contracts with customers

Particulars	March 31, 2022	March 31, 2021
Type of services		
Service fees for management of assigned portfolio of loans	-	-
Service and administration charges	-	-
Commission & other income	158.22	218.94
Total	158.22	218.94

Geographical markets

Particulars	March 31, 2022	March 31, 2021
India	158.22	218.94
Outside India	-	-
Total	158.22	218.94

Timing of revenue recognition

Particulars	March 31, 2022	March 31, 2021
Services transferred at a point in time	158.22	218.94
Services transferred over time	-	-
Total	158.22	218.94

Receivables

Particulars	March 31, 2022	March 31, 2021
Commission & others	-	77.56

Impairment allowance recognised on receivables is Nil (Previous year: Nil)



42. Additional information required by Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 (hereinafter referred to as the "RBI Master Directions") & DOR (NBFC).

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

Particulars	March 31, 2022	March 31, 2021
CRAR (%)	36.67%	32.96%
CRAR-Tier I Capital (%)	36.45%	32.83%
CRAR-Tier II Capital (%)	0.22%	0.12%
LIQUIDITY COVERAGE RATIO	16.04%	29.99%

CRAR 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, 2022	March 31, 2021
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; 2	9,515.05	9,061.49
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	-	-
A. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
Total	9,515.05	9,061.49

c. Outstanding of loans against security of gold as a percentage to total assets is Nil (Mar 31, 2021: 6.09%)

d. The Company has no exposure to capital market.

e. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2022:

Particulars	0-7 Days	8-14 Days	15-30/31 Days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings *	463.57	336.56	784.07	2,006.58	4,338.17	5,690.67	7,554.03	4,193.57	-	-	25,367.22
Advances **	661.95	414.42	1,006.53	2,191.87	2,156.88	6,498.98	10,184.86	7,557.71	1,087.56	5,017.66	36,778.41
Investments	-	-	-	-	-	-	-	-	-	-	0.00

* Refer note 12A.

** Net of provision towards non-performing loans and advances.

Maturity pattern of assets and liabilities as on March 31, 2021:

Particulars	0-7 Days	8-14 Days	15-30/31 Days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	192.99	97.29	429.19	688.56	777.39	2,473.73	12,478.88	7,850.24	-	-	24,988.26
Advances *	1,061.27	614.42	1,117.12	1,851.79	1,562.32	4,266.30	8,844.55	16,531.89	2,328.91	899.23	39,077.80
Investments	-	-	-	-	-	-	-	-	-	-	0.00

*** As per the Covid-19 regulatory package announced by RBI to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic vide Circular No. RBI/2019-20/186 & DOR.No.BP.BC.47/21.04.048/2019-20, the Company has extended moratorium to its borrowers whose loans were standard as on March 01, 2020, for the period May 01, 2020 to May 31, 2020. Hence, the repayment schedule for such loans as also the residual tenor, is shifted after the board by two months. Further, the same moratorium has been availed by the Company towards payments under securitization arrangement.

f. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2022:

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Theft	1	1.73	-	1.73
Fraud	1	0.07	0.07	-
Cash Embezzlement	4	19.45	-	19.45

* Includes recoveries in respect of frauds reported in earlier years

Instances of fraud reported during the year ended March 31, 2021:

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement	3	0.36	-	0.36
Fake Loans	0	-	-	-

* Includes recoveries in respect of frauds reported in earlier years

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

h. 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 in Rupees Lakhs
1	Bank Loan (Long term facilities)	ICRA	10-Nov-21	[ICRA]BBB-(Stable)	One year	20,000
2	Market Linked Debentures	ICRA	10-Nov-21	PP-MLD [ICRA]BBB&	One year	10,000

Previous year:

Sr. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit in Rupees Lakhs
1	Bank Loan (Long term facilities)	ICRA	19-Jun-20	[ICRA]BBB-(Stable)	See Note-1	5,000

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

i. Disclosure of complaints

Particulars	No. of complaints	
	March 31, 2022	March 31, 2021
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	148	-
No. of complaints redressed during the year	148	-
No. of complaints pending at the end of the year	-	-



j. Concentration of Advances, Exposures and NPAsⁱⁱ

Particulars	March 31, 2022	March 31, 2021
Concentration of Advances*		
Total advances to twenty largest borrowers	1,414.51	849.52
(%) of advances to twenty largest borrowers to total advances	3.78%	2.18%
Concentration of Exposures*		
Total exposure to twenty largest borrowers	1,430.48	849.52
(%) of exposure to twenty largest borrowers to total exposure	3.78%	2.15%
Concentration of NPAs**		
Total exposure to top four NPA accounts	183.00	35.35

* Represents amount outstanding as per contract with customers

** Represents stage III loans including interest

k. Sector wise NPAs*

Sector	Percentage of NPAs to total advances in that sector	
	March 31, 2022	March 31, 2021
Agriculture and allied activities	4.17%	0.74%
MSME	0.70%	1.14%
Corporate borrowers	0.00%	0.00%
Services	0.29%	1.73%
Unsecured personal loans	0.00%	0.00%
Auto loans	0.08%	3.82%
Other personal loans	3.95%	2.12%

* Represents 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.

l. 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, 2022

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	32,422.67	94.52	32,328.14	126.83	-32.30
	Stage 2	2,454.25	322.97	2,131.28	8.71	314.26
Subtotal		34,876.92	417.49	34,459.43	135.54	281.96
Non Performing Assets (NPA)						
Substandard	Stage 3	3,415.38	1,175.41	2,239.98	370.24	805.17
Doubtful - up to 1 year	Stage 3	87.81	8.81	-	51.49	-42.68
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		87.81	8.81	-	51.49	-42.68
	Stage 3	-	-	-	-	-
Subtotal for NPA		3,503.19	1,184.21	2,239.98	421.73	762.48
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	32,422.67	94.52	32,328.14	126.83	-32.30
	Stage 2	2,454.25	322.97	2,131.28	8.71	314.26
	Stage 3	3,503.19	1,184.21	2,318.98	421.73	762.48
Total		38,380.11	1,601.70	36,778.41	557.27	1,044.44

1. Figures under the column "Provision as per IRACP norms" represents provisions determined in accordance with the asset classification and provisioning norms as stipulated under the RBI Master Directions. Pursuant to RBI circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020.

2. 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.

m. As per the policy on moratorium approved by the Board of Directors pursuant to RBI circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the Company has not granted moratorium to customers with overdues as at March 1, 2020. Accordingly, no disclosure as per para 10 of RBI circular no. DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 is required.



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

n. Movement of NPAs

Particulars	March 31, 2022	March 31, 2021
Net NPAs to net advances (%)	1.00%	1.00%
Movement of NPAs (gross)		
1. Opening balance	454.83	4.80
2. Additions during the year	3,134.12	702.40
3. Reductions during the year	-85.76	-252.37
4. Closing balance	3,503.19	454.83
Movement of Net NPAs		
1. Opening balance	372.45	4.56
2. Additions during the year	2,032.30	620.50
3. Reductions during the year	-85.76	-252.61
4. Closing balance	2,318.98	372.45
Movement of provision for NPAs (excl. standard assets)		
1. Opening balance	82.38	0.24
2. Provisions made during the year	1,101.83	81.90
3. Write off/ write back of excess provisions	-	0.24
4. Closing balance	1,184.21	82.38

* 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.

o. There has been no drawdown from reserves during the current year and previous year.

p. Investments:

Particulars	March 31, 2022	March 31, 2021
1. Value of investments		
(i) Gross value of investments		
(a) In India		-
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India		-
(b) Outside India	-	-
2. Movement of provisions held towards depreciation		
Opening balance	-	-
Add: Provision made during the year	-	-
Less: Write off/ write back	-	-
Closing balance	-	-

q. Details of assignment transactions undertaken

Particulars	March 31, 2022	March 31, 2021
No. of accounts	-	0.06
Aggregate value of accounts sold	-	1,663.55
Aggregate consideration	-	1,663.55
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

r. The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year.

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

t. The Company has not financed any products of the parent Company.



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

u. Unsecured Advances – Refer note 6

v. 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)

w. No penalties imposed by RBI and other regulators during current and previous year.

x. Provisions and contingencies (shown under expenditure in statement of profit and loss)

Particulars	March 31, 2022	March 31, 2021
Provision for income tax (net)	908.01	631.99
Provision for non-performing assets	1,188.30	-
Provision for standard assets	199.88	178.61
Provision for theft & fraud		
Provision for gratuity	3.96	2.54
Provision for leave benefits	14.37	2.49
Provision for insurance claims	1.36	-1.21
Provision for bonus	79.67	46.58
Provision for other assets	-	-

* Represents impairment allowance on stage III loans

** Represents impairment allowance on stage I and stage II loans

y. The Company has no unhedged foreign currency exposure.

42. CSR Expenses

Particulars	31-Mar-22	31-Mar-21
a) Gross amount required to be spent by the Company during the year	42.00	33.87
b) Amount approved by the Board to be spent for the year	42.00	33.87
c) Amount spent during the year on purposes other than construction/acquisition of any asset	7.61	21.65
d) Details of related party transaction e.g. contribution to a trust/society/Section 8 Company controlled by the Company		
Paid	-	25.51
Yet to be paid	-	-
Total	7.61	21.65
CSR Expenses yet to be spent	60.60	23.01

Details of unspent amount

Particulars	31-Mar-22	31-Mar-21
Opening balance	23.01	10.79
Amount need to be spent during the year	42.00	33.87
Amount deposited in specified fund of schedule VII of the Companies Act, 2013 within 6 months*	42.16	23.01
Amount already deposited and the closing balance was there in separate bank	18.60	-
	7.61	21.65
Closing balance	38.80	23.01

* Rs. 42,16,274/- was deposited in a separate bank account on April 25, 2022.

43: During the year ended March 31, 2021, the Company has purchased Loan against Property (LAP) business from its parent Company (Spandana Spoorthy Financial Limited) for a consideration of Rupees. 9,021.50 Lakhs. The net assets of the Loan against property business amounts to Rupees. 8,928.80 Lakhs.

44: 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.



CRISS FINANCIAL LIMITED (formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')
Notes to the Financial Statements for the Year ended March 31, 2022

(Rupees in Lakhs unless otherwise stated)

- 45: 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.
- 46: On March 31, 2021, the Company has raised a capital of Rupees. 5,000 Lakhs from Spandana Sphoorty Financial Limited, parent Company of the Company, by issue of 2,824,858 equity shares of face value of Rs. 10 per share for cash at Rs.177 per share (including premium of Rs.167 per share), offered on preferential basis.
- 47: Disclosure pursuant to RBI Notification – RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 ("Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances") or RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/ 2020-21 ("Resolution Framework for COVID-19 Related Stress") both dated August 6, 2020, is not applicable as the Company has not restructured any loan accounts during the year.
- 48: In accordance with the instructions in the RBI circular dated April 7 2021, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/adjustment to the tune of Rs. 38.56 Lakhs in these financial statements.
49. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.
- 50: There have been no events after the reporting date that require adjustment / disclosure in these financial statements.

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



I. Dileep Kumar
Partner
Membership No.223943



Place: Hyderabad
Date: July 07, 2022

For and on behalf of the Board of Directors of
CRISS FINANCIAL LIMITED
(formerly known as 'CRISS FINANCIAL HOLDINGS LIMITED')


Abanti Mitra
Director
DIN No. 02305893


Kartikeya Dhruv Kaji
Director
DIN No. 07641723



Place: Mumbai
Date: July 07, 2022

Place: Mumbai
Date: July 07, 2022