

Independent Auditor's Report

To

The Members of M/s. Criss Financial Holdings Limited

Report on the standalone Financial Statements

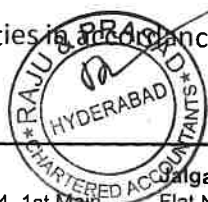
Opinion

We have audited the accompanying Standalone financial statements of **Criss Financial Holdings Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2021, profit, changes in equity and its Cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code



of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Further to the continuous spreading of COVID-19 across India in the Second wave and various Governments announcing lockdown for ensuring our safety. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

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

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provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

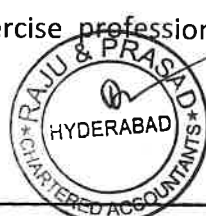
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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



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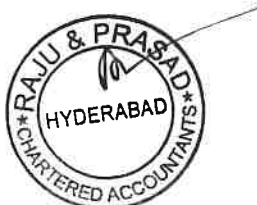
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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide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

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



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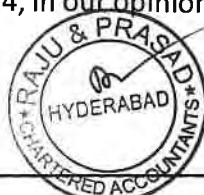
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

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.

- a. 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.
- b. 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.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. 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".
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



RAJU & PRASAD

CHARTERED ACCOUNTANTS

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Adj. Amrutha Hills,

Punjagutta, Hyderabad - 500 082

Ph : 040 - 23410404/05/06

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rajuandprasad@gmail.com

- i. The Company has pending litigations on its financial position 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.

For Raju and Prasad
Chartered Accountants

FRN: 003475S



I Dileep Kumar

Partner

M. No: 223943

UDIN: 21223943AAAAAX8915



Place : Hyderabad

Date : 21-05-2021

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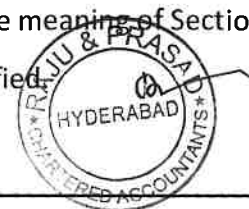
Annexure - A to the Auditors' Report

The Annexure referred to Our Report of even date to the members of Criss Financial Holdings Limited on the accounts of the company for the year ended 31st March, 2021.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of the 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.
- ii. As the company has neither purchased raw materials, stores nor maintained any stocks, the reporting requirement under Para 3 (ii) of the Companies (Auditors Report) Order, 2016 is not applicable.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- iv. The company has neither granted any loans and advances nor given guarantees in respect of persons described in section 185 and 186 of companies act, 2013. Hence, the reporting under Para 3(iv) of the Companies (Auditors Report) Order, 2016 is not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.

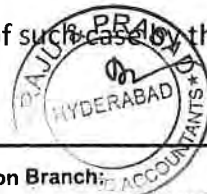


- vi. As per the information given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the companies Act 2013.
- vii. a) The company is regular in depositing undisputed statutory dues including Employee State Insurance, Employee Provident fund, Professional Tax, Income Tax, Goods and Services tax, and any other statutory dues with the appropriate authorities.
- 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, 2021.

Nature of Statue	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 31st march, 2021 is shown under disputed due.

- viii. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- ix. The company has not raised any money by way of initial public offer or further public offer (Including debt instruments). Further, the term loans taken by the company were applied for the purpose for which they were obtained.
- x. Based on the audit procedures performed and the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.



- xi. According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has not paid/provided managerial remuneration. Accordingly, paragraph 3(xi) of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the company has complied with the requirements of section 42 of the Companies Act, 2013. Based on our verification and information and explanations provided to us, the funds raised through private placement are used for the purpose for which it is raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

For Raju and Prasad
Chartered Accountants
FRN: 003475S



I Dileep Kumar

Partner

M. No: 223943

UDIN: 21223943AAAAAX8915



Place : Hyderabad

Date : 21-05-2021

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Annexure - B to the Auditors' Report

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 Holdings Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

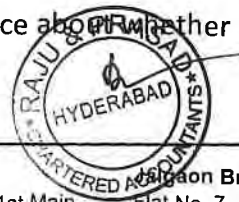
Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



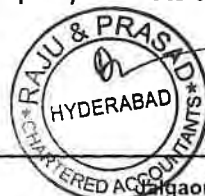
over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



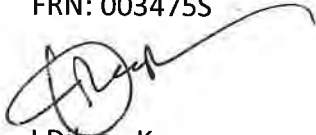
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively for the year ended 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raju and Prasad
Chartered Accountants
FRN: 003475S



I Dileep Kumar

Partner

M. No: 223943

UDIN:21223943AAAAAX8915



Place : Hyderabad

Date : 21-05-2021

CRISS FINANCIAL HOLDINGS LIMITED
Balance Sheet as at March 31, 2021

(Amount in rupees unless otherwise stated)

	Notes	As At 31 March, 2021	As At 31 March, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	4,41,11,303	6,00,98,414
Bank balances other than cash and cash equivalents	5	50,02,397	40,59,889
Loan portfolio	6	3,90,77,79,971	1,67,90,88,793
Other financial assets	7	1,40,43,973	8,98,92,984
Total financial assets		3,97,09,37,644	1,83,31,40,080
Non-financial assets			
Current Tax Assets (net)	8	37,47,273	37,47,273
Deferred tax assets (net)	9	20,97,871	15,34,694
Property, plant and equipment	10	20,31,427	8,20,674
Intangible assets	10	-	4,53,811
Other non financial assets	11	2,02,20,451	1,11,57,826
Total non-financial assets		2,80,97,022	1,77,14,278
Total assets		3,99,90,34,666	1,85,08,54,358
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Borrowings (other than debt securities)	12	2,49,88,25,895	1,13,35,72,602
Subordinated liabilities	12	-	16,12,787
Other financial liabilities	13	13,47,70,231	1,61,45,783
Total financial liabilities		2,63,35,96,126	1,15,13,31,172
Non-financial liabilities			
Current tax liabilities (net)	14	5,93,07,409	5,03,75,699
Provisions	15	5,78,030	5,37,137
Other non financial liabilities	16	38,88,111	70,64,991
Total non-financial liabilities		6,37,73,550	5,79,77,827
Equity			
Equity share capital	17	7,67,12,680	4,84,64,100
Other equity	18	1,22,49,52,310	59,30,81,259
Total equity		1,30,16,64,990	64,15,45,359
Total liabilities and equity		3,99,90,34,666	1,85,08,54,358

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



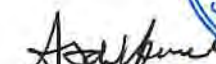
For and on behalf of the Board of Directors of
Criss Financial Holdings Limited



Padmaja Gangireddy

Director

DIN No. 00004842

Abdul Feroz Khan

Director

DIN No. 06436957

Place: Hyderabad

Date: 21-05-2021

Place: Hyderabad

Date: 21-05-2021

UDIN: 21223943AAAAX8915

CRISS FINANCIAL HOLDINGS LIMITED
Statement of Profit and Loss for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	19	51,11,50,380	30,45,78,493
Net gain on fair value changes		87,49,464	-
Commission income		78,74,603	1,94,32,935
Others	20	1,32,34,857	4,257
Total revenue from operations		54,10,09,304	32,40,15,685
Other income	21	2,06,07,871	2,27,96,836
Total income		56,16,17,175	34,68,12,521
Expenses			
Finance cost	22	20,85,95,444	8,93,25,484
Impairment on financial instruments	23	5,25,89,503	67,60,021
Employee benefit expenses	24	5,17,92,429	3,77,83,480
Depreciation and amortization expense	10	13,77,862	9,15,690
Other expenses	25	1,46,61,179	1,00,91,644
Total expenses		32,90,16,417	14,48,76,319
Profit before tax		23,26,00,758	20,19,36,202
Tax expense:			
Current tax	26	6,38,24,454	5,16,14,124
Deferred tax		(6,25,432)	(64,770)
Income tax expense		6,31,99,022	5,15,49,354
Profit for the year		16,94,01,736	15,03,86,848
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		2,47,349	(1,33,746)
Income tax effect		(62,258)	33,664
Total comprehensive income for the year		16,95,86,827	15,02,86,766
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the period			
Basic	27	34.90	31.03
Diluted	27	34.90	31.03
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: 21-05-2021



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



Padmaja Gangireddy
Director
DIN No. 00004842




Abdul Feroz Khan
Director
DIN No. 06436957

Place: Hyderabad
Date: 21-05-2021

CRISS FINANCIAL HOLDINGS LIMITED
Cash Flow Statement for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities			
Profit before tax		23,26,00,758	20,19,36,202
Adjustments for:			
Interest on income tax		82,09,173	8,71,658
Depreciation and amortization	10	13,77,862	9,15,690
Provision for gratuity	24	2,54,214	2,07,033
Impairment on Financial Instruments	23	1,78,60,809	66,51,838
Net gain on fair value changes		(87,49,464)	-
Other provisions and write offs	23	(1,20,564)	1,08,115
Share based payment to employees	25	(2,00,321)	5,73,810
Operating profit before working capital changes		25,12,32,467	21,12,64,346
Movements in working capital :			
Increase / (decrease) in other financial liabilities		11,86,24,447	65,56,013
Increase / (decrease) in provisions		34,028	4,270
Increase / (decrease) in other non financial liabilities		(31,76,880)	56,44,911
(Increase) / decrease in bank balances other than cash and cash equivalents		(9,42,508)	(2,82,519)
(Increase) / decrease in loan portfolio		(2,24,65,51,992)	(66,20,43,253)
(Increase) / decrease in financial assets		7,59,69,576	(7,51,19,145)
(Increase) / decrease in other non financial assets		(90,62,625)	(83,94,916)
Cash used in operations		(1,81,38,73,487)	(52,23,70,293)
Income taxes paid		(6,31,01,917)	(6,11,65,950)
Net cash used in operating activities (A)		(1,87,69,75,404)	(58,35,36,243)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(21,34,802)	(6,28,607)
Gain/Loss on Business Combinations	10	(92,66,874)	-
Net gain on fair value changes		87,49,464	-
Net cash used in investing activities (B)		(26,52,212)	(6,28,607)
Cash flows from financing activities			
Proceeds from issue of equity shares	17	50,00,00,000	-
Borrowings (other than debt securities) (net)	12	1,36,52,53,292	63,31,43,949
Subordinated liabilities (net)		(16,12,787)	2,35,151
Net cash from financing activities (C)		1,86,36,40,505	63,33,79,100
Net increased / (decrease) in cash and cash equivalents (A + B + C)		(1,59,87,111)	4,92,14,250
Cash and cash equivalents at the beginning of the period		6,00,98,414	1,08,84,164
Cash and cash equivalents at the end of the period (refer note 4)		4,41,11,303	6,00,98,414

Summary of significant accounting policies

3

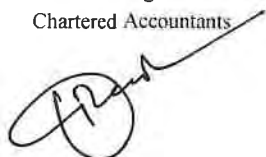
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Raju and Prasad**

ICAI Firm registration number : 003475S

Chartered Accountants



I. Dileep Kumar
Partner
Membership No.223943



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

Padmaja Gangireddy
Director
DIN No. 00004842



Abdul Feroz Khan
Director
DIN No. 06436957

Place: Hyderabad
Date: 21-05-2021

Place: Hyderabad
Date: 21-05-2021

CRISS FINANCIAL HOLDINGS LIMITED
Statement of Changes in Equity for the year ended on March 31, 2021

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

Particulars	No. of Shares	Amount
As at March 31, 2019	48,46,410	4,84,64,100
Issue of equity share capital during the year ended March 31, 2020 (refer note 17)	-	-
As at March 31, 2020	48,46,410	4,84,64,100
Issue of equity share capital during the year ended March 31, 2021 (refer note 17)	28,24,858	2,82,48,580
As at March 31, 2021	76,71,268	7,67,12,680

B. Other Equity

Particulars	Notes	Reserves & Surplus						Total	Grand Total
		Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (As required by Sec 45-IC of Reserve Bank of India Act,	Capital Redemption Reserve	Share option outstanding reserve		
Balance as at 1st Apr 2019		24,06,01,080	12,76,62,649	52,086	5,70,29,584	1,67,60,780	1,14,504	-	44,22,20,683
Profit for the period and year ended March 31, 2020		-	15,03,86,848	-	-	-	-	-	15,03,86,848
Add: Received during the year ended March 31, 2020		-	-	-	-	-	5,73,810	-	5,73,810
Other comprehensive income for the year ended March 31, 2020		-	(1,00,082)	-	-	-	-	(1,00,082)	(1,00,082)
Transfer to Statutory Reserve		-	(3,00,57,353)	-	3,00,57,353	-	-	-	-
Balance as at 31st March 2020	18	24,06,01,080	24,78,92,062	52,086	8,70,86,937	1,67,60,780	6,88,314	-	59,30,81,259
Profit for the year ended March 31, 2021		-	16,94,01,736	-	-	-	(2,00,322)	-	16,94,01,736
Add: Received during the year ended March 31, 2021		-	-	-	-	-	-	(92,66,874)	46,22,84,224
Other comprehensive income for the year ended March 31, 2021		-	1,85,091	-	-	-	-	-	1,85,091
Transfer to Statutory Reserve		-	(3,39,17,365)	-	3,39,17,365	-	-	-	-
Balance as at 31st March 2021	18	71,23,52,500	38,35,61,524	52,086	12,10,04,302	1,67,60,780	4,87,992	(92,66,874)	1,22,49,52,310

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: 21-05-2021

For and on behalf of the Board of Directors of
CriSS Financial Holdings Limited

Padmaia Gangireddy
Director
DIN No. 00004842



Amul Perokhan
Director
DIN No. 06436957

Place: Hyderabad
Date: 21-05-2021

(Amount in rupees unless otherwise stated)

CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

1. Corporate information

Criss Financial Holdings Limited (formerly Keertana Financial Limited) ('CFL' or 'the Company') is a public company limited by shares domiciled in India and incorporated under the provision of the Companies Act, 1956 ('the Act') on 20th August, 1992. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI'). The Company is engaged in the business of finance by providing Individual Loans, Small Business Loans, Mortgage Loans and Group Loans. and the The registered office of the Company is located at Criss Financials Holdings Limited, plot no 31 & 32, Ramky Selenium Towers, Ground floor, Nanakramguda Gachibowli, Telangana, India

2. Basis of preparation

a) Statement of compliance in preparation of financial statements

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

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

b) Presentation of financial statements

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

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

c) Assessment of Going concern Assumption

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfil its obligations as and when they are due and have evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing NBFC's to operate in specified areas, the Company resumed operations in those specified areas from April 20, 2020 by complying with the regulatory guidelines on businesses, social distancing, etc. With the gradual relaxation of lockdown rules thereafter, our employees were able to meet and collect from those borrowers willing to repay, due to minimal impact of the lockdown on them. As observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC's, current status/outcomes of discussions with the Company's lenders to seek/extend moratorium and various other financial support from other banks and financial institutions in determining the Company's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to fulfill its obligations as and when these become due in the foreseeable future.



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

3. Significant accounting policies

a) Use of estimates, judgments and assumptions

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

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

i) Defined employee benefit assets and liabilities:

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

ii) Fair value measurement:

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

(iii) Impairment of loan portfolio

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

(iv) Provisions other than impairment on loan portfolio

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

(v) Other estimates:

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

b) Recognition of income and expense

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

(i) Interest income and Interest expense:

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

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

(ii) Dividend income:

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

(iii) Other income and expense

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

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

Property, plant and equipment (PPE)

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

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

Intangible Asset

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

d) Depreciation and amortization

Depreciation

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 (Amount in Rupees unless otherwise stated)

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

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

Amortization

Intangible assets are amortized at a rate of 25.89% per annum on a “Written down Value” method, from the date that they are available for use.

e) Business Combinations

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

f) Impairment

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

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

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with No overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II

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

Stage III

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

Methodology for calculating ECL

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

Key factors applied to determine ECL are outlined as follows:

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

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

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

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

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

ii) Non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Revenue from Contracts with Customers

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

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

h) Operating Lease

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

i) Retirement and Employee benefits

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

The Company operates following employee benefit plans:

i) Employee Provident Fund

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

ii) Gratuity

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

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

iii) Leaves

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

iv) Employee Stock Option Plan

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

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

j) Income taxes

Current Taxes

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

Deferred Taxes

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

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

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

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

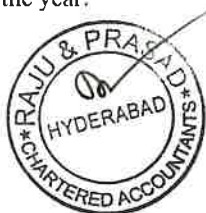
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

k) Earnings per share (EPS)

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 (Amount in Rupees unless otherwise stated)

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the diluted earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

l) Provisions

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

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

m) Contingent liabilities and assets

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

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

n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.

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

Subsequent measurement

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

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

Loan Portfolio at amortized cost:

Loan Portfolio is measured at amortized cost where:

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



CRISS FINANCIAL HOLDINGS LIMITED
(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 (Amount in Rupees unless otherwise stated)

Loan Portfolio at FVOCI:

Loan Portfolio is measured at FVOCI where:

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

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

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

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

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

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

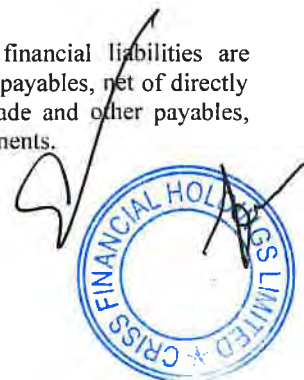
Equity instruments and Mutual Funds

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

Financial liabilities:

Initial Measurement

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



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(formerly known as Keertana Financial Limited)

Notes to financial statements for the year ended March 31, 2021 *(Amount in Rupees unless otherwise stated)*

Subsequent Measurement

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

De-recognition

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

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

o) Fair value measurement

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- *Level 1 financial instruments* - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- *Level 2 financial instruments* - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- *Level 3 financial instruments* - include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

p) Cash and cash equivalents

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



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

4: Cash and cash equivalents

	March 31, 2021	March 31, 2020
Cash on hand	20,09,437	0
Balances with banks		
On current accounts	4,21,01,866	6,00,98,414
	4,41,11,303	6,00,98,414

Balances with banks earns interest with floating rates based on daily bank deposit rates. Short term Deposits are made for varying periods of between 1 day and 3 months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

5: Bank balance other than cash and cash equivalents

	March 31, 2021	March 31, 2020
Margin money deposit (refer note below)	50,02,397	40,59,889
	50,02,397	40,59,889

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

6: Loan portfolio

	March 31, 2021	March 31, 2020
Term Loans		
Loan Portfolio	3,93,23,98,877	1,68,58,46,890
Less: Impairment and other provisions	(2,46,18,906)	(67,58,097)
Total Net	3,90,77,79,971	1,67,90,88,793
(a) Secured by Tangible assets (Gold, Property including land and buildings)	92,90,19,879	7,70,89,687
(b) Unsecured	3,00,33,78,998	1,60,87,57,203
Total - Gross	3,93,23,98,877	1,68,58,46,890
Less: Impairment and other provisions	(2,46,18,906)	(67,58,097)
Total - Net	3,90,77,79,971	1,67,90,88,793
(a) Public Sector	-	-
(b) others	3,93,23,98,877	1,68,58,46,890
Total - Gross	3,93,23,98,877	1,68,58,46,890
Less: Impairment and other provisions	(2,46,18,906)	(67,58,097)
Total - Net	3,90,77,79,971	1,67,90,88,793
(a) Within India	3,93,23,98,877	1,68,58,46,890
(b) Outside India	-	-
Total - Gross	3,93,23,98,877	1,68,58,46,890
Less: Impairment and other provisions	(2,46,18,906)	(67,58,097)
Total - Net	3,90,77,79,971	1,67,90,88,793

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, 2021

Particulars	Stage I	Stage II	Stage III	Total
Net Portfolio as on March 31, 2021				
New portfolio	3,80,66,63,653	6,38,71,768	-	3,87,05,35,421
Considered doubtful				
New portfolio	-	-	3,72,44,551	3,72,44,551
Total	3,80,66,63,653	6,38,71,768	3,72,44,551	3,90,77,79,971

Portfolio classification as at March 31, 2020

Particulars	Stage I	Stage II	Stage III	Total
Net Portfolio as on March 31, 2020				
New portfolio	1,67,40,72,658	45,60,563	4,55,572	1,67,90,88,793
Considered doubtful				
New portfolio	-	-	-	-
Total	1,67,40,72,658	45,60,563	4,55,572	1,67,90,88,793



CRISS FINANCIAL HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

Gross Portfolio Movement for the year ended March 31, 2021

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at March 31, 2020	1,68,07,88,253	45,78,826	4,79,811	1,68,58,46,891
New assets originated	3,25,95,31,948	-	-	3,25,95,31,948
Assets repaid	(1,03,72,07,312)	1,11,14,639	(99,81,363)	(1,03,60,74,036)
Write offs	2,99,893	1,09,986	2,26,84,196	2,30,94,075
Inter-stage movements				
Stage I	1,02,80,564	(96,94,341)	(5,86,223)	-
Stage II	(7,29,36,569)	7,32,96,953	(3,60,385)	0
Stage III	(2,91,66,845)	(40,80,129)	3,32,46,974	-
Gross carrying amount as at March 31, 2021	3,81,15,89,931	7,53,25,936	4,54,83,011	3,93,23,98,876

Gross Portfolio Movement for the year ended March 31, 2020

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at March 31, 2019	1,02,37,60,717	42,921	-	1,02,38,03,638
New assets originated	2,76,85,00,731	-	-	2,76,85,00,731
Assets repaid	(2,10,64,14,556)	(42,921)	(1,08,185)	(2,10,65,65,662)
Write offs			1,08,183	1,08,183
Inter-stage movements				
Stage I	-	-	-	-
Stage II	(45,78,826)	45,78,826	-	-
Stage III	(4,79,813)		4,79,813	-
Gross carrying amount as at March 31, 2020	1,68,07,88,253	45,78,826	4,79,811	1,68,58,46,890

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

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	67,15,594	18,262	24,240	67,58,097
Provision made/ (reversed) during the year	(17,89,316)	1,14,35,906	82,14,220	1,78,60,809
Inter-stage movements				
Stage-I	3,00,936	(3,22,831)	21,895	-
Stage-II	(1,12,39,693)	1,12,41,135	(1,442)	(0)
Stage-III	(98,03,641)	(21,196)	98,24,837	-
Write off	2,07,42,399	(1,08,97,108)	(98,45,291)	-
Closing Balance	49,26,278	1,14,54,168	82,38,460	2,46,18,906

ECL movement during the year ended March 31, 2020:-

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	90,096	16,163	-	1,06,259
Provision made/ (reversed) during the year	66,09,838	17,807	132,375,3773	67,60,021
Inter-stage movements				
Stage-I	15,817	(15,817)	0	
Stage-II	(109)	109	0	
Stage-III	(48)	-	47,92,068,997	
Write off	-	-	(1,08,183)	(1,08,183)
Closing Balance	67,15,594	18,262	24,240	67,58,097

Note:

The COVID-19 pandemic has continued to cause a significant disruption of the economic activities across the globe including India throughout the year, with second wave of the pandemic emerging towards the later part of the financial year in India. The Government of India announced a nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities. Further, pursuant to the Reserve Bank of India ('RBI') COVID-19 Regulatory package issued vide circulars dated March 27, 2020 and May 23, 2020 which allowed lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company had offered a moratorium to its borrowers until May 31, 2020 which was further extended up to August 31, 2020 based on borrowers' requests.

In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the first wave, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

7: Other financial assets (at amortised cost)		March 31, 2021	March 31, 2020
A. Security deposits			
Unsecured, considered good		18,84,901	7,79,650
		18,84,901	7,79,650
B. Loans and advances to related parties			
Inter corporate advances (repayable on demand) *		-	8,09,10,408
		-	8,09,10,408
*Please refer Note 29 for further details			
C. Other assets			
Term deposits placed with non banking financial companies#		50,00,000	82,02,926
Retained interest on Asset Assigned		71,59,072	
		1,21,59,072	82,02,926
# Represent margin money deposits placed to avail term loans from non banking financial companies.			
Total (A+B+C)		1,40,43,973	8,98,92,984
8: Current tax Assets (net)			
Advance income tax (net of provision)		37,47,273	37,47,273
		37,47,273	37,47,273
9: Deferred tax assets (net)			
Effects of deferred tax assets/ liabilities :			
Deferred tax assets			
Impairment of financial instruments		10,84,527	17,00,878
Differences of written down value of Property, plant and equipment		6,38,961	5,43,226
Others		3,74,383	(7,09,410)
		20,97,871	15,34,694
Deferred tax liabilities			
Unrealised gain on investments		-	-
Others		-	-
		-	-
Net deferred tax assets/(liabilities)		20,97,871	15,34,694

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



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the Year ended March 31, 2021

(Amount in rupees unless otherwise stated)

10: Property, plant and equipment

Particulars	Furniture & Fixtures	Office Equipment	Computers	Total
Gross block (at cost)				
At March 1 2019	19,90,591	4,46,092	19,30,556	43,67,239
Addition	2,48,131	39,754	3,40,722	6,28,607
Disposals	-	-	-	-
At March 31 2020	22,38,722	4,85,846	22,71,278	49,95,846
Addition	5,30,960	2,39,019	13,64,825	21,34,804
Disposals	-	-	-	-
At March 31 2021	27,69,682	7,24,865	36,36,103	71,30,650
Depreciation				
At March 1 2019	17,44,378	3,39,706	14,01,619	34,85,703
Charge for the year	2,29,837	82,673	3,76,959	6,89,469
Disposals	-	-	-	-
At March 31 2020	19,74,215	4,22,379	17,78,578	41,75,172
Charge for the year	3,19,250	86,262	5,18,539	9,24,051
Disposals	-	-	-	-
At March 31 2021	22,93,465	5,08,641	22,97,117	50,99,223
Net Carrying Amount				
At March 31 2019	2,46,212	1,06,386	5,28,937	8,81,535
At March 31 2020	2,64,507	63,467	4,92,700	8,20,674
At March 31 2021	4,76,217	2,16,224	13,38,985	20,31,427

Intangible assets

Particulars	Computer Software	Good will	Total
Gross block (at cost)			
At March 1 2019	14,51,460	-	14,51,460
Addition	-	-	-
Disposals	-	-	-
At March 31 2020	14,51,460	-	14,51,460
Addition	-	-	-
Disposals	-	-	-
At March 31 2021	14,51,460	-	14,51,460
Amortization			
At March 1 2019	7,71,428	-	7,71,428
Charge for the year	2,26,221	-	2,26,221
Disposals	-	-	-
At March 31 2020	9,97,649	-	9,97,649
Charge for the year	4,53,811	-	4,53,811
Disposals	-	-	-
At March 31 2021	14,51,460	-	14,51,460
Net Carrying Amount			
At March 31 2019	6,80,032	-	6,80,032
At March 31 2020	4,53,811	-	4,53,811
At March 31 2021	-	-	-

11: Other non financial assets
Unsecured, considered good

	March 31, 2021	March 31, 2020
Insurance Claim receivables	82,66,698	25,06,784
Prepaid Expenses	6,906	1,906
Other receivables	1,18,96,847	86,31,136
Other deposits	18,000	18,000
	2,02,20,451	1,11,57,826



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the Year ended March 31, 2021

(Amount in rupees unless otherwise stated)

12: Borrowings (at amortised Cost)

(a) Borrowings (other than debt securities)

Term loans

Secured

Indian rupee loan from banks	31,98,59,425	5,00,70,784
Indian rupee loan from non-banking financial companies	1,43,84,77,601	3,91,57,921

Unsecured

Indian rupee loan from non-banking financial company	-	-
Advances from related parties(unsecured)*	74,04,88,869	1,04,43,43,897

Total Borrowings (other than debt securities)

2,49,88,25,895 1,13,35,72,602

*Advance from related party carries interest rate @ 15% p.a up to 09.02.2021 and the same has been changed to 13% p.a w.e.f 09.02.21 (15% p a in PY) with monthly interest repayment

(b) Subordinated Liabilities (at amortised cost)

Indian rupee loan from related party (unsecured)	-	16,12,787
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Loans from related party carries interest rate @ 15% p a with monthly interest repayment

Total Subordinated Liabilities

- 16,12,787

Above amount includes

Secured borrowings*	1,75,83,37,026	8,92,28,705
Unsecured borrowings #	74,04,88,869	1,04,59,56,684

Net amount

2,49,88,25,895 1,13,51,85,389

Borrowings in India	2,49,88,25,895	1,13,51,85,389
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Borrowings outside India	-	-
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Total 2,49,88,25,895 1,13,51,85,389

* 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 ICD from related parties



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

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

(Amount in rupees unless otherwise stated)

Original maturity of loan	Effective interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due beyond 3 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly										
1-3 years	12%-12.99%	23	27,92,91,272	8	10,10,98,691	-	-	-	-	38,03,89,963
	13%-14%	92	65,23,63,154	89	62,63,06,860	2	65,28,935	-	-	1,28,51,98,949
Quarterly										
1-3 years	12%-12.99%	4	5,00,00,000	4	5,00,00,000	-	-	-	-	10,00,00,000
On Demand										
	13%	-	72,80,00,000	-	-	-	-	-	-	72,80,00,000
Total		119	98,16,54,426	101	77,74,05,551	2	65,28,935	-	-	2,49,35,88,912
Impact of EIR										52,36,983
Grand Total										2,49,88,25,895



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

13: Other financial liabilities

Employee benefits payable	
Expenses payable	
Payable on assigned loans	
Insurance premium collected and claims payable	
Sundry creditors	
Purchase consideration Payable	
Other Payables	

March 31, 2021	March 31, 2020
74,91,127	71,90,626
35,69,337	22,82,765
2,50,19,169	-
23,71,169	50,43,029
21,47,316	16,29,364
8,03,69,195	-
1,38,02,918	-
13,47,70,231	1,61,45,783

14: Current tax liabilities (net)

Provision for tax (net of advance tax)
--

March 31, 2021	March 31, 2020
5,93,07,409	5,03,75,699
5,93,07,409	5,03,75,699

15: Provisions

Provision for gratuity (net of contribution)
Provision for doubtful claims

March 31, 2021	March 31, 2020
4,23,438	4,16,573
1,54,592	1,20,564
5,78,030	5,37,137

16. Other non financial liabilities

Statutory dues payable

March 31, 2021	March 31, 2020
38,88,111	70,64,991
38,88,111	70,64,991



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

	March 31, 2021	March 31, 2020
17: Share capital		
<i>Authorized</i>		
Equity shares		
1,00,00,000 (March 31,2020: 50,000,000,) equity shares of Rs 10 each *	10,00,00,000	5,00,00,000
Preference Share		
Nil (March 31,2020: 50,000,000,) Preference shares of Rs.10	-	5,00,00,000
	10,00,00,000	10,00,00,000
<i>Issued, subscribed and paid-up</i>		
76,71,268 (March,31,2020: 4,846,410) equity shares of Rs.10 each fully paid up**	7,67,12,680	4,84,64,100
Total	7,67,12,680	4,84,64,100

Note:

* Company has authorized share capital of Rs. 10 Crore divided into 50,00,000 equity shares of 10 each and 50,00,000 Preference shares of 10 each and during the current financial year company reclassified it to 1,00,00,000 equity shares of 10 each

** During the current financial year company has issued and allotted 28,24,858 equity shares of face value of 10 each to its parent company (Spandana Sphoorthy Financial Limited) at a price of Rs.177 each aggregating to Rs. 50 Crore

(a) Terms / rights attached to equity shares

The Company has only one class of equity shares of par 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 company.

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

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

Particulars	31-Mar-21		31-Mar-20	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the period	48,46,410	4,84,64,100	48,46,410	4,84,64,100
Issued during the period*	28,24,858	2,82,48,580	-	-
Outstanding at the end of the period	76,71,268	7,67,12,680	48,46,410	4,84,64,100.00

* During the current financial year company has issued and allotted 28,24,858 equity shares of face value of 10 each to its parent company (Spandana Sphoorthy Financial Limited) at a price of Rs.177 each aggregating to Rs. 50 Crore

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	31-Mar-21		31-Mar-20	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Spandana Sphoorthy Financial Limited	75,52,204	98.45%	47,27,352	97.54%



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

	As At 31 March, 2021	As At 31 March, 2020
18: Other Equity		
Securities premium		
Balance as per the last financial statements	24,06,01,080	24,06,01,080
Add: Premium on issue of equity shares*	47,17,51,420	-
Closing balance	71,23,52,500	24,06,01,080
* During the current financial year company has issued and allotted 28,24,858 equity shares of face value of 10 each to its parent company (Spandana Sphoorthy Financial Limited) at a price of Rs.177 each aggregating to Rs. 50 Crore		
General reserve	52,086	52,086
Share options outstanding reserve	4,87,992	6,88,314
Capital redemption reserve		
Balance as per the last financial statements	1,67,60,780	1,67,60,780
Add: Addition during the year	-	-
Closing balance	1,67,60,780	1,67,60,780
Capital Reserve		
Capital Reserve on Business combinations*	(92,66,874)	-
*During the year ended March 31, 2021, the Company has purchased Loan against Property (LAP) business from its parent Company (Spandana Sphoorthy Financial Limited) for a consideration of Rs. 902.15 Million. The net assets of the Loan against property business amounts to Rs. 892.88 Million. and in accordance with IND AS-103 the difference is treated as Capital Reserve		
Statutory reserve		
Balance as per the last financial statements	8,70,86,937	5,70,29,584
Add: Amount transferred from surplus of profit and loss	3,39,17,365	3,00,57,353
Closing balance	12,10,04,302	8,70,86,937
Surplus in the statement of profit and loss		
Balance as per the last financial statements	24,78,92,062	12,76,62,649
Add: Profit for the year	16,94,01,736	15,03,86,848
Add: Other Comprehensive Income	1,85,091	(1,00,082)
Less: Transfer to Statutory Reserve [@ 20% of profit after tax as required by Section 45-IC of Reserve Bank of India Act, 1934]	(3,39,17,365)	(3,00,57,353)
Net surplus in the statement of profit and loss	38,35,61,524	24,78,92,062
Total other equity	1,22,49,52,310	59,30,81,259

*For detailed movement of reserves refer statement of changes in equity for the year ended March 31,2020.

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.

Capital redemption reserve

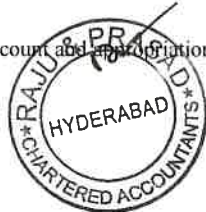
In accordance with section 55 of the Companies Act, 2013, the Company has transferred an amount equivalent of the nominal value of OCCRPS redeemed during previous years, to the Capital Redemption Reserve. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies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

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

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 451C of Reserve Bank of India Act 1934.

Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

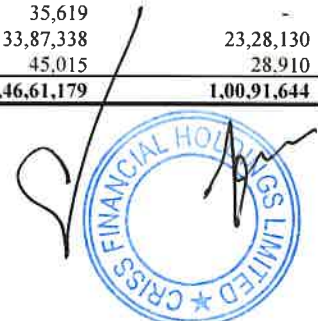


CRISS FINANCIAL HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
19: Interest Income		
Measured at amortised cost		
Interest on portfolio loans	50,83,23,339	30,05,48,679
Interest on margin money deposits*	3,55,750	11,15,509
Interest on inter corporate advances	24,71,291	29,14,305
	51,11,50,380	30,45,78,493
*Represent margin money deposits placed to avail term loans from banks and non banking financial companies		
20: Others		
Recovery against loans written off	1,32,34,857	4,257
	1,32,34,857	4,257
21: Other income		
Income from assignment of loans	15,24,975	-
Advertisement Income	1,40,19,203	2,25,00,000
Miscellaneous income	50,63,693	2,96,836
	2,06,07,871	2,27,96,836
22: Finance cost		
On Borrowings (other than debt securities)	20,02,11,346	8,58,45,880
On sub-ordinated liabilities	-	24,00,946
On income tax	82,09,173	8,71,658
Other finance cost	1,74,925	2,07,000
	20,85,95,444	8,93,25,484
23: Impairment on financial instruments		
Measured at amortised cost		
Impairment and other provision including management overlay for COVID-19	1,78,60,809	66,51,838
Portfolio loans written off	3,47,28,694	1,08,183
	5,25,89,503	67,60,021
24: Employee benefits expenses		
Salaries, wages and bonus	4,81,65,535	3,55,80,009
Contribution to provident fund and Other Funds	28,34,319	15,50,163
Expenses on Employee Stock Option Plan	(2,00,321)	5,73,810
Gratuity expense	6,865	-
Staff welfare expenses	9,86,031	79,498
	5,17,92,429	3,77,83,480
25: Other expenses		
Rent	49,41,428	13,78,288
Rates and taxes	10,379	9,301
Bank charges	23,10,294	36,80,363
Office maintenance	12,07,325	6,84,955
Repairs and maintenance	8,950	36,835
Electricity charges	4,88,184	4,47,773
Travelling and Conveyance expenses	94,785	69,583
Communication expenses	40,359	2,270
Credit Bureau Expenses	16,350	43,582
Printing and stationery	4,46,634	3,81,804
Legal and professional charges	7,59,590	2,99,199
Auditors remuneration (refer details below)	4,90,500	5,08,750
Medical Expenses	1,53,154	-
Professional Tax Charges	5,000	5,000
Advertisement Expenses	3,32,219	66,120
Other provisions and write off	(1,20,564)	1,08,115
GST Late filing Fee	8,620	-
NSDL Joining and Custodian Fee	-	9,810
Interest on TDS	-	2,856
Loss from theft & Fraud	35,619	-
CSR Expenses	33,87,338	23,28,130
Miscellaneous expenses	45,015	28,910
	1,46,61,179	1,00,91,644



CRISS FINANCIAL HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors		
As auditor:		
Audit fee	4,90,500	4,73,000
Out of pocket expenses	-	35,750
	<u>4,90,500</u>	<u>5,08,750</u>
26: Income Tax Expense		
A. Income tax expense in the statement of profit and loss consists of:		
Current Income Tax:		
Income Tax	6,30,49,270	5,16,14,124
Deferred Tax	(6,59,087)	(98,723)
Income Tax expense reported in the statement of profit or loss	<u>6,23,90,182</u>	<u>5,15,15,401</u>
Income tax recognised in other comprehensive income		
Deferred tax arising on income and expenses recognised in other comprehensive income	62,258	(33,664)
Total	<u>6,24,52,440</u>	<u>5,14,81,737</u>

B. Reconciliation of the total tax expense

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the Accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2021 and 2020 is, as follows :

Accounting profit before Tax	23,28,48,107	20,18,02,456
Enacted tax rates in India	25.17%	25.17%
Computed tax expense	5,86,03,212	5,07,89,642
Effect of :		
Non-deductible expenses	29,18,610	8,05,729
Additional Deductions as per Income tax	(6,17,633)	(2,67,313)
Brought Forward Losses		
Others	15,48,251	1,53,679
Total Income Tax expense	<u>6,24,52,440</u>	<u>5,14,81,737</u>

The effective income tax rate for 31 March 2021 is 25.168% (31 March 2020 is 25.168%).

Pusuant to the Taxation Laws (Amendment) Ordinance 2019, promulgated on September 20, 2019, the Company has opted to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e 25.17%) from the previous financial year.

27: Earning per Share

Net profit/ (loss) after tax as per Statement of Profit and Loss	16,94,01,736	15,03,86,848
Less: Dividend on OCCRPS and tax thereon	-	-
Net profit/ (loss) for calculation of basic earnings per share	<u>16,94,01,736</u>	<u>15,03,86,848</u>
Net profit/(loss) as above	<u>16,94,01,736</u>	<u>15,03,86,848</u>
Add: Dividend on OCCRPS and tax thereon	-	-
Net profit/ (loss) for calculation of diluted earnings per share	<u>16,94,01,736</u>	<u>15,03,86,848</u>

Calculation of weighted average number of equity shares for basic EPS

Equity shares		
Opening No. of shares	48,46,410	48,46,410
Add: Fresh issued during the year	7,739	-
Total	<u>48,54,149</u>	<u>48,46,410</u>
Effect of dilution		
Conversion of OCCRPS Shares	-	-
Conversion of share warrants	-	-
Weighted average number of equity shares for diluted EPS	<u>48,54,149</u>	<u>48,46,410</u>

Basic earnings per share (In rupees)	34.90	31.03
Diluted earnings per share (In rupees)	34.90	31.03

Nominal value per share: Rs.10 (Previous year: Rs.10)



CRISS FINANCIAL HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

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

- Abhiram Marketing Services Limited
- Spandana Rural and Urban Development Organization
- Spandana Mutual Benefit Trust
- Spandana Employee Welfare Trust

III. Key Management Personnel

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

Related party transactions during the period:

S. No	Related Party	Nature of Transactions	Transactions during year ended March 31, 2021	Transactions during year ended March 31, 2020	(Payable)/Receivable	
					31-Mar-21	31-Mar-20
1	Spandana Sphoorty Financial Limited	Expenses reimbursement	80,922	5,17,120	(25,860)	(26,432)
		Advance received	1,08,00,00,000	1,20,90,00,000	(72,80,00,000)	(1,03,30,00,000)
		Advance repaid	1,38,50,00,000	44,89,27,198		
		Interest paid	14,89,43,063	6,71,03,954	(1,24,88,869)	(1,13,43,896)
		LAP Branches buyout	90,27,71,554	-	(8,05,65,480)	
		Subscription to equity shares	50,00,00,000	-	-	
		Others	57,59,078	21,13,537	7,50,110	(4,76,891)
2	Abhiram Marketing Services Limited	Purchases	2,48,542	2,74,936	-	-
		Commission Received	78,74,603	1,94,32,936	77,56,484	84,59,941
		Unsecured Loan given	-	8,00,00,000	-	8,00,00,000
		Unsecured Loan Received	8,00,00,000	-	-	-
		Interest Received	24,71,291	29,14,305	-	9,10,408
		Others	10,82,98,505	9,13,67,101	(13,11,908)	(14,88,448)
3	Mrs. Padmaja Gangireddy	Rent paid	5,55,660	7,30,660	-	-
4	Mr. Vendidandi Vijaya Sivarami Reddy	Rent paid	2,10,000	-	(64,750)	-
5	Spandana Rural and Urban Development Organization	Unsecured Loan received	-	13,15,00,000	-	-
		Unsecured Loan Repaid	-	13,15,00,000	-	-
		Interest paid	16,12,787	17,91,986	-	(16,12,787)
6	Spandana Mutual Benefit Trust	Unsecured Loan received	-	4,55,00,000	-	-
		Unsecured Loan Repaid	-	4,55,00,000	-	-
		Interest paid	-	5,79,658	-	-
7	Spandana Employee Welfare Trust	Unsecured Loan received	-	23,00,000	-	-
		Unsecured Loan Repaid	-	23,00,000	-	-
		Interest paid	-	29,302	-	-

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



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

30: Contingent Liabilities not provided for

Particulars	31-Mar-21	31-Mar-20
Claims against the Company not acknowledge as debts: Income tax assessment order for FY 2016-17	1,87,36,367	1,87,36,367
Total	1,87,36,367	1,87,36,367

The Company received an income tax assessment-cum-demand order for FY 2016-17, inter alia, raising a demand of Rs 1,87,36,367/- (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, 2021. The Company has deposited Rs. 37,47,273/- against such demand in the process of filling 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.

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets measured at FVOCI				
Loan Portfolio	3,87,28,69,939	1,67,90,88,793	3,87,24,11,490	1,68,68,35,345
Financial Assets measured at cost				
Cash and cash equivalents	4,41,11,303	6,00,98,414	4,41,11,303	6,00,98,414
Bank Balances other than cash and cash equivalent	50,02,397	40,59,889	50,02,397	40,59,889
Other Financial Assets	1,40,43,973	8,98,92,984	1,40,43,973	8,98,92,984
Total Financial Assets	3,93,60,27,612	1,83,31,40,080	3,93,55,69,164	1,84,08,86,632
Financial liabilities				
Borrowings (Other than Debt Securities)	2,49,88,25,895	1,13,35,72,602	2,50,73,93,886	1,13,45,48,817
Subordinated Liabilities	-	16,12,787	-	16,12,787
Other financial liabilities	13,47,70,231	1,61,45,783	13,47,70,231	1,61,45,783
Total Financial Liabilities	2,63,35,96,126	1,15,13,31,172	2,64,21,64,117	1,15,23,07,388

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):-



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

I. 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	3,87,28,69,939	3,87,24,11,490	-	3,87,24,11,490	-	3,87,24,11,490
	Total	3,87,28,69,939	3,87,24,11,490	-	3,87,24,11,490	-	3,87,24,11,490

Liabilities	Particulars	At amortized cost					
		Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
	Borrowings (Other than Debt Securities)	2,49,88,25,895	2,50,73,93,886	-	2,50,73,93,886	-	2,50,73,93,886
	Subordinated Liabilities	-	-	-	-	-	-
	Total	2,49,88,25,895	2,50,73,93,886	-	2,50,73,93,886	-	2,50,73,93,886

II. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:

Assets	Particulars	At amortized cost					
		Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
	Loan Portfolio at amortized cost	1,67,90,88,793	1,68,68,35,345	-	1,68,68,35,345	-	1,68,68,35,345
	Total	1,67,90,88,793	1,68,68,35,345	-	1,68,68,35,345	-	1,68,68,35,345

Liabilities	Particulars	At amortized cost					
		Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
	Borrowings (Other than Debt Securities)	1,13,35,72,602	1,13,45,48,817	-	1,13,45,48,817	-	1,13,45,48,817
	Subordinated Liabilities	16,12,787	16,12,787	-	16,12,787	-	16,12,787
	Total	1,13,51,85,389	1,13,61,61,604	-	1,13,61,61,604	-	1,13,61,61,604

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, 2021 and March 31, 2020.

33: Capital Management

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

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

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

Regulatory Capital

Particulars	(Amounts in Lacs)	
	March 31, 2021	March 31, 2020
Teir I Capital	12,995.67	6,226.02
Teir II Capital	49.26	67.16
Total Capital	13,044.93	6,293.18
Risk weighted assets	39,583.70	17,970.44
Teir I CRAR	32.83%	34.65%
Teir II CRAR	0.12%	0.37%
Total CRAR	32.96%	35.02%

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



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless other

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, 2021	March 31, 2020
Defined benefit obligation as at the beginning of the year	4,16,573	1,79,639
Current service cost	2,28,262	1,93,596
Interest on defined benefit obligation	25,952	13,437
Remeasurements- Actuarial (gain)/ Loss on total liabilities	(2,47,349)	1,33,746
Benefits paid	-	(1,03,845)
Defined benefit obligation as at the end of the year	4,23,438	4,16,573

Movement in plan assets

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets as at the beginning of the year	-	-
Actual return on plan assets	-	-
Actuarial gains	-	-
Employer contributions	-	1,03,845
Benefits paid	-	(1,03,845)
Fair value of plan assets as at the end of the year	-	-

Reconciliation of net liability/ asset

Particulars	March 31, 2021	March 31, 2020
Net defined benefit liability/ (asset) as at the beginning of the year	4,16,573	1,79,639
Expense charged to statement of profit & loss	2,54,214	2,07,033
Amount recognised in other comprehensive income	(2,47,349)	1,33,746
Employer contributions	-	(1,03,845)
Net defined benefit liability/ (asset) as at the end of the year	4,23,438	4,16,573

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2021	March 31, 2020
Present value of obligations	4,23,438	4,16,573
Fair value on plan assets	-	-
Net defined benefit liability recognised in balance sheet	4,23,438	4,16,573

Expenses charged to the statement of profit and loss

Particulars	March 31, 2021	March 31, 2020
Current service cost	2,28,262	1,93,596
Interest Cost	25,952	13,437
Total	2,54,214	2,07,033

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2021	March 31, 2020
Remeasurements- Actuarial Gain/ (Loss)	2,47,349	(1,33,746)
Amount recognised under Other Comprehensive Income	2,47,349	(1,33,746)

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

Category of Assets	March 31, 2021	March 31, 2020
Fund managed by Insurer	0%	0%
Total	0%	0%

Summary of Actuarial Assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.23%	6.23%
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, 2021	March 31, 2020
Discount rate (+0.5%)	(18,840)	(18,255)
Discount rate (-0.5%)	20,331	19,732
Salary Inflation (+1%)	42,589	41,202
Salary Inflation (-1%)	(37,200)	(35,878)
Withdrawal Rate (+5%)	(40,585)	(32,418)
Withdrawal Rate (-5%)	25,041	21,235

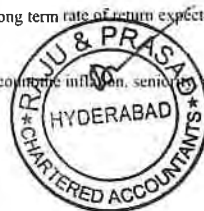
Projected plan cash flow

Particulars	March 31, 2021	March 31, 2020
1 Year	5,451	13,354
2 Year	11,942	14,896
3 Year	22,121	28,606
4 Year	37,669	35,101
5 Year	52,549	47,184
After year 5	7,80,118	7,05,103

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 HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees 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 Head Office and 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, 2021	March 31, 2020
Operating lease payments recognized in the Statement of Profit & Loss	49,41,428	13,78,288

Minimum lease obligations

Particulars	March 31, 2021	March 31, 2020
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-

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, 2021 & March 31, 2020, 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 financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

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

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

37.1 Credit Risk

Credit risk is the risk 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 group and to confirm that they meet our criteria.

The Company is a rural focused NBFC with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. Further, as we focus on providing micro-loans in Rural Areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. 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 2020-21 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, 2021		March 31, 2020	
	Stage-I	Stage-II	Stage-I	Stage-II
Andhra Pradesh	0.03%-2%*	61.61%	0.03%	61.61%
Telangana	0.03%-2%*	35.94%	0.03%	35.94%

*Represents PD rates for cohort impacted by COVID-19

For stage-III portfolio the PD rate is 100 %



CRISS FINANCIAL HOLDINGS LIMITED**Notes to the Financial Statements for the year ended March 31, 2021**

(Amount in rupees unless otherwise stated)

B) Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued loans as at reporting date. Such outstanding balances as at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

C) Loss given default

The Company determines its expectation of lifetime loss by estimating recoveries towards its entire loan portfolio at state level through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Company has assessed that significant recoveries happen in the year in which default has occurred. Accordingly, it believes no significant difference arise from discounting such recoveries for determining ultimate loss rates. In estimating LGD, the Company reviews macro-economic developments taking place in the economy.

Re-calibration of LGDs for FY 2020-21 on account COVID-19 pandemic:

Similar to PDs, the LGD rates have also been reassessed for COVID-19 affected portfolio by comparing past recovery experience from less frequent/ non-recurring default events. Appropriate adjustments have also been made for recoveries observed during the post-pandemic period which are considered as an appropriate representation of expected post-default recoveries.

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

State	March 31, 2021	March 31, 2020
Andhra Pradesh	0%-60%*	0.00%
Telangana	5.86%-60%*	5.86%

*Represents PD rates for cohort impacted by COVID-19.

Analysis of concentration risk is as follows:-

States	March 31, 2021	March 31, 2020
Andhra Pradesh	87.91%	99.90%
Telangana	12.09%	0.10%
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



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Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees 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, 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**	8,40,21,383	8,30,31,053	9,67,00,912	29,82,63,992	1,32,90,75,904	83,35,82,064	-	-	2,72,46,75,308
Other Financial Liabilities	5,04,35,396	-	13,59,073	14,56,005	11,50,563	-	-	-	5,44,01,036
Advances	32,27,58,717	26,52,67,025	22,98,78,803	61,19,62,255	1,17,64,32,303	2,03,17,07,203	31,27,41,394	11,47,76,170	5,06,55,23,878
Other Financial Assets	11,24,297	8,75,227	7,98,145	19,52,422	20,08,300	54,00,680	18,84,901	-	1,40,43,972

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

**Refer note 12A

Maturity pattern of assets and liabilities as on March 31, 2020:

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*	2,54,49,914	1,24,51,563	1,24,09,897	2,74,71,324	1,06,19,47,381	-	-	-	1,13,97,30,079
Other Financial Liabilities	1,35,36,947	-	-	26,08,836	-	-	-	-	1,61,45,783
Advances**	-	-	19,87,77,090	46,15,33,030	62,27,25,657	69,56,87,777	2,30,08,975	5,14,023	2,00,22,46,553
Other Financial Assets	14,92,11,749	-	-	40,59,889	-	-	7,79,650	-	15,40,51,287

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

** 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 &

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, 2021			March 31, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,41,11,303	-	4,41,11,303	6,00,98,414	-	6,00,98,414
Bank balances other than cash and cash equivalents	50,02,397	-	50,02,397	40,59,889	-	40,59,889
Trade receivables	-	-	-	-	-	-
Loan Portfolio	1,93,17,77,525	1,97,60,02,445	3,90,77,79,971	1,05,11,18,297	62,79,70,496	1,67,90,88,793
Other financial assets	67,58,392	72,85,581	1,40,43,972	8,91,13,335	7,79,650	8,98,92,984
Subtotal - Total financial assets	1,98,76,49,618	1,98,32,88,026	3,97,09,37,644	1,20,43,89,935	62,87,50,145	1,83,31,40,080
Non-financial assets						
Current tax assets (net)	-	37,47,273	37,47,273	-	37,47,273	37,47,273
Deferred tax assets (net)	-	20,97,871	20,97,871	-	15,34,694	15,34,694
Property, plant and equipment	-	20,31,427	20,31,427	-	8,20,674	8,20,674
Intangible assets	-	-	-	-	4,53,811	4,53,811
Other non-financial assets	2,02,02,451	18,000	2,02,20,451	1,11,39,826	18,000	1,11,57,826
Subtotal - Total non-financial assets	2,02,02,451	78,94,571	2,80,97,022	1,11,39,826	65,74,452	1,77,14,278
Total assets	2,00,78,52,069	1,99,11,82,597	3,99,90,34,666	1,21,55,29,761	63,53,24,597	1,85,08,54,358
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Borrowings (other than debt securities)	1,71,38,01,993	78,50,23,903	2,49,88,25,896	1,13,35,72,602	-	1,13,35,72,602
Subordinated liabilities	-	-	-	16,12,787	-	16,12,787
Other financial liabilities	13,47,70,231	-	13,47,70,231	-	1,61,45,783	1,61,45,783
Subtotal - Total financial liabilities	1,84,85,72,224	78,50,23,903	2,63,35,96,127	1,13,51,85,389	1,61,45,783	1,15,13,31,172
Non-financial liabilities						
Current tax liabilities (net)	5,93,07,409	-	5,93,07,409	5,03,75,699	-	5,03,75,699
Provisions	1,54,592	4,23,438	5,78,030	1,20,564	4,16,573	5,37,137
Other non-financial liabilities	38,88,111	-	38,88,111	70,64,991	-	70,64,991
Subtotal - Total non-financial liabilities	6,33,50,112	4,23,438	6,37,73,550	5,75,61,254	4,16,573	5,79,77,827
Total Liabilities	1,91,19,22,336	78,54,47,341	2,69,73,69,676	1,19,27,46,643	1,65,62,356	1,20,93,08,999
Net	9,59,29,734	1,20,57,35,256	1,30,16,64,990	2,27,83,118	61,87,62,241	64,15,45,359

37.3 Market Risk

37.3a Interest rate risk

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 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

	March 31, 2021	March 31, 2020
Finance Cost		
0.50 % Increase	43,28,655.00	-
0.50 % Decrease	(43,28,655.00)	-

Note: All borrowings outstanding as on 31/03/2020 are fixed interest rate borrowings hence there is no interest rate risk



CRISS FINANCIAL HOLDINGS LIMITED

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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**b. Assignment Transaction:**

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

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

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

Particulars	For the year ended	For the year ended
	31st Mar 2021	31st Mar 2020
Carrying amount of derecognised financial assets	12,60,79,318.00	-
Gain/(loss) from derecognition	86,86,097.00	-

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.

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.-2,00,321 /-

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	13,500
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 time of vesting
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, 2021 have been summarised as

Particulars	Grant III
Outstanding at the Beginning of the period/ year *	6000
Granted during the period/ year	-
Lapsed during the period/ year	3,000
Outstanding at the end of the period/ year *	3,000

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



CRISS FINANCIAL HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

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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

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, 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*	4,84,64,100	-	47,17,51,420	2,82,48,580	54,84,64,100
Total Borrowings	1,13,51,85,389	-	-	1,36,36,40,506	2,49,88,25,895
Total	1,18,36,49,489	-	47,17,51,420	1,39,18,89,086	3,04,72,89,995

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

For the year ended March 31, 2020

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	4,84,64,100	-	-	-	4,84,64,100
Total Borrowings	50,18,06,289	-	-	63,33,79,100	1,13,51,85,389
Total	55,02,70,389	-	-	63,33,79,100	1,18,36,49,489

41. Revenue from contracts with customers

Particulars	March 31, 2021	March 31, 2020
Type of services		
Service fees for management of assigned portfolio of loans	-	-
Service and administration charges	-	-
Commission & other Income	2,18,93,806.00	4,19,32,935.00
Total	2,18,93,806.00	4,19,32,935.00

Geographical markets

Particulars	March 31, 2021	March 31, 2020
India	2,18,93,806.00	4,19,32,935.00
Outside India	-	-
Total	2,18,93,806.00	4,19,32,935.00

Timing of revenue recognition

Particulars	March 31, 2021	March 31, 2020
Services transferred at a point in time	2,18,93,806.00	4,19,32,935.00
Services transferred over time	-	-
Total	2,18,93,806.00	4,19,32,935.00

Receivables

Particulars	March 31, 2021	March 31, 2020
Commission & others	77,56,484.00	84,59,942.00

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



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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).CC.PD.No.109/22.10.106/2019-20

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

Particulars	March 31, 2021	March 31, 2020
CRAR (%)	32.96%	35.02%
CRAR-Tier I Capital (%)	32.83%	34.65%
CRAR-Tier II Capital (%)	0.12%	0.37%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

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, 2021	March 31, 2020
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;	90,61,48,625	7,73,56,017
II. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi purpose 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	-	-
Total	90,61,48,625	7,73,56,017

c. Outstanding of loans against security of gold as a percentage to total assets is 6.09% (Mar-20: Nil)

d. The Company has no exposure to capital market.

e. Asset liability management:

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 *	1,92,98,720	97,28,767	4,29,19,304	6,88,55,817	7,77,38,535	24,73,73,346	1,24,78,87,505	78,50,23,903	-	-	2,49,88,25,896
Advances **	10,61,26,855	6,14,41,864	11,17,12,479	18,51,78,898	15,62,32,253	42,66,30,167	88,44,55,009	1,65,31,88,817	23,28,91,016	8,99,22,612	3,90,77,79,971
Investments	-	-	-	-	-	-	-	-	-	-	-

*Refer note 12A.

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

Maturity pattern of assets and liabilities as on March 31, 2020:

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	2,53,51,446	-	-	1,15,77,468	1,13,81,658	2,59,55,456	1,06,09,19,361	-	-	-	1,13,51,85,389
Advances *	-	-	-	-	16,32,22,776	37,64,10,841	51,14,84,680	60,87,28,897	1,87,58,560	4,83,039	1,67,90,88,793
Investments	-	-	-	-	-	-	-	-	-	-	-

*** 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 across the board by two months. Further, the same moratorium has been availed by the Company towards payments under securitization

f. Information on instances of fraud

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	35,619	0	35,619
Fake Loans	0	0	0	0

*Includes recoveries in respect of frauds reported in earlier years

Instances of fraud reported during the year ended March 31, 2020:

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement	0	0	0	0
Fake Loans	0	0	0	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
1	Bank Loan (Long term facilities)	ICRA	19-Jun-20	[ICRA]BBB-(Stable)	See Note-1	50,00,00,000

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

Previous year

Sr. No.	Instrument	Rating agency	As per final rating letter	Rating assigned	Valid up to	Borrowing limit
1	Bank Loan (Long term facilities)	ICRA	13-Oct-17	[ICRA]BB (Stable)	See Note-1	50,00,00,000

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, 2021	March 31, 2020
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

j. Concentration of

Particulars	(Amounts in Crores)	
	March 31, 2021	March 31, 2020
Concentration of Advances*		
Total advances to twenty largest borrowers	8.50	1.28
(%) of advances to twenty largest borrowers to total advances	2.18%	0.76%
Concentration of Exposures*		
Total exposure to twenty largest borrowers	8.50	1.28
(%) of exposure to twenty largest borrowers to total exposure	2.15%	0.75%
Concentration of NPAs**		
Total exposure to top four NPA accounts	0.35	0.05

* 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, 2021	March 31, 2020
Agriculture and allied activities	0.74%	0.00%
MSME	1.14%	0.00%
Corporate borrowers	0.00%	0.00%
Services	1.73%	0.00%
Unsecured personal loans		0.00%
Auto loans	3.82%	0.00%
Other personal loans	2.12%	0.28%

* Represents stage III

** 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, 2020

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	3,81,15,89,931	49,26,278	3,80,66,63,653	1,51,20,574	(1,01,94,296)
	Stage 2	7,53,25,936	1,14,54,168	6,38,71,768	2,96,750	1,11,57,418
Subtotal		3,88,69,15,867	1,63,80,446	3,87,05,35,421	1,54,17,325	9,63,122
Non Performing Assets (NPA)						
Substandard	Stage 3	2,92,92,573	67,35,642	2,25,56,931	1,20,049	66,15,594
Doubtful - up to 1 year	Stage 3	76,47,234	7,42,011	-	7,42,011	-
1 to 3 years	Stage 3	85,43,203	7,60,807	77,82,396	7,60,807	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		1,61,90,437	15,02,818	77,82,396	15,02,818	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		4,54,83,010	82,38,460	3,03,39,327	16,22,866	66,15,594
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	3,81,15,89,931	49,26,278	3,80,66,63,653	1,51,20,574	(1,01,94,296)
	Stage 2	7,53,25,936	1,14,54,168	6,38,71,768	2,96,750	1,11,57,418
	Stage 3	4,54,83,010	82,38,460	3,72,44,550	16,22,866	66,15,594
Total	Total	3,93,23,98,877	2,46,18,906	3,90,77,79,971	1,70,40,191	75,78,715

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 overdue as at March 1, 2020. Accordingly, no disclosure as per para 10 of RBI circular no. DOR No BP BC 67/21 04 048/2020-21 dated April 17, 2020.



CRISS FINANCIAL HOLDINGS LIMITED
Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

N. Movement of NPAs

Particulars	March 31, 2021	March 31, 2020
Net NPAs to net advances (%)	1.00%	0.03%
Movement of NPAs (gross)		
1. Opening balance	4,79,812	0
2. Additions during the year	7,02,40,052	587,995
3. Reductions during the year	(2,52,36,854)	(1,08,183)
4. Closing balance	4,54,83,010	4,79,812
Movement of Net NPAs		
1. Opening balance	4,55,572	-
2. Additions during the year	6,20,50,072	4,55,572
3. Reductions during the year	(2,52,61,093)	0
4. Closing balance	3,72,44,550	4,55,572
Movement of provision for NPAs (excl. standard assets)		
1. Opening balance	24,240	0
2. Provisions made during the year	81,89,980	1,32,423
3. Write off/ write back of excess provisions	24,240	(1,08,183)
4. Closing balance	82,38,460	24,240

* 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, 2021	March 31, 2020
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, 2021	March 31, 2020
No. of accounts	6,386	-
Aggregate value of accounts sold	16,63,54,616	-
Aggregate consideration	14,97,19,154	-
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.

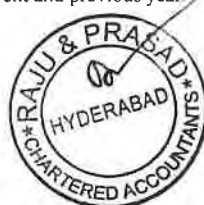
T. The company has not financed any products of the parent company.

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.



CRISS FINANCIAL HOLDINGS LIMITED**Notes to the Financial Statements for the year ended March 31, 2021**

(Amount in rupees unless otherwise stated)

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

Particulars	March 31, 2021	March 31, 2020
Provision for income tax (net)	6,31,99,022	5,15,49,354
Provision for non-performing assets	-	-
Provision for standard assets	1,78,60,809	66,51,838
Provision for theft & fraud	-	-
Provision for gratuity	2,54,214	2,07,033
Provision for leave benefits	2,49,032	4,79,356
Provision for insurance claims	(1,20,564)	1,08,115
Provision for bonus	46,58,472	35,24,731
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-21	31-Mar-20
a) Gross amount required to be spent by the Company during the year	33,87,338.00	23,28,130.00
b) Amount approved by the Board to be spent for the year	33,87,338.00	23,28,130.00
c) Amount spent during the year on purposes other than construction/acquisition of any asset	21,64,831.00	24,04,400.00
d) Details of related party transaction e.g. contribution to a trust/society/Section 8 company controlled by the Company	-	-
Paid	25,51,131.00	20,18,100.00
Yet to be paid	-	3,86,300.00
Total	21,64,831.00	24,04,400.00
CSR Expenses yet to be spent	23,01,125.00	10,78,618.00

Details of unspent amount

Particulars	31-Mar-21	31-Mar-20
Opening balance	10,78,618.00	11,54,888.00
Amount need to be spent during the year	44,65,956.00	34,83,018.00
Amount deposited in specified fund of schedule VII of the Companies Act, 2013 within 6 months*	23,01,125.00	-
Amount spent during the year	21,64,831.00	24,04,400.00
Closing balance	-	10,78,618.00

* Rs. 23,01,125/- was deposited in a separate bank account on April 30, 2021.

43: During the year ended March 31, 2021, the Company has purchased Loan against Property (LAP) business from its parent Company (Spandana Sphoorty Financial Limited) for a consideration of Rs. 902.15 Million. The net assets of the Loan against property business amounts to Rs. 892.88 Million.

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.

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.



CRISS FINANCIAL HOLDINGS LIMITED

Notes to the Financial Statements for the year ended March 31, 2021

(Amount in rupees unless otherwise stated)

46: On March 31, 2021, the Company has raised a capital of Rs. 50 Crore 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: 21-05-2021

For and on behalf of the Board of Directors of
CriSS Financial Holdings Limited



Padmaja Gangireddy

Director

DIN No. 00004842

Place: Hyderabad

Date: 21-05-2021



Abdul Feroz Khan

Director

DIN No. 06436957

