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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, 2020, 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 2020, 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

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

Responsibility of Management for the Standalone Financial Statements

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

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

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

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Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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.

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d. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2020 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:

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

Place: Hyderabad
Date: 02.06.2020

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

S. Ranganathan
Partner
M. No: 022738

UDIN: 20022738AAAACE7615

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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, 2020.

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.

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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, 2020.

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, 2020 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 case by the management.

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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.

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

Place: Hyderabad
Date: 02.06.2020

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

S. Ranganathan
Partner
M. No: 022738
UDIN: 20022738AAAACE7615

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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, 2020 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

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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.

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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 2020, 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

Place: Hyderabad
Date: 02.06.2020

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

S. Ranganathan
Partner
M. No: 022738
UDIN :- 20022738AAAACE7615

CRISS FINANCIAL HOLDINGS LIMITED
Balance Sheet as at Mar 31, 2020

(Amount in rupees unless otherwise stated)

	Notes	As At 31 March, 2020	As At 31 March, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	4	60,098,414	10,884,164
Bank balances other than cash and cash equivalents	5	4,059,889	3,777,370
Loan portfolio	6	1,679,088,793	1,023,697,378
Other financial assets	7	89,892,984	18,629,228
Total financial assets		**1,833,140,080**	**1,056,988,140**
Non-financial assets			
Current Tax Assets (net)	8	3,747,273	-
Deferred tax assets (net)	9	1,534,694	1,436,262
Property, plant and equipment	10	820,674	881,535
Intangible assets	10	453,811	680,032
Other non financial assets	11	11,157,826	2,762,909
Total non-financial assets		**17,714,278**	**5,760,738**
Total assets		**1,850,854,358**	**1,062,748,878**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Borrowings (other than debt securities)	12	1,133,572,602	500,428,653
Subordinated liabilities	12	1,612,787	1,377,636
Other financial liabilities	13	16,145,783	9,589,771
Total financial liabilities		**1,151,331,172**	**511,396,060**
Non-financial liabilities			
Current tax liabilities (net)	14	50,375,699	59,055,867
Provisions	15	537,137	192,088
Other non financial liabilities	16	7,064,991	1,420,080
Total non-financial liabilities		**57,977,827**	**60,668,035**
Equity			
Equity share capital	17	48,464,100	48,464,100
Other equity	18	593,081,259	442,220,683
Total equity		**641,545,359**	**490,684,783**
Total liabilities and equity		**1,850,854,358**	**1,062,748,878**
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

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

S.Ranganathan
Partner
Membership No.022738

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

CRISS FINANCIAL HOLDINGS LIMITED

Padmaja Gangireddy
Director
DIN No. 00004842

Abdul Feroz Khan
Director
DIN No. 06436957

Place: Hyderabad
Date: 02-06-2020

Place: Hyderabad
Date: 02-06-2020

CRISS FINANCIAL HOLDINGS LIMITED
Statment of Profit and Loss for the year ended March 31, 2020

(Amount in rupees unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	19	304,578,493	327,458,368
Net gain on fair value changes		-	105,411
Commission income		19,432,935	11,937,028
Others	20	4,257	235,442
Total revenue from operations		**324,015,685**	**339,736,249**
Other income	21	22,796,836	60,170,222
Total income		**346,812,521**	**399,906,471**
Expenses			
Finance cost	22	89,325,484	149,005,066
Impairment on financial instruments	23	6,760,021	(316,406)
Employee benefit expenses	24	37,783,480	46,897,479
Depreciation and amortization expense	10	915,690	1,417,804
Other expenses	25	10,091,644	8,318,169
Total expenses		**144,876,319**	**205,322,112**
Profit before tax		**201,936,202**	**194,584,359**
Tax expense:			
Current tax		51,614,124	56,891,609
Deferred tax		(64,770)	(212,655)
Income tax expense		**51,549,354**	**56,678,954**
Profit for the period		**150,386,848**	**137,905,405**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(133,746)	134,893
Income tax effect		33,664	(39,281)
Total comprehensive income for the period		**150,286,766**	**138,001,017**
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the period			
Basic	27	31.03	40.11
Diluted	27	31.03	40.11
Summary of significant accounting policies	3		

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

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

S.Ranganathan
Partner
Membership No.022738

Place: Hyderabad
Date: 02-06-2020

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: 02-06-2020

CRISS FINANCIAL HOLDINGS LIMITED
Cash Flow Statement for the year ended March 31, 2020

(Amount in rupees unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities			
Profit before tax		201,936,202	194,584,359
Adjustments for:			
Interest on income tax		871,658	4,168,865
Depreciation and amortization	10	915,690	1,417,804
Provision for gratuity	24	207,033	69,101
Impairment on Financial Instruments	23	6,651,838	(651,167)
Net gain on fair value changes		-	(105,411)
Other provisions and write offs	23	108,115	(108,024)
Share based payment to employees	25	573,810	114,504
Operating profit before working capital changes		**211,264,346**	**199,490,031**
Movements in working capital :			
Increase / (decrease) in other financial liabilities		6,556,013	(32,950,202)
Increase / (decrease) in provisions		4,270	14,338,142
Increase / (decrease) in other non financial liabilities		5,644,911	(1,746,039)
(Increase) / decrease in bank balances other than cash and cash equivalents		(282,519)	16,899,760
(Increase) / decrease in loan portfolio		(662,043,253)	(82,353)
(Increase) / decrease in financial assets		(75,119,145)	(13,766,005)
(Increase) / decrease in other non financial assets		(8,394,916)	12,949,368
Cash used in operations		**(522,370,293)**	**195,132,702**
Income taxes paid		(61,165,950)	(34,396,624)
Net cash used in operating activities (A)		**(583,536,243)**	**160,736,078**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(628,607)	(1,027,203)
Proceeds from derecognition of property, plant and equipment		-	438,678
Net gain on fair value changes		-	105,411
Net cash used in investing activities (B)		**(628,607)**	**(483,114)**
Cash flows from financing activities			
Proceeds from issue of equity shares	17	-	250,000,100
Dividend paid	18	-	(58,384,812)
Dividend distribution tax paid	18	-	(12,001,169)
Borrowings (other than debt securities) (net)	12	633,143,949	(104,029,220)
Subordinated liabilities (net)		235,151	(251,473,659)
Net cash from financing activities (C)		**633,379,100**	**(175,888,759)**
Net increased / (decrease) in cash and cash equivalents (A + B + C)		**49,214,250**	**(15,635,795)**
Cash and cash equivalents at the beginning of the period		10,884,164	26,519,959
Cash and cash equivalents at the end of the period (refer note 4)		**60,098,414**	**10,884,164**
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

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

S.Ranganathan
Partner
Membership No.022738

Place: Hyderabad
Date: 02-06-2020

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

CRISS FINANCIAL HOLDINGS LIMITED

Padmaja Gangireddy
Director
DIN No. 00004842

Abdul Feroz Khan
Director
DIN No. 06436957

Place: Hyderabad
Date: 02-06-2020

CRISS FINANCIAL HOLDINGS LIMITED
Statment of Changes in Equity for the year ended March 31, 2020

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

(Amount in rupees unless otherwise stated)

Paticulars	No. of Shares	Amount
As at April 1, 2018	2,956,193	29,561,930
Issue of equity share capital during the year ended March 31, 2019 (refer note 16)	1,890,217	18,902,170
As at March 31, 2019	4,846,410	48,464,100
Issue of equity share capital during the year ended March 31, 2020 (refer note 16)	-	-
As at March 31, 2020	4,846,410	48,464,100

B. Other Equity

Particulars	Notes	Reserves & Surplus							Grand Total
		Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital Redemption Reserve	Share option outstanding reserve	Total	
Balance as at April 1, 2018		**9,503,150**	**87,647,816**	**52,086**	**29,429,381**	**16,760,780**	-	**143,393,213**	**143,393,213**
Profit for the year ended March 31, 2019		-	137,905,405	-	-	-		137,905,405	**137,905,405**
Less: Dividend on Equity Shares			(58,384,812)					(58,384,812)	**(58,384,812)**
Less: DDT on Dividend paid			(12,001,169)					(12,001,169)	**(12,001,169)**
Add: Received during the year		231,097,930					114,504	231,212,434	**231,212,434**
Other comprehensive income for the year			95,612					95,612	**95,612**
Total comprehensive income								-	-
Transfer to Statutory Reserve		-	(27,600,203)	-	27,600,203	-		-	-
Balance as at 1st April 2019	**18**	**240,601,080**	**127,662,649**	**52,086**	**57,029,584**	**16,760,780**	**114,504**	**442,220,683**	**442,220,683**
Profit for the period year ended March 31, 2020		-	150,386,848	-	-	-		150,386,848	**150,386,848**
Less: Dividend on Equity Shares			-	-	-	-	-	-	-
Less: DDT on Dividend paid			-	-	-	-	-	-	-
Add: Received during the period		-					573,810	573,810	**573,810**
Other comprehensive income for the period		-	(100,082)	-	-	-	-	(100,082)	**(100,082)**
Total comprehensive income		-		-	-	-	-	-	-
Transfer to Statutory Reserve		-	(30,057,353)	-	30,057,353	-	-	-	-
Balance as at 31st March 2020	**18**	**240,601,080**	**247,892,062**	**52,086**	**87,086,937**	**16,760,780**	**688,314**	**593,081,259**	**593,081,259**

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

S Ranganathan
Partner
Membership No.022738

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 02-06-2020

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

CRISS FINANCIAL HOLDINGS LIMITED

Place: Hyderabad
Date: 02-06-2020

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.

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).

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The company has been preparing its financial statements in accordance with Ind AS from the year ended 31 March 2019

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments and other financial assets held for trading all of which have been measured at fair value. Further the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The Standalone financial statements are presented in Indian Rupees (INR).

b) Presentation of financial statements

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

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

3. Significant accounting policies

a) Use of estimates, judgments and assumptions

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

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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. 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:

<u>(i) Interest income and expense:</u>
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.

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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 recognized in the period they occur.

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.

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	3
Office Equipment	5

Amortization
Depreciation on intangible assets provided on a written down value method at the rates arrived based on useful life of the assets

Asset Category	Useful Life (in years)
Software (H.O)	10
Software (Branches)	6

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e) 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. 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:

The provision on outstanding loan portfolio shall be higher of:

a. ECL model based computation, as presented below; or
b. RBI provision norms applicable for loans as per Master Direction: RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016

Asset / Portfolio Classification:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no over dues) 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 at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III

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

Methodology for calculating ECL

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

Key factors applied to determine ECL are outlined as follows:

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

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

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

Forward looking information

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

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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.

f) Revenue From Contracts with Customers
The Company recognizes 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 is earned by sale 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.

g) Leases
Short term leases not covered under Ind AS 116 are classified as operating lease, and lease payments during the year are charged to statement of profit and loss

h) 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:

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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
The service rules of the Company do not provide for the carry forward of the accumulated leave balance and leaves to credit of employees are encashed 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 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.

i) 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).

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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.

Minimum Alternate Tax (MAT)
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

j) Earnings per share (EPS)
The Company reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

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k) 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.

l) 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.

m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.
Financial Assets - All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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

Loan Portfolio at amortized cost:

Loan Portfolio is measured at amortized cost where:

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

Loan Portfolio at FVOCI:

Loan Portfolio is measured at FVOCI where:

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

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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.

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.

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

n) 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.

o) 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.

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(Amount in rupees unless otherwise stated)

	March 31, 2020	March 31, 2019
4: Cash and cash equivalents		
Cash on hand	0	4,721
Balances with banks		
On current accounts	60,098,414	10,879,443
Deposit with original maturity of less than three months	-	-
	60,098,414	**10,884,164**

5: Bank balance other than cash and cash equivalents	**March 31, 2020**	**March 31, 2019**
Deposit with remaining maturity of less than 12 months	-	-
Deposit with remaining maturity of more than 12 months	-	-
Margin money deposit (refer note below)	4,059,889	3,777,370
	4,059,889	**3,777,370**

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

6: Loan portfolio	**March 31, 2020**	**March 31, 2019**
Term Loans		
Loan Portfolio	1,685,846,890	1,023,803,637
Less: Impairment Allowance	(6,758,097)	(106,259)
Total Net	**1,679,088,793**	**1,023,697,378**
(a) Secured by Tangible assets (Gold, Property including land and buildings)	77,089,687	63,755,515
(b) Unsecured	1,608,757,203	960,048,122
Total - Gross	**1,685,846,890**	**1,023,803,637**
Less: Impairment Allowance	(6,758,097)	(106,259)
Total - Net	**1,679,088,793**	**1,023,697,378**
(a) Public Sector	-	
(b) others	1,685,846,890	1,023,803,637
Total - Gross	**1,685,846,890**	**1,023,803,637**
Less: Impairment Allowance	(6,758,097)	(106,259)
Total - Net	**1,679,088,793**	**1,023,697,378**
(a) Within India	1,685,846,890	1,023,803,637
(b) Outside India	-	-
Total - Gross	**1,685,846,890**	**1,023,803,637**
Less: Impairment Allowance	(6,758,097)	(106,259)
Total - Net	**1,679,088,793**	**1,023,697,378**

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, 2020

Particulars	Stage I	Stage II	Stage III	Total
Net Portfolio as on March 31, 2020				
New portfolio	1,674,072,658	4,560,563	455,572	1,679,088,793
Total	**1,674,072,658**	**4,560,563**	**455,572**	**1,679,088,793**

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Portfolio classification as at March 31, 2019

Particulars	Stage I	Stage II	Stage III	Total
Net Portfolio as on March 31, 2020				
New portfolio	1,023,670,620	26,758	-	1,023,697,378
Total	**1,023,670,620**	**26,758**	-	**1,023,697,378**

Gross Portfolio Movement for the year ended March 31, 2020

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2019	1,023,760,717	42,921	-	1,023,803,638
New assets originated	2,768,500,731	-	-	2,768,500,731
Assets repaid	(2,106,414,556)	(42,921)	(108,185)	(2,106,565,662)
Write offs			108,183	108,183
Inter-stage movements				
Stage I	-	-	-	-
Stage II	(4,578,826)	4,578,826	-	-
Stage III	(479,813)		479,813	-
Gross carrying amount as at March 31, 2020	1,680,788,253	4,578,826	479,811	1,685,846,890

Gross Portfolio Movement for the year ended March 31, 2019

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 01, 2018	1,023,376,920	73,528	270,836	1,023,721,284
New assets originated	2,439,500,189	-	-	2,439,500,189
Assets repaid	(2,439,074,475)	(114,875)	(563,246)	(2,439,752,596)
Write offs	-	42,351	292,410	334,761
Inter-stage movements				-
Stage I	-	-	-	-
Stage II	(41,917)	41,917	-	-
Stage III	-	-	-	-
Gross carrying amount as at March 31, 2019	1,023,760,717	42,921	-	1,023,803,638

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

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	90,096	16,163	-	106,259
Provision made/ (reversed) during the year	6,609,838	17,807	132,375	6,760,021
Inter-stage movements				
Stage-I	15,817	(15,817)	-	
Stage-II	(109)	109	-	
Stage-III	(48)	-	48	
Write off	-	-	(108,183)	(108,183)
Closing Balance	6,715,594	18,262	24,240	6,758,097

Note :-

a) ECL for Stage I has increased primarily on account of change of provisioning policy during the year

b) ECL for stage II has increased primarily on account of new assets originated during the year

c) ECL for stage III has increased primarily on account of new assets originated during the year

ECL movement during the year ended March 31, 2019:-

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	449,407	55,709	265,051	770,167
Provision made/ (reversed) during the year	(665,320)	56,232	279941.2989	(329,147)
Inter-stage movements				
Stage-I	306,020	(53,438)	-252582	
Stage-II	(11)	11	0	
Stage-III				
Write off	-	(42,351)	(292,410)	(334,761)
Closing Balance	90,096	16,163	-	106,259

Note :-

a) ECL for Stage I has increased primarily on account of new assets originated during the year

b) ECL for stage II has increased primarily on account of new assets originated during the year

c) ECL for stage III has declined primarily on account of write off and recoveries/collections made by the Company during the year

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7: Other financial assets (at amortised cost)	March 31, 2020	March 31, 2019
A. Security deposits		
Unsecured, considered good	779,650	813,850
	779,650	**813,850**

B.Loans and advances to related parties	March 31, 2020	March 31, 2019
Inter corporate advances (repayable on demand) *	80,910,408	-
	80,910,408	-

*Please refer Note 28 for further details

C. Other assets	March 31, 2020	March 31, 2019
Term deposits placed with non banking financial companies#	8,202,926	17,815,378
Other assets	-	-
	8,202,926	**17,815,378**
Total (A+B+C)	**89,892,984**	**18,629,228**

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

8: Current tax Assets (net)	March 31, 2020	March 31, 2019
Advance income tax (net of provision)	3,747,273	-
	3,747,273	-

9: Deferred tax assets (net)	March 31, 2020	March 31, 2019
Effects of deferred tax assets/ liabilities :		
Deferred tax assets		
Impairment of financial instruments	1,700,878	30,943
Differences of written down value of Property, plant and equipment	543,226	612,269
Others	(709,410)	793,050
	1,534,694	**1,436,262**
Deferred tax liabilities		
Unrealised gain on investments	-	-
Others	-	-
	-	-
Net deferred tax assets/(liabilities)	**1,534,694**	**1,436,262**

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

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10: Property, plant and equipment

Particulars	Furniture & Fixtures	Office Equipment	Computers	Total
Gross block (at cost)				
At April 1 2019	**1,990,591**	**446,092**	**1,930,556**	**4,367,239**
Addition	248,131	39,754	340,722	628,607
Disposals	-	-	-	-
At March 31 2020	**2,238,722**	**485,846**	**2,271,278**	**4,995,846**
Depreciation				
At April 1 2019	**1,744,378**	**339,706**	**1,401,619**	**3,485,703**
Charge for the year	229,837	82,673	376,959	689,469
Disposals	-	-	-	-
At March 31 2020	**1,974,215**	**422,379**	**1,778,578**	**4,175,172**
Net Carrying Amount				
At March 31 2019	**246,212**	**106,386**	**528,937**	**881,535**
At March 31 2020	**264,507**	**63,467**	**492,700**	**820,674**

Intangible assets

Particulars	Computer Software	Total
Gross block (at cost)		
At April 1 2019	**1,451,460**	**1,451,460**
Addition	-	-
Disposals	-	-
At March 31 2020	**1,451,460**	**1,451,460**
Amortization		
At April 1 2019	**771,428**	**771,428**
Charge for the year	226,221	226,221
Disposals	-	-
At March 31 2020	**997,649**	**997,649**
Net Carrying Amount		
At March 31 2019	**680,032**	**680,032**
At March 31 2020	**453,811**	**453,811**

11: Other non financial assets	**March 31, 2020**	**March 31, 2019**
Unsecured, considered good		
Interest Receivable on Assigned Loans	-	-
Insurance Claim receivables	2,506,784	1,457,178
Prepaid Expenses	1,906	-
Other receivables	8,631,136	1,287,731
Other deposits	18,000	18,000
	11,157,826	**2,762,909**

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(Amount in rupees unless otherwise stated)

	March 31, 2020	March 31, 2019
12: Borrowings (at amortised Cost)		
(a) Borrowings (other than debt securities)		
Term loans		
Secured		
Indian rupee loan from banks	50,070,784	-
Indian rupee loan from non-banking financial companies	39,157,921	224,906,645
Unsecured		
Indian rupee loan from non-banking financial company	-	-
Advances from related parties(unsecured)	1,044,343,897	275,522,008
Advance from related party carries interest rate @ 15% p a with monthly interest repayment		
Total Borrowings (other than debt securities)	**1,133,572,602**	**500,428,653**
(b) Subordinated Liabilities (at amortised cost)		
Indian rupee loan from related party (unsecured)	1,612,787	1,377,636
Loans from related party carries interest rate @ 15% p a with monthly interest repayment		
Total Subordinated Liabilities	**1,612,787**	**1,377,636**
Above amount includes		
Secured borrowings*	89,228,705	224,906,645
Unsecured borrowings #	1,045,956,684	276,899,644
Net amount	**1,135,185,389**	**501,806,289**
Borrowings in India	1,135,185,389	501,806,289
Borrowings outside India	-	-
Total	**1,135,185,389**	**501,806,289**

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

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

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12A: Terms of principal repayment of long term borrowings as at March 31, 2020

(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	12.50%-13.00%	7	20,604,193	-	-	-	-	-	-	20,604,193
		4	18,250,502	-	-	-	-	-	-	18,250,502
		12	50,000,000	-	-	-	-	-	-	50,000,000
	14.50%-15.00%	1	1,033,000,000	-	-	-	-	-	-	1,033,000,000
Total		24	1,121,854,695	-	-	-	-	-	-	1,121,854,695
Impact of EIR										13,330,694
Grand Total										1,135,185,389

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(Amount in rupees unless otherwise stated)

13: Other financial liabilities	March 31, 2020	March 31, 2019
Employee benefits payable	7,190,626	6,489,832
Expenses payable	2,282,765	2,076,573
Payable on assigned loans	-	-
Insurance premium collected and claims payable	5,043,029	869,710
Premium payable on redemption of preference shares	-	-
Sundry creditors	1,629,364	153,656
Other Payables	-	-
	16,145,783	**9,589,771**

14: Current tax liabilies (net)	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	50,375,699	59,055,867
	50,375,699	**59,055,867**

15: Provisions	March 31, 2020	March 31, 2019
Provision for gratuity (net of contribution)	416,573	179,639
Provision for doubtfull claims	120,564	12,449
	537,137	**192,088**

16. Other non financial liabilities	March 31, 2020	March 31, 2019
Statutory dues payable	7,064,991	1,420,080
	7,064,991	**1,420,080**

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	March 31, 2020	March 31, 2019
17: Equity Share capital		
Authorized		
5,000,000 (March 31,2019: 50,000,000,) equity shares of Rs.10 each	50,000,000	50,000,000
	50,000,000	**50,000,000**
Issued, subscribed and paid-up		
4,846,410 (March,31,2019: 4,846,410) equity shares of Rs.10 each fully paid up	48,464,100	48,464,100
Total	**48,464,100**	**48,464,100**

(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-20		31-Mar-19	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the period	4,846,410	48,464,100	2,956,193	29,561,930
Issued during the period	-	-	1,890,217	18,902,170
Outstanding at the end of the period	**4,846,410**	**48,464,100**	**4,846,410**	**48,464,100.00**

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-20		31-Mar-19	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Spandana Sphoorty Financial Limited	4,727,352.00	97.54%	4,727,352.00	97.54%

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	As At 31 March, 2020	As At 31 March, 2019
18: Other Equity		
Money received against share warrants	-	-
Securities premium		
Balance as per the last financial statements	240,601,080	9,503,150
Add: Premium on issue of equity shares	-	231,097,930
Less: Utilized for premium on redemption of Preference shares	-	-
Closing balance	**240,601,080**	**240,601,080**
General reserve	**52,086**	**52,086**
Share options outstanding reserve	**688,314**	**114,504**
Capital redemption reserve		
Balance as per the last financial statements	16,760,780	16,760,780
Add: Addition during the year	-	-
Closing balance	**16,760,780**	**16,760,780**
Statutory reserve		
Balance as per the last financial statements	57,029,584	29,429,381
Add: Amount transferred from surplus of profit and loss	30,057,353	27,600,203
Closing balance	**87,086,937**	**57,029,584**
Surplus in the statement of profit and loss		
Balance as per the last financial statements	127,662,649	87,647,816
Add: Profit for the year	150,386,848	137,905,405
Add: Other Comprehensive Income	(100,082)	95,612
Less: Transfer to Statutory Reserve [@ 20% of profit after tax as required by Section 45-IC of Reserve Bank of India Act, 1934]	(30,057,353)	(27,600,203)
Less: Preference shares Redemption	-	-
Less: Dividend on OCCRPS	-	-
Less: Dividend Distribution tax	-	(12,001,169)
Less: Dividend on Equity sharees	-	(58,384,812)
Less: Dividend on CCPS all class (includes dividend distribution tax)		-
Less: Dividend on OCCRPS (includes dividend distribution tax)		-
Less: Dividend on OCRPS all series (includes dividend distribution tax)		-
Net surplus in the statement of profit and loss	**247,892,062**	**127,662,649**
Total other equity	**593,081,259**	**442,220,683**

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(Amount in rupees unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
19: Interest Income		
Measured at amortised cost		
Interest on portfolio loans	300,548,679	326,104,076
Interest on margin money deposits*	1,115,509	1,354,292
Interest on inter corporate advances	2,914,305	-
	304,578,493	**327,458,368**

*Represent margin money deposits placed to avail term loans from banks and non baking financial companies

20: Others		
Recovery against loans written off	4,257	235,442
	4,257	**235,442**
21: Other income		
Advertisement Income	22,500,000	60,000,000
Miscellaneous income	296,836	170,222
	22,796,836	**60,170,222**
22: Finance cost		
On Borrowings (other than debt securities)	85,845,880	123,167,888
On sub-ordinated liabilities	2,400,946	21,399,285
On income tax	871,658	4,168,865
Other finance cost	207,000	269,028
	89,325,484	**149,005,066**
23: Impairment on financial instruments		
Measured at amortised cost		
Impairment on portfolio loans	6,651,838	(651,167)
Portfolio loans written off	108,183	334,761
	6,760,021	**(316,406)**
24: Employee benefits expenses		
Salaries, wages and bonus	35,580,009	45,709,808
Contribution to provident fund and Other Funds	1,550,163	654,996
Expenses on Employee Stock Option Plan	573,810	114,504
Staff welfare expenses	79,498	418,171
	37,783,480	**46,897,479**
25: Other expenses		
Rent	1,378,288	1,698,799
Rates and taxes	9,301	13,332
Bank charges	3,680,363	995,729
Office maintenance	684,955	1,202,830
Repairs and maintenance	36,835	25,348
Electricity charges	447,773	521,492
Travelling and Conveyance expenses	69,583	313,724
Communication expenses	2,270	6,471
Credit Bureau Expenses	43,582	137,796
Printing and stationery	381,804	584,087
Legal and professional charges	299,199	441,270
Auditors remuneration (refer details below)	508,750	430,400
Medical Expenses	-	30,000
Professional Tax Charges	5,000	7,500
Advertisement Expenses	66,120	100,558
Other provisions and write off	108,115	(108,024)
GST Late filing Fee	-	6,500
NSDL Joining and Custodian Fee	9,810	22,250
Interest on TDS	2,856	-
Loss from theft & Fraud	-	268,107
Net loss on derecognition of plant, property and equipment	-	398,676
CSR Expenses	2,328,130	1,154,888
Miscellaneous expenses	28,910	66,436
	10,091,644	**8,318,169**

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(Amount in rupees unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to auditors		
As auditor:		
Audit fee	473,000	428,900
Certification fee	-	-
Out of pocket expenses	35,750	1,500
	508,750	430,400

26: Income Tax Expense
A. Income tax expense in the statement of profit and loss consists of:

Current Income Tax:		
Income Tax	51,614,124	56,891,609
Deffered Tax	(98,723)	(212,655)
Income Tax expense reported in the statement of profit or loss	51,515,401	56,678,954
Income tax recognised in other comprehensive income		
Deferred tax arising on income and expenses recognised in other comprehensive income	(33,664)	39,281
Total	51,481,737	56,718,235

B. The reconciliation between the provision of Income Tax of the company and amounts computed by applying the Indian statutory Income Tax rate to profit before taxes is as follows:

Profit before tax	201,802,456	194,719,252
Enacted tax rates in India	25.17%	29.12%
Computed tax expense	50,789,642	56,702,246
Effect of :		
Non-deductible expenses	805,729	1,213,975
Additional Deductions as per Income tax	(267,313)	(467,554)
Brought Forward Losses		-
Others	153,679	(730,433)
Total Income Tax expense	51,481,737	56,718,235

27: Earning per Share

Net profit after tax as per Statement of Profit and Loss	**150,386,848**	**137,905,405**
Less: Dividend on CCPS (all class) & OCRPS (all series) and tax thereon	-	-
Net profit for calculation of basic earnings per share	**150,386,848**	**137,905,405**
Net profit as above	**150,386,848**	**137,905,405**
Add: Dividend on CCPS (all class) & OCRPS (all series) and tax thereon	-	-
Net profit for calculation of diluted earnings per share	**150,386,848**	**137,905,405**
Calculation of weighted average number of equity shares for basic EPS		
Equity shares		
Opening No. of shares	4,846,410	2,956,193
Add: Fresh issued during the year	-	481,617
	-	
	4,846,410	3,437,810
Effect of dilution		
Conversion of OCRPS	-	-
Conversion of share warrants	-	-
Weighted average number of equity shares for diluted EPS	4,846,410	3,437,810
Basic earnings per share (In rupees)	31.03	40.11
Diluted earnings per share (In rupees)	31.03	40.11

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

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28: Segment Reporting

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

29: Related parties under Ind AS 24 with whom transactions have taken place during the period.
I. Holding Company
Spandana Sphoorty Financial Limited (w e f December 27 , 2018)

II. Other related party in accordance with Ind AS 24 with whom transactions have taken place
a) Abhiram Marketing Services Limited
b) Spandana Rural and Urban Development Organization
c) Spandana Mutual Benefit Trust
d)Spandana Employee Welfare Trust

III. Key Management Personnel
a) Mrs Padmaja Gangireddy - Director

Related party transactions during the period:

S. No	Related Party	Nature of Transactions	Transactions during year ended March 31, 2020	9Transactions during year ended March 31, 2019	(Payable)/Receivable	
					31-Mar-20	31-Mar-19
1	Spandana Sphoorty Financial Limited	Expenses reimbursement	517,120	186,415	(26,432)	(16,847)
		Proceeds from issue of Equity Shares		250,000,100		-
		Advance received	1,209,000,000	1,186,427,198	(1,033,000,000)	(272,927,198)
		Advance repaid	448,927,198	1,244,500,000		
		Interest paid	67,103,954	91,301,752	(11,343,896)	(2,594,810)
		Others	2,113,537		(476,891)	
2	Abhiram Marketing Services Limited	Purchases	274,936	366,546		-
		Commission Received	19,432,936	11,937,028	8,459,941	904,260
		Incentive Received	-	-	-	-
		Unsecured Loan received	-	75,000,000	-	-
		Interest paid	-	404,795	-	-
		Unsecured Loan given	80,000,000	-	80,000,000	-
		Interest Received	2,914,305	-	910,408	-
		Others	91,367,101	94,891,483	(1,488,448)	(135,709)
3	Mrs. Padmaja Gangireddy	Rent paid	730,660	672,000	-	(81,557)
4	Spandana Rural and Urban Development Organization	Unsecured Loan received	131,500,000	218,400,000	-	-
		Unsecured Loan Repaid	131,500,000	218,400,000		
		Interest paid	1,791,986	14,194,355	(1,612,787)	(945,342)
5	Spandana Mutual Benefit Trust	Unsecured Loan received	45,500,000	51,900,000	-	-
		Unsecured Loan Repaid	45,500,000	51,900,000		
		Interest paid	579,658	2,770,685	-	(166,240)
6	Spandana Employee Welfare Trust	Unsecured Loan received	2,300,000	8,800,000	-	-
		Unsecured Loan Repaid	2,300,000	8,800,000		
		Interest paid	29,302	4,434,245	-	(266,054)

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

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30: Contingent Liabilities not provided for

Particulars	31-Mar-20	March 31, 2019
Claims against the Company not acknowledge as debts: Income tax assessment order for FY 2016-17	18,736,367	-
Total	**18,736,367**	-

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, 2020 The Company has deposited Rs 37,47,273/- against such demand in the process of filling the aforesaid appeal

31: Fair Value

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets measured at FVOCI				
Loan Portfolio	1,679,088,793	1,023,697,378	1,686,835,345	1,033,847,361
Financial Assets measured at cost				
Cash and cash equivalents	60,098,414	10,884,164	60,098,414	10,884,164
Bank Balances other than cash and cash equivalent	4,059,889	3,777,370	4,059,889	3,777,370
Other Financial Assets	89,892,984	18,629,228	89,892,984	18,629,228
Total Financial Assets	**1,833,140,081**	**1,056,988,140**	**1,840,886,632**	**1,067,138,123**
Financial liabilities				
Borrowings (Other than Debt Securities)	1,133,572,602	500,428,653	1,134,548,817	502,122,826
Subordinated Liabilities	1,612,787	1,377,636	1,612,787	1,377,636
Other financial liabilities	16,145,783	9,589,771	16,145,783	9,589,771
Total Financial Liabilities	**1,151,331,172**	**511,396,060**	**1,152,307,388**	**513,090,233**

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 Hierachy of assets and liabilities

Fair value measurement

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

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

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

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

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

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

I. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 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	1,679,088,793	1,686,835,345	-	1,686,835,345	-	1,686,835,345
Total	**1,679,088,793**	**1,686,835,345**	-	**1,686,835,345**	-	**1,686,835,345**

Liabilities

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Borrowings (Other than Debt Securities)	1,133,572,602	1,134,548,817	-	1,134,548,817	-	1,134,548,817
Subordinated Liabilities	1,612,787	1,612,787	-	1,612,787	-	1,612,787
Total	**1,135,185,389**	**1,136,161,604**	-	**1,136,161,604**	-	1,136,161,604

II. The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Assets

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Loan Portfolio at amortized cost	1,023,697,378	1,033,847,361	-	1,033,847,361	-	1,033,847,361
Total	**1,023,697,378**	**1,033,847,361**	-	**1,033,847,361**	-	**1,033,847,361**

Liabilities

Particulars	At amortized cost					
	Carrying Value	Fair Value	Level -1	Level 2	Level-3	Total
Borrowings (Other than Debt Securities)	500,428,653	502,122,826	-	502,122,826	-	502,122,826
Subordinated Liabilities	1,377,636	1,377,636	-	1,377,636	-	1,377,636
Total	**501,806,289**	**503,500,462**	-	**503,500,462**	-	**503,500,462**

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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 in 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, 2020 and March 31, 2019

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, 2020**	**March 31, 2019**
Teir I Capital	6,226 02	4,885 68
Teir II Capital	67 16	14 84
Total Capital	6,293 18	4,900 52
Risk weighted assets	17,970 44	10,246 85
Teir I CRAR	34 65%	47 68%
Teir II CRAR	0 37%	0 14%
Total CRAR	35 02%	47 82%

CRAR is computed in line with RBI notification dated 13 March 2020 w r t implementation of Indian Accounting Standards and accordingly not comparable with CRAR as at 31st March 2019

34: Employee Benifit 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, 2020**	**March 31, 2019**
Defined benefit obligation as at the beginning of the year	179,639	223,912
Current service cost	193,596	73,737
Interest on defined benefit obligation	13,437	16,883
Remeasurements- Actuarial (gain)/ Loss on total liabiities	133,746	(134,893)
Benefits paid	(103,845)	-
Defined benefit obligation as at the end of the year	**416,573**	**179,639**

Movement in plan assets

Particulars	**March 31, 2020**	**March 31, 2019**
Fair value of plan assets as at the beginning of the year	-	-
Actual return on plan assets	-	-
Actuarial gains	-	-
Employer contributions	103,845	-
Benefits paid	(103,845)	-
Fair value of plan assets as at the end of the year	-	-

Reconciliation of net liability/ asset

Particulars	**March 31, 2020**	**March 31, 2019**
Net defined benefit liability/ (asset) as at the beginning of the year	179,639	223,912
Expense charged to statement of profit & loss	207,033	90,620
Amount recognised in other comprehensive income	133,746	(134,893)
Employer contributions	(103,845)	-
Net defined benefit liability/ (asset) as at the end of the year	**416,573**	**179,639**

Balance Sheet
Amount recognised in balance sheet

Particulars	**March 31, 2020**	**March 31, 2019**
Present value of obligations	416,573	179,639
Fair value on plan assets	-	-
Net defined benefit liability recognised in balance sheet	**416,573**	**179,639**

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Expenses charged to the statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Current service cost	193,596	73,737
Interest Cost	13,437	16,883
Total	**207,033**	**90,620**

Remeasurement gains/(losses) in the other comprehensive income

Particulars	March 31, 2020	March 31, 2019
Remeasurements- Acturial Gain/ (Loss)	-133746	134,893
Amount recognised under Other Comprehensive Income	**(133,746)**	**134,893**

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, 2020	March 31, 2019
Fund managed by Insurer	0%	0%
Total	**0%**	**0%**

Summary of Actuarial Assumptions

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.23%	7.48%
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, 2020	March 31, 2019
Discount rate (+0.5%)	(18,255)	(7,089)
Discount rate (-0.5%)	19,732	7,617
Salary inflation (+1%)	41,202	16,054
Salary Inflation (-1%)	(35,878)	(14,124)
Withdrawal Rate (+5%)	(32,418)	(7,121)
Withdrawal Rate (-5%)	21,235	(3,246)

Projected plan cash flow

Particulars	March 31, 2020	March 31, 2019
1Year	13,354	6,983
2Year	14,896	9,758
3Year	28,606	13,073
4Year	35,101	18,893
5 Year	47,184	22,059
After year 5	705,103	326,135

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

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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, 2020	March 31, 2019
Operating lease payments recognized in the Statement of Profit & Loss	-	-

Minimum lease obligations

Particulars	March 31, 2020	March 31, 2019
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 2020 & March 31, 2019 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 heigher of the expected credit loss (ECL) model or RBI Provisionoing Norms for the outstanding loans as at balance sheet date

The below discussion describes the Company's approach for assessing impairment as stated in note 3(e) of the significant accounting policies

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)

A summary of PD rates determined by the Company for its portfolio are as follows:

	March 31,2020		March 31,2019	
State	Stage-I	Stage-II	Stage-I	Stage-II
Andhra Pradesh	0.03%	61.61%	0.01%	0.00%
Telangana	0.03%	35.94%	0.02%	20.54%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March

B) Exposure at default (EAD)

The 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

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

State	March 31, 2020	March 31, 2019
Andhra Pradesh	0.00%	100.00%
Telangana	5.86%	58.24%

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Analysis of concentration risk is as follows:-

States	March 31, 2020	March 31, 2019
Andhra Pradesh	99.90%	88.88%
Telangana	0.10%	11.12%
Total	**100.00%**	**100.00%**

37.2 Liquidity Risk

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

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

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*	25,449,914	12,451,563	12,409,897	27,471,324	1,061,947,381	-	-	-	1,139,730,079
Other Financial Liabilities	13,536,947	-	-	2,608,836	-	-	-	-	16,145,783
Advances**	-	-	198,777,090	461,533,030	622,723,657	695,687,777	23,008,975	514,025	2,002,246,553
Other Financial Assets	149,211,749			4,059,889			779,650		154,051,287

*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 & 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 April 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 arrangement.

Maturity pattern of assets and liabilities as on March 31, 2019:

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*	295,861,477	21,406,631	18,579,532	54,885,731	90,206,408	40,523,376	-	-	521,463,155
Other Financial Liabilities	7,218,451	-	-	2,371,319	-	-	-	-	9,589,770
Advances	151,507,421	148,264,387	121,855,936	340,248,251	311,984,900	53,598,838	21,892,135	35,062	1,149,386,930
Other Financial Assets	10,884,164	4,153,150	-	-	5,924,034	11,515,564	813,850	-	33,290,762

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

37.3 Market Risk

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

37.3a Interest rate risk

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

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

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

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

	March 31, 2020	March 31, 2019
Finance Cost		
0.50 % Increase	-	(148,472)
0.50 % Decrease	-	148,532

Note : All borrowings outsatanding as on 31.03.2020 are fixed interest rate borrowings hence there is no interest rate risk.

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: 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 5,73,810/-

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A. The following table lists the input to the black scholes models used for the options granted during the year ended March 31, 2020

Particulars	Grant III
Date of Grant	7-Feb-19
Date of Board / Compensation/ Committee Approval	7-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, 2020 have been summarised as below

Particulars	Grant III
Granted during the period/ year	13,500
Lapsed during the period/ year	7,500
Outstanding at the end of the period/ year *	6,000

*There are no options exercisable at the end of period

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

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

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

For the year ended March 31, 2020

Name of instrument	Opening Balance	Converted into	Premium added	Cash Flows	Closing Balance
Equity Share capital	48,464,100	-	-	-	48,464,100
Total Borrowings	501,806,289			633,379,100	1,135,185,389
Total	550,270,389	-	-	633,379,100	1,183,649,489

For the year ended March 31, 2019

Name of instrument	Opening Balance	Converted into	Premium added	Cash Flows	Closing Balance
Equity Share capital	29,561,930	-	231,097,930	18,902,170	279,562,030
Total Borrowings	857,309,168	-	-	(355,502,878)	501,806,289
Total	886,871,098	-	231,097,930	(336,600,708)	781,368,320

40. Revenue from contracts with customers

Particulars	March 31, 2020	March 31, 2019
Type of services		
Service fees for management of assigned portfolio of loans	-	-
Service and administration charges	-	-
Commission & other Income	41,932,935.00	71,937,028.00
Total	**41,932,935.00**	**71,937,028.00**

Geographical markets

Particulars	March 31, 2020	March 31, 2019
India	41,932,935.00	71,937,028.00
Outside India	-	-
Total	**41,932,935.00**	**71,937,028.00**

Timing of revenue recognition

Particulars	March 31, 2020	March 31, 2019
Services transferred at a point in time	41,932,935.00	71,937,028.00
Services transferred over time	-	-
Total	**41,932,935.00**	**71,937,028.00**

Receivables

Particulars	March 31, 2020	March 31, 2019
Commission & other Income	8,459,942.00	904,260.00

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

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CRISS FINANCIAL HOLDINGS LIMITED

(Amount in rupees unless otherwise stated)

41. 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, 2020	March 31, 2019
CRAR (%)	35.02%	47.82%
CRAR-Tier I Capital (%)	34.65%	47.68%
CRAR-Tier II Capital (%)	0.37%	0.14%
Amount of subordinated debt raised as Tier-II capital	-	1,377,636
Amount raised by issue of Perpetual Debt Instruments	-	-

CRAR as at March 31, 2020 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 Accordingly, CRAR for March 31, 2019 is not comparable

b. Exposure to real estate sector

Category	March 31, 2020	March 31, 2019
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.	77,356,017	64,090,813
II.Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose Commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
III.Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial Real Estate	-	-
A.Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total	77,356,017	64,090,813

c. Outstanding of loans against security of gold as a percentage to total assets is nil

d. The Company has no exposure to capital market

e. Asset liability management:

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	23,351,446	-	-	11,577,468	11,381,655	23,953,456	1,060,919,361	-	-	-	1,135,185,389
Advances *	-	-	-	-	163,222,776	376,410,841	511,454,680	608,728,837	18,734,560	187,939	1,679,098,793
Investments	-	-	-	-	-	-	-	-	-	-	0.00

*** As per the Covid-19 regulatory package announced by RBI to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic vide Circular No RBI/2019-20/186 & DOR No BP BC 47/21 04 048/2019-20, the Company has extended moratorium to its borrowers whose loans were standard as on March 01, 2020, for the period April 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 arrangement

Maturity pattern of assets and liabilities as on March 31, 2019

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	31,388,876	39,096,914	39,285,038	124,533,401	224,454,950	39,114,958	-	-	497,964,137.00
Advances *	128,302,946	130,815,167	108,782,425	310,784,000	293,852,010	36,032,151	18,754,010	34,951	1,027,857,670
Investments	-	-	-	-	-	-	-	-	0.00

* Net of provision towards non-performing loans and advances

f. Information on instances of fraud

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

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement	1	16,960	0	16,960
Fake Loans	2	1,566,609	1,315,462	251,147

*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	7-Jan-20	[ICRA]BBB-(Stable)	See Note-1	500,000,000

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	15-Oct-17	[ICRA]BB (Stable)	See Note-1	300,000,000

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, 2020	March 31, 2019
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 Advances.

(Amounts in Crores)

Particulars	March 31, 2020	March 31, 2019
Concentration of Advances*		
Total advances to twenty largest borrowers	1.28	1.32
(%) of advances to twenty largest borrowers to total advances	0.76%	0.00%
Concentration of Exposures*		
Total exposure to twenty largest borrowers	1.28	1.32
(%) of exposure to twenty largest borrowers to total exposure	0.75%	1.28%
Concentration of NPAs**		
Total exposure to top four NPA accounts	0.05	0.00

* Represents amount outstanding as per contract with customers
** Represents stage III loans including interest

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k. Sector wise NPAs*

Sector	Percentage of NPAs to total advances in that sector	
	As at March 31, 2020	**As at March 31, 2019**
Agriculture and allied activities	**0.00%**	0.00%
MSME	**0.00%**	0.00%
Corporate borrowers	**0.00%**	0.00%
Services	**0.00%**	0.00%
Unsecured personal loans	**0.00%**	0.00%
Auto loans	**0.00%**	0.00%
Other personal loans	**0.28%**	0.00%

* Represents stage III loans

l: Comparison between provisions required under Income Recognition and Asset Classificatin 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	1,680,788,253	6,715,594	1,674,072,659	6,715,594	-
	Stage 2	4,578,826	18,262	4,560,563	18,262	-
Subtotal		**1,685,367,079**	**6,733,857**	**1,678,633,222**	**6,733,857**	-
Non Performing Assets (NPA)						
Substandard	Stage 3	479,812	24,240	455,572	24,240	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-		-
Subtotal for NPA		**479,812**	**24,240**	**455,572**	**24,240**	-
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	1,680,788,253	6,715,594	1,674,072,659	6,715,594	-
	Stage 2	4,578,826	18,262	4,560,563	18,262	-
	Stage 3	479,812	24,240	455,572	24,240	-
	Total	1,685,846,891	6,758,097	1,679,088,794	6,758,097	-

* Please refer Accounting policies 3(e) for further details on loss allowance provided by the company as per Ind AS 109

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Notes to the Financial Statements for the year ended March 31, 2020

(Amount in rupees unless otherwise stated)

l. Movement of NPAs

Particulars	March 31, 2020	March 31, 2019
Net NPAs to net advances (%)	0.03%	0.00%
Movement of NPAs (gross)		
1. Opening balance	0	258096
2. Additions during the year	587,995	292410
3. Reductions during the year	(108,183)	(550,505)
4. Closing balance	479,812	0
Movement of Net NPAs		
1. Opening balance	-	5,517
2. Additions during the year	455,572	6,365
3. Reductions during the year	0	(11,882)
4. Closing balance	455,572	-
Movement of provision for NPAs (excl. standard assets)		
1. Opening balance	-	252578
2. Provisions made during the year	132,423	286045
3. Write off/ write back of excess provisions	(108,183)	(538,623)
4. Closing balance	24,240	-

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

n. Investments:

Particulars	March 31, 2020	March 31, 2019
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 deprecation		
Opening balance	-	-
Add: Provision made during the year	-	-
Less: Write off/ write back	-	-
Closing balance	-	-

o. The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current

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

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

r. Unsecured Advances – Refer note 6

s. 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)

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

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Notes to the Financial Statements for the year ended March 31, 2020

(Amount in rupees unless otherwise stated)

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

Particulars	March 31, 2020	March 31, 2019
Provision for income tax (net)	51,549,354	56,678,954
Provision for non-performing assets	-	-
Provision for standard assets	6,651,838	(651,167)
Provision for theft & fraud	-	-
Provision for gratuity	207,033	69,101
Provision for leave benefits	479,356	462,894
Provision for insurance claims	108,115	(108,024)
Provision for bonus	3,524,731	1,075,658
Provision for other assets	-	-

* Represents impairment allowance on stage III loans

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

v. The Company has no unhedged foreign currency exposure.

42.CSR Expenses

Particulars	31-Mar-20	31-Mar-19
a) Gross amount required to be spent by the Company during the year	2,328,130.00	1,154,888.00
b) Amount spent during the year on purposes other than construction/acquisition of any asset	2,404,400.00	-
Paid	2,018,100.00	-
Yet to be paid	386,300.00	1,154,888.00
Total	2,404,400.00	1,154,888.00

43. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

44: 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

S.Ranganathan
Partner
Membership No.022738

RAJU & PRASAD HYDERABAD CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 02-06-2020

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

CRISS FINANCIAL HOLDINGS LIMITED

Place: Hyderabad
Date: 02-06-2020