

**BOARD'S REPORT**

**To the Members,**

The Directors have pleasure in presenting before you the 1<sup>st</sup> Annual Report of the Company together with the Audited Statements of Accounts for the period ended 31<sup>st</sup> March 2018.

**FINANCIAL RESULTS:**

Your company is yet to commence the commercial operations of the Company and hence there are no revenues or expenditures for the period ended 31<sup>st</sup> March 2018.

**REVIEW OF OPERATIONS AND OUTLOOK**

Your Company was incorporated on 8<sup>th</sup> June, 2017. Your Directors are pleased to report that, your Company shall explore the business potential of rendering services viz. management consultants and advisors covering all branches and disciplines of management such as corporate legal affairs, secretarial, personnel, administration, and other allied areas, accounting, information systems, organizational studies, systems analysis, in the coming period.

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There are no material changes and commitments to report that can be considered to affect the financial position of the company which have occurred between the end of the financial year of the Company till the date of this report.

**CHANGE IN THE NATURE OF BUSINESS:**

Since the Company has not yet started the business, there are no changes in the nature of the Company's business during the period under review.

**DIVIDEND AND TRANSFER TO RESERVES:**

Since the Company has not yet started the business, your Directors do not recommend any dividend for the year under review.

**SHARE CAPITAL AND ISSUE OF SECURITIES:**

During the year under review, there is no change in the paid up share capital of the Company.

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The provisions of Section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to your Company.

**KARVY FINTECH PRIVATE LIMITED**  
**(Formerly known as KCPL Advisory Services Private Limited)**  
(CIN:U67200TG2017PTC117649)

**COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In accordance with the provisions of Companies Act, 2013 and rules issued there under, constitution of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee is not applicable to the Company.

**VIGIL MECHANISM:**

The provisions of establishment of vigil mechanism as required under the provisions of section 177(9) of the Companies Act, 2013 are not applicable to the company.

**BOARD MEETINGS:**

The Board of Directors of the company met 10times during financial year under review. The meetings were held on 9<sup>th</sup> June 17, 29<sup>th</sup> June 17, 3<sup>rd</sup> July 17, 10<sup>th</sup> July 17, 22<sup>nd</sup> July 17, 28<sup>th</sup> July 17, 2<sup>nd</sup> August 17, 4<sup>th</sup> August 17, 15<sup>th</sup> November 17, 15<sup>th</sup> March 18

The name and categories of the Directors, their attendance at the Board meetings held during the financial year are given herein below:

Details		Board Meetings	
S. No.	Name of the Director	No. of Meetings which were entitled to attend	Attended
1.	Rammohan K V (Director)	10	10
2.	Bharat Naidu B (Director)	10	10

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

There is no change in the composition of the Board of Directors during the financial year ended March 31, 2018.

Your Directors wish to inform that provisions related to Key Managerial Personnel are not applicable to your Company as per Section 203 of the Companies Act 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:**

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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**KARVY FINTECH PRIVATE LIMITED**  
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(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report has been duly annexed. **(ANNEXURE - I)**

**STATUTORY AUDITORS:**

B S K S & Co., Chartered Accountants, having registration no: **017471S**, appointed as First Auditors of the Company, at the Board meeting held on 9<sup>th</sup> June 2017, and shall hold the office till the ensuing annual general meeting of the company. Your Directors propose to appoint B S K S & Co., Chartered Accountants, as the statutory auditors of the company.

Your Directors wish to inform you that, as per the notified section 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, issued thereunder, it is proposed to appoint B S K S & Co., Chartered Accountants, as the statutory auditors of your company for a period one year to audit. B S K S & Co., shall hold office from the conclusion of the ensuing annual general meeting till the conclusion of the annual general meeting of the company to be held for FY 2018-19.

Your company has received the consent and the required certificate from B S K S & Co., Chartered Accountants, to the effect that, their appointment, if made would be in accordance with the provisions of Section 141 and other applicable provisions of the Companies Act, 2013, read with the with Companies (Audit and Auditors) Rules, 2014, issued thereunder. The Board recommends their appointment.

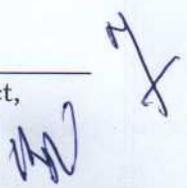
**STATUTORY AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT**

The statutory auditors' report do not contain any qualifications, reservations or adverse remarks.

The provisions of Section 204 of the Companies Act, 2013 with regard to secretarial audit are not applicable to our Company.

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**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

**(A) Conservation of energy:**

The company would report on the conservation of energy once the business/commercial operations commence.

**(B) Foreign exchange earnings and Outgo**

There are no foreign exchange earnings and outgo for the Company during the year.

**DEPOSITS**

During the period under review, your company has not accepted any deposits within the meaning of Section 73, 74 & 76 of the Companies Act, 2013, and the rules framed there under. Further, your company has no opening balances of deposits carried forward to the current year.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant and material orders passed by RBI/SEBI/other regulations against the company as on date of this report.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

There are no transactions relating to Loans/Guarantees/Investments to report as per the provisions of section 186 (4) of the Companies Act, 2013.

**RISK MANAGEMENT POLICY:**

Your Company duly developed and implemented Risk Management Policy to be implemented for the various services which it intends to offers including identification of elements of risk that may threaten the existence of the Company.

**RELATED PARTY TRANSACTIONS:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of Contracts or Arrangements made with related parties are furnished in Annexure –II in Form AOC-2 and attached to this report.

**DETAILS OF SPECIFIC EMPLOYEES REMUNERATION:**

The provision of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable for the Company during the period under review.

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**POLICY ON SEXUAL HARRASMENT:**

Currently there are no employees on the rolls of the Company. A Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, will be put in place at an appropriate time.

**ACKNOWLEDGEMENT:**

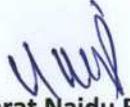
Your Directors wish to express their gratitude for the continuous support and assistance received from investors, clients, bankers, all statutory and government authorities during the year. Your Directors also wish to place on record their appreciation for the contributions and committed services made by the employees at all levels.

**ANNEXURE INDEX**

<b><u>Sl. No</u></b>	<b><u>Particulars</u></b>
<b><u>I</u></b>	Annual Return Extracts in MGT 9
<b><u>II</u></b>	Form AOC-2

For and on behalf of the Board of Directors of  
**Karvy Fintech Private Limited**

  
**Rammohan K V**  
Director  
DIN: 02270230

  
**Bharat Naidu B**  
Director  
DIN: 06392666

Date: 27.08.2018

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**ANNEXURE - 1**

**EXTRACT OF ANNUAL RETURN**  
**FORM- MGT- 9**

As on the financial year ended on 31<sup>st</sup> March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. **CIN** :U67200TG2017PTC117649
2. **Registration Date** : 8<sup>th</sup> June 2017
3. **Name of the Company**: Karvy Fintech Private Limited (Formerly known as KCPL advisory Services Private Limited)
4. **Category / Sub-Category of the Company**: Limited by share/ Non-Government Company
5. **Address of the Registered office and contact details**:  
Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,  
Nanakramguda,Serilingampally Hyderabad 500032  
Telephone- 040 3321 5567  
Fax No. 040- 2344 0674  
E-mail: Compliance.kfpl@karvy.com
6. **Whether listed company** : No
7. **Name, Address and Contact details of Registrar and Transfer Agent, if any**:Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Activities auxiliary to insurance and pension funding	67200	Yet to start operations

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Nil**

Sl.No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
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**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*(i) Category-wise Share Holding:*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									

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(a) Individual/HUF		10,000	10,000	100%	7,342		7,342	73.42%	
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.					2,658		2,658	26.58%	
(e) Banks / FI									
(f) Any Other....									
<b>Sub-Total (A) (1)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	-	<b>10,000</b>	<b>100%</b>	
<b>(2)</b>									
(a) NRIs - Individuals									
(b) Other- Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter</b>									
<b>(A) = (A)(1) + (A)(2)</b>									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt									
(d) State Govt (s)									
(e) Venture Capital funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (Specify)									
<b>Sub-Total (B)(1)</b>									
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian									
ii. Overseas									
<b>(b) individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh									

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ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
(C) Others (Specify)									
<b>Sub-Total (B)(2)</b>									
<b>Total Shareholding of Promoter = (B) (1) + (B) (2)</b>									
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>									

**(ii) Shareholding of Promoters:**

Sl.No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Venkata Ram Mohan Karavadi	5,000	50%	-	-	-	-	-50%
2.	Mr. Bharat Naidu Bobbili	5,000	50%		-	-		-50%
3.	M. Gangadhar Rao	-	-		107	1.07%		1.07%
4.	M. Spandana	-	-		786	7.86%		7.86%
5.	Adhiraj Parthasarathy	-	-		161	1.61%		1.61%
6.	Rajat Parthasarathy	-	-		161	1.61%		1.61%
7.	M. Rajini	-	-		2216	22.16%		22.16%
8.	M. Ahalya	-	-		199	1.99%		1.99%
9.	M. Rushyanth	-	-		691	6.91%		6.91%
10.	M. Meena	-	-		476	4.76%		4.76%
11.	C. Parthasarathy - HUF	-	-		363	3.63%		3.63%
12.	Jhansi Sureddi	-	-		2182	21.82%		21.82%
13.	Compar Estates and Agencies Pvt. Ltd.	-	-		2658	26.58%		26.58%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sl.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total	No. of shares	% of total

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			shares of the company		shares of the company
<b>1</b>	<b>Mr. Venkata Ram Mohan Karavadi</b>				
	At the beginning of the year	<b>5,000</b>	<b>50%</b>	<b>5,000</b>	<b>50%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	<b>-5000</b>	<b>-50%</b>	<b>-5000</b>	<b>-50%</b>
	At the End of the year	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>2.</b>	<b>Mr. Bharat Naidu Bobbili</b>				
	At the beginning of the year	<b>5,000</b>	<b>50%</b>	<b>5,000</b>	<b>50%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	<b>-5000</b>	<b>-50%</b>	<b>-5000</b>	<b>-50%</b>
	At the End of the year	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>3</b>	<b>M. Gangadhar Rao</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	107	1.07%	107	1.07%
	At the End of the year	<b>107</b>	<b>1.07%</b>	<b>107</b>	<b>1.07%</b>
<b>4</b>	<b>M. Spandana</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	786	7.86%	786	7.86%
	At the End of the year	<b>786</b>	<b>7.86%</b>	<b>786</b>	<b>7.86%</b>
<b>5</b>	<b>Adhiraj Parthasarathy</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	161	1.61%	161	1.61%
	At the End of the year	<b>161</b>	<b>1.61%</b>	<b>161</b>	<b>1.61%</b>
<b>6</b>	<b>Rajat Parthasarathy</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	161	1.61%	161	1.61%
	At the End of the year	<b>161</b>	<b>1.61%</b>	<b>161</b>	<b>1.61%</b>
<b>7</b>	<b>M. Rajini</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of	2216	22.16%	2216	22.16%

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	shares				
	At the End of the year	<b>2216</b>	<b>22.16%</b>	<b>2216</b>	<b>22.16%</b>
<b>8</b>	<b>M. Ahalya</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	199	1.99%	199	1.99%
	At the End of the year	<b>199</b>	<b>1.99%</b>	<b>199</b>	<b>1.99%</b>
<b>9</b>	<b>M. Rushyanth</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	691	6.91%	691	6.91%
	At the End of the year	<b>691</b>	<b>6.91%</b>	<b>691</b>	<b>6.91%</b>
<b>10</b>	<b>M. Meena</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	476	4.76%	476	4.76%
	At the End of the year	<b>476</b>	<b>4.76%</b>	<b>476</b>	<b>4.76%</b>
<b>11</b>	<b>C. Parthasarathy - HUF</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	363	3.63%	363	3.63%
	At the End of the year	<b>363</b>	<b>3.63%</b>	<b>363</b>	<b>3.63%</b>
<b>12</b>	<b>Jhansi Sureddi</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	2182	21.82%	2182	21.82%
	At the End of the year	<b>2182</b>	<b>21.82%</b>	<b>2182</b>	<b>21.82%</b>
<b>13</b>	<b>Compar Estates and Agencies Pvt. Ltd.</b>				
	At the beginning of the year	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	10 <sup>th</sup> July 2017-Transfer of shares	2658	26.58%	2658	26.58%
	At the End of the year	<b>2658</b>	<b>26.58%</b>	<b>2658</b>	<b>26.58%</b>

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**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil**

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year ( or on the date of separation, if Separated during the year)	0	0	0	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Venkata Ram Mohan Karavadi</b>				
	At the beginning of the year	5000	50%	5000	50%
	10 <sup>th</sup> July 2017-Transfer of shares	-5000	50%	-5000	50%
	At the End of the year	0	0%	0	0%
<b>2</b>	<b>Mr. Bharat Naidu Bobbili</b>				
	At the beginning of the year	5000	50%	5000	50%
	10 <sup>th</sup> July 2017-Transfer of shares	-5000	50%	-5000	50%
	At the End of the year	0	0%	0	0%

**Registered Office:** Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad 500032, Telangana  
Tel.No. 040-33211500, Email: compsec@karvy.com

**KARVY FINTECH PRIVATE LIMITED**  
(Formerly known as KCPL Advisory Services Private Limited)  
(CIN:U67200TG2017PTC117649)

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil**

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (In Rs Lakh)
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify a) Employer contribution to PF b) Expense Reimbursements & Provisions	0	0	0
<b>Total (A)</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Ceiling as per the Act</b>		<b>Not Applicable</b>		

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**B. Remuneration to other Directors: NIL**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B) = (1)+(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Overall Ceiling as per the Act</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD: NIL**

Sl.No	Particulars of Remuneration	Key Managerial Personnel
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit - others, specify...	
5	Others, please specify a) Employer contribution to PF b) Expense Reimbursements & Provisions	
	<b>Total (C)</b>	

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

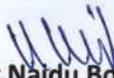
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

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Tel.No. 040-33211500, Email: compsec@karvy.com

**KARVY FINTECH PRIVATE LIMITED**  
(Formerly known as KCPL Advisory Services Private Limited)  
(CIN:U67200TG2017PTC117649)

Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For KARVY FINTECH PRIVATE LIMITED

  
**Bharat Naidu Bobbili**  
Director  
DIN No. – 06392666

  
**K.V. Ram Mohan**  
Director  
DIN No. – 02270230

Place: Hyderabad, India  
Date: 27<sup>th</sup> September 2018

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**Registered Office:** Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,  
Nanakramguda, Serilingampally Hyderabad 500032, Telangana  
Tel.No. 040-33211500, Email: compsec@karvy.com

**KARVY FINTECH PRIVATE LIMITED**  
**(Formerly known as KCPL Advisory Services Private Limited)**  
(CIN:U67200TG2017PTC117649)

Annexure-II

**FORM NO. AOC 2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis: **None**

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship

S.No.	Name(s) of the related party	nature of relationship
1	Karvy Consultants Limited	Enterprise where shareholders exercise significance influence

(b) Nature of contracts/arrangements/transactions and Justification for entering into contracts/arrangements/transactions

S.No	Name(s) of the related party	Nature of contracts/arrangements/transactions	Justification for the contract/arrangement/transactions
1	Karvy Consultants Limited	Reimbursement of preliminary and incorporation related expenses	To reimburse payment of various preliminary expenses

(c) Duration of the contracts/arrangements/transactions

S.No	Name(s) of the related party	Duration of the contracts/arrangements/transactions
1	Karvy Consultants Limited	Perpetual- In the normal course of business

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

S.No	Name(s) of the related party	Salient terms of the contracts or arrangements or transactions including the value
1	Karvy Consultants Limited	To reimburse payment of various preliminary expenses

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**KARVY FINTECH PRIVATE LIMITED**  
**(Formerly known as KCPL Advisory Services Private Limited)**  
(CIN:U67200TG2017PTC117649)

(e) Date(s) of approval by the Board, if any:

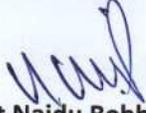
S.No.	Name(s) of the related party	Date(s) of approval by the Board
1.	Karvy Consultants Limited	In the normal course of business authorised by the Board of Directors

Note: Either directly by the Board or based on the authorization by the Board. However, Board has reviewed and approved all these contracts in its meeting held on 27<sup>th</sup> August 2018

(f) Amount paid as advances, if any:

S.No	Name(s) of the related party	Amount paid as advances
1	Karvy Consultants Limited	Nil

For **KARVY FINTECH PRIVATE LIMITED**

  
**Bharat Naidu Bobbili**  
Director  
DIN No. – 06392666

  
**K.V. Ram Mohan**  
Director  
DIN No. – 02270230

Place: Hyderabad, India  
Date: 27<sup>th</sup> September 2018

Address: Karvy Selenium, Tower B, Plot No- 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Hyderabad 500032

---

**Registered Office:** Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District,  
Nanakramguda, Serilingampally Hyderabad 500032, Telangana  
Tel.No. 040-33211500, Email: compsec@karvy.com



**INDEPENDENT AUDITOR'S REPORT**

To

**The Members of**

**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)**

**(1) Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **M/s. Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**(2) Management's Responsibility for the Standalone Financial Statements**

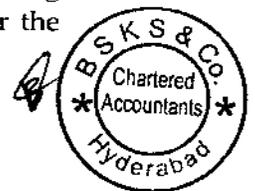
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (" the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and 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 Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**(3) Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



**#104, Sri Krishna Residency, Opposite Sidhartha Degree College, Nagarjuna Nagar Colony,  
Ameerpet, Hyderabad – 500 073**

# **B S K S & Co.,**

## **Chartered Accountants**

Cont..

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **(4) Opinion**

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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018;
- b) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **(6) Report on Other Legal and Regulatory Requirements**

As the company is a private company and falls within the exemption specified under paragraph 2(v) of 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, the matters specified in paragraphs 3 and 4 of the said order are not enclosed.



# **B S K S & Co.,**

## **Chartered Accountants**

Cont..

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- c) the Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendments Rules, 2016;
- e) on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - (i) There are no pending litigations for or against the Company which would impact its financial position
  - (ii) the Company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon,
  - (iii) there are no amounts which are required to be transferred to the Investor Education and Protection Fund; therefore, delay in transferring such sums does not arise.

For B S K S & Co.,

Chartered Accountants

Firm's Regn.No.017471S

*B. Suryank*  
B. Suryank

(Partner)

Membership No. 241113



Place: Hyderabad

Date: 27-Aug-2018

**ANNEXURE - A TO AUDITOR'S 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 **M/s. Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

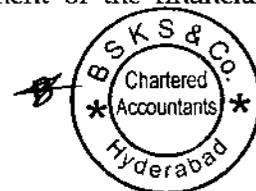
**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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



# **B S K S & Co.,**

## **Chartered Accountants**

Cont..

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

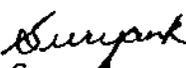
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, 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 B S K S & Co.,

Chartered Accountants

Firm's Regn.No.0174716

  
B. Suryank

(Partner)

Membership No. 241113



Place: Hyderabad

Date: 27-Aug-2018

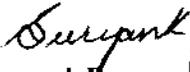
Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)  
**Statement of standalone balance sheet as at 31 March 2018**  
 (All amounts in Indian Rupees except for share data or otherwise stated)

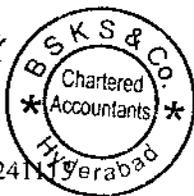
Particulars	Note	As at 31 March 2018
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	2.1	1,00,000
		<u>1,00,000</u>
<b>Current liabilities</b>		
Other current liabilities	2.2	10,80,755
		<u>10,80,755</u>
<b>Total</b>		<u><u>11,80,755</u></u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Other non-current asset	2.3	10,80,873
		<u>10,80,873</u>
<b>Current assets</b>		
Cash and bank balances	2.4	99,882
		<u>99,882</u>
<b>Total</b>		<u><u>11,80,755</u></u>
Significant accounting policies	1	
Notes to the standalone financial statements	2	

The notes referred to above form an integral part of the standalone financial statements.

As per our Report on standalone financial statements of even date attached

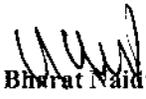
for **B S K S & Co**  
 Chartered Accountants  
 ICAI Firm Registration No.: 0174/1S

  
**Suryank B**  
 Partner  
 Membership No.: 24119



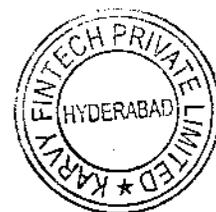
for **Karvy Fintech Private Limited**  
 CIN:U67200TG2017PTC117649

  
**Rammohan K V**  
 Director  
 DIN: 02270230

  
**Bharat Naidu B**  
 Director  
 DIN: 06392666

Place: Hyderabad  
 Date: 27 August 2018

Place: Hyderabad  
 Date: 27 August 2018



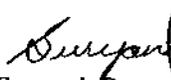
**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)**  
**Statement of standalone profit and loss for the period ended 31 March 2018**  
 (All amounts in Indian Rupees except for share data or otherwise stated)

Particulars	Note	For the period ended 31 March 2018
<b>Revenue from operations</b>		
Income from operations		-
Other income		-
<b>Total revenue</b>		<u>-</u>
<b>Expenses</b>		
Operating expenses		-
Employee benefits expense		-
Finance costs		-
Depreciation and amortisation		-
Other expenses		-
<b>Total expenses</b>		<u>-</u>
<b>Profit before tax</b>		-
Tax expense		-
- Current tax		-
- Deferred tax charge/(credit)		-
<b>Profit after tax</b>		<u>-</u>
Earnings per equity share [nominal value Rs.10 (previous year Rs.10) each]		-
Significant accounting policies	1	
Notes to the standalone financial statements	2	

The notes referred to above form an integral part of the standalone financial statements.

As per our Report on standalone financial statements of even date attached

for **B S K S & Co**  
 Chartered Accountants  
 ICAI Firm Registration No. - 017471S

  
**Suryank B**  
 Partner  
 Membership No.: 241113



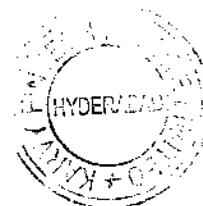
for **Karvy Fintech Private Limited**  
 CIN:U67200TG2017PTC117649

  
**Rammohan K V**  
 Director  
 DIN: 02270230

  
**Bharat Naidu B**  
 Director  
 DIN: 06392666

Place: Hyderabad  
 Date: 27 August 2018

Place: Hyderabad  
 Date: 27 August 2018



**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)**  
**Standalone cash flow statement for the period ended 31 March 2018**  
 (All amounts in Indian Rupees except for share data or otherwise stated)

Particulars	For the period ended 31 March 2018
<b>I. Cash flow from operating activities:</b>	
Profit before taxation	-
Adjustments for operating activities:	-
<b>Operating profit before working capital changes</b>	-
<b>Adjustments for:</b>	
Increase in trade receivables and work-in-progress	-
Decrease:(Increase) in loans and advances and other assets	-
Increase in trade payables	-
Increase in long-term liability, current liabilities and provisions	-
<b>Cash generated from operations</b>	-
Income taxes paid, net	-
<b>Net cash generated by operating activities (A)</b>	-
<b>II. Cash flow from investing activities (B)</b>	
<b>III. Cash flow from financing activities</b>	
Share application money received	1,00,000
Preliminary expenses - Bank Charges	(118)
<b>Net cash used for financing activities (C)</b>	<b>99,882</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>99,882</b>
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at the end of the year (refer note 2.3)</b>	<b>99,882</b>

As per our Report on standalone financial statements of even date attached

for **B S K S & Co**  
 Chartered Accountants  
 ICAI Firm Registration No.: 017471S

*Suryank B*  
**Suryank B**  
 Partner  
 Membership No.: 241113  

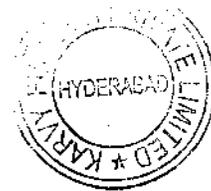

Place: Hyderabad  
 Date: 27 August 2018

for **Karvy Fintech Private Limited**  
 CIN:U67209TG2017PTC117649

*Rammohan K V*  
**Rammohan K V**  
 Director  
 DIN: 02270230

*Bharat Naidu B*  
**Bharat Naidu B**  
 Director  
 DIN: 06392666

Place: Hyderabad  
 Date: 27 August 2018



**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)**

Notes to the standalone financial statements for the period ended 31 March 2018 (continued)

(All amounts in Indian Rupees except for share data or otherwise stated)

**2.1: Share capital**

Particulars	As at	31 March 2018
<b>Authorised</b>		
<b>Equity Shares</b>		
6,000,000 (previous year : Nil) equity shares of Rs.10 each		6,00,00,000
		<b>6,00,00,000</b>
<b>Issued, subscribed and paid-up</b>		
<b>Equity Shares</b>		
10,000 (previous year : Nil) equity shares of Rs.10 each, fully paid-up		1,00,000
		<b>1,00,000</b>

**a) The reconciliation of the number of equity shares outstanding at the beginning and at the end of**

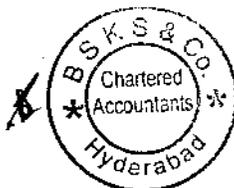
	As at 31 March 2018	
	Number of shares	Amount
Shares outstanding at the beginning of the year	-	-
Shares issued during the year	10,000	1,00,000
Shares outstanding at the end of the year	10,000	1,00,000

**b) The details of shareholders holding more than 5% equity shares:**

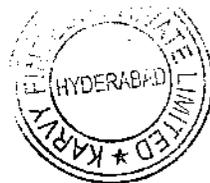
Name of shareholder	As at 31 March 2018	
	Number of shares	% of holding
Compar Estates and Agencies Pvt Ltd	2,658	26.58%
M Rajini	2,216	22.16%
Jhansi Sureddi	2,182	21.82%
M Spandana	786	7.86%
M Rushyanth	691	6.91%

**c) Rights, preferences and restrictions attached to equity shares:**

The Company has single class equity shares having a par value of Rs. 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.



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**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)**  
**Notes to the standalone financial statements for the period ended 31 March 2018 (continued)**  
 (All amounts in Indian Rupees except for share data or otherwise stated)

**2.2: Other current liabilities**

Particulars	As at 31 March 2018
Other liabilities (refer note 2.10)	10,80,755
	<u>10,80,755</u>

**2.3: Non-current assets**

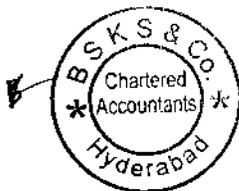
Particulars	As at 31 March 2018
Preliminary expenses	10,80,873
	<u>10,80,873</u>

**2.4: Cash and bank balances**

Particulars	As at 31 March 2018
<b>Cash and cash equivalents</b>	
Cash on hand	-
Balance with banks -	
(i) in current accounts	99,882
(ii) in deposit accounts (with maturity of 3 months or less):	
- held as margin money for bank guarantees given	-
- Others (Unrestricted deposits)	-
	<u>99,882</u>
<b>Other bank balances</b>	
Bank balance in deposit accounts	-
- Others (Unrestricted deposits)	-
	<u>99,882</u>

**Details of bank balances and deposits**

Bank balances available on demand/deposits with maturity of 3 months or less included under 'Cash and cash equivalents'	99,882
ICAI Firm Registration No.: 017471S	-
	<u>99,882</u>



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**Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt Ltd)**  
**Notes to the standalone financial statements for the period ended 31 March 2018 (continued)**  
 (All amounts in Indian Rupees except for share data or otherwise stated)

**2.5: Contingent liabilities** (to the extent not provided for)

Particulars	As at 31 March 2018
The Company has entered into "Binding Arranger Mandate Letter" arrangement dated August 03, 2017 and amended on February 02, 2018 with certain arrangers and also entered into "Binding Commitment to Subscribe to Debentures" with certain identified subscribers for the proposed issue of upto 4,000 (four thousand) Rated Listed Redeemable Non-Convertible Debentures bearing a face value of Rs 10,00,000/- (Rupees ten lakh) each, aggregating upto Rs.400,00,00,000/- (Rupees four hundred crore) which includes commitment fees of Rs 264,10,959 upto March 31, 2018. Since, the underlying deal is not yet certain, ultimate liability to pay the commitment fees fall on certain third party and hence, contingent on the Company	

**2.6: Capital commitments**

There are no capital commitment as at the balance sheet date.

**2.7: Leases :** The Company has not taken any premises on non-cancellable and cancellable operating lease.

**2.8: Amalgamation**

The Board of Directors of Karvy Consultant Limited (KCL), Karvy Computershare Private Limited (KCPL) and Karvy Fintech Private Limited (the Company) in their respective meetings approved the composite scheme of arrangement and amalgamation between KCL, KCPL, the Company and their respective shareholders under Section 230 to 232 read with Section 52, 66 and other relevant provision of the Companies Act, 2013 ('Scheme'), subject to requisite approval and sanction from the Members of the Company and from relevant regulatory authorities.

As per the Scheme, a) part of undertaking of KCL (demerged undertaking) and b) all assets and properties, both movable and immovable and debts, liabilities including contingent liabilities, duties and obligations of KCPL, stand transferred to and vested in the Company, with effect from the date Scheme become effective. Currently, the Scheme petition is filed with National Company Law Tribunal, Hyderabad on 26th February 2018 and the same is pending for hearing and approval.

**2.9: Segment Reporting**

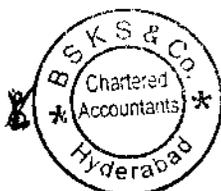
Since the Company has not commenced its business operations , There are no reportable segments as on Balance Sheet date

**2.10: Related party transactions:**

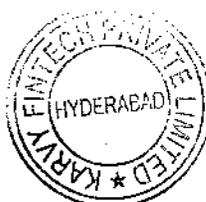
Particulars	For the period ended 31 March
<b>i) Enterprises where exercise significant influence</b>	
<b>Karvy Consultants Limited</b>	
Reimbursement of preliminary expenses	10,74,755
<b>II. Amounts due to/from related</b>	
<b>Karvy Consultants Limited</b>	
Other Liabilities	10,74,755

**2.11: Dues to micro and small enterprises**

Based on information available with the company, no creditors have been identified as Micro and Small enterprises with in the meaning of "Micro, Small and Medium enterprises development (MSMED) Act, 2006":



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**Karvy Fintech Private Limited (formerly known as KCP), Advisory Services Pvt Ltd)**  
**Notes to the standalone financial statements for the period ended 31 March 2018 (continued)**  
 (All amounts in Indian Rupees except for share data or otherwise stated)

**2.12: Auditors' remuneration (excluding Goods & Service tax)**

Particulars	For the period ended 31 March 2018
Statutory audit fee	6,000
Certifications	-
Reimbursement of expenses	-
	<b>6,000</b>

**2.13: Expenditure in foreign currency (on accrual basis)**

There are no Foreign Currency transactions during the period under reporting.

**2.14:** Since it is the first financial year of the Company, Previous year figures are not applicable

As per our Report on standalone financial statements of even date attached  
 for **BSKS & Co**

Chartered Accountants

ICAI Firm Registration No.. 017471S

*Suryank B*  
**Suryank B**  
 Partner  
 Membership No.: 241115



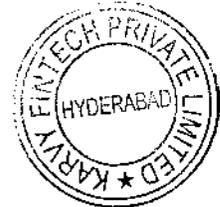
Place: Hyderabad  
 Date: 27 August 2018

for **Karvy Fintech Private Limited**  
 CIN:U67200TG2017PTC117649

*Ramnohan K V*  
**Ramnohan K V**  
 Director  
 DIN: 02270230

*Bharat Naica B*  
**Bharat Naica B**  
 Director  
 DIN: 06392666

Place: Hyderabad  
 Date: 27 August 2018



**Karvy Fintech Private Limited (Formerly Known as KCPL Advisory Services Private Limited)**

**Notes to the standalone financial statements for the period ended 31 March 2018**

**Company overview:**

Karvy Fintech Private Limited ("the Company") was incorporated on 08 June 2017 at Hyderabad, India in the name of KCPL Advisory Services Private Limited with Corporate Identity Number as U67200TG2017PTC117549. The name of the Company changed from KCPL Advisory Services Private Limited to Karvy Fintech Private Limited vide Certificate of Incorporation pursuant to change of name issued dated 10 August 2017 by Ministry of Corporate Affairs, Government of India. The objective of the Company is to carry on business to act as management consultants and advisors and to perform other allied company secretarial work, to act as managers and/or Trustees and to provide issue house services and transfer agent services in connection with the creating, issue of shares, debentures, bonds and securities and allied activities.

During the financial year 2017-18, the Company has not commenced its business operations. Hence, financial statements have been prepared as is basis.

**1. Significant accounting policies**

The Accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements except as mentioned note 1.1.

**1.1 Basis of preparation of standalone financial statements**

These standalone financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (GAAP), to the extent applicable. The standalone financial statements are presented in Indian rupees.

**1.2 Current – Non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

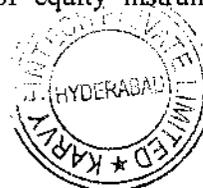
**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.



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**Karvy Fintech Private Limited (Formerly Known as KCPL Advisory Services Private Limited)**

**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)**

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**Operating cycle**

Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

**1.3 Revenue recognition**

The Company has not generated any revenue during the year. Revenue from registry and related services will be recognized on the basis of services rendered to customers, in accordance with the terms and conditions of the contracts which may be entered into by the Company with each customer provided, the revenue is reliably determinable and no significant uncertainty exist regarding the collection.

**1.4 Property, plant and equipment and depreciation**

Property, Plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses. The cost of assets comprises the purchase price, non-refundable taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

The Company provides depreciation on Property, Plant and Equipment, other than vehicles, leasehold improvements and assets costing less than Rs.5,000, based on the useful life specified in Schedule II to the Companies Act, 2013

The depreciation is provided under straight-line method.

Assets costing less than Rs. 5,000 based on internal assessment and materiality the management has estimated that the same shall be depreciated in the year of purchase.

**1.5 Intangible assets and Amortization**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of economic benefits of the asset. Intangible asset are amortized on straight line basis

**1.6 Investments**

Investments are classified as current investments, if the Management does not intend to hold the investments for more than one year. Investments other than current investments are classified as long-term investments.

Long-term investments are carried at cost less any diminution in value, other than temporary, determined separately for each individual investment.



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**Karvy Fintech Private Limited (Formerly Known as KCPL Advisory Services Private Limited)**

**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)**

Current investments are carried at the lower of cost and market value. The comparison of cost and market value is done separately in respect of each category of investments and the differential is recognized in the Statement of Profit and Loss.

Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

**1.8 Earnings per share**

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year 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 to be converted as of the beginning of the year, unless they have been issued at a later date.

**1.9 Income taxes**

Income tax expense comprises current tax and deferred tax.

*Current tax*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

*Deferred tax*

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realized.

**1.10 Provisions and contingent liabilities**

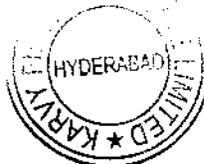
A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.



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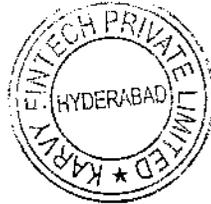
**Karvy Fintech Private Limited (Formerly Known as KCPL Advisory Services Private Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)**

**1.11 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**1.12 Cash and cash equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist principally of cash and deposits with banks and interest accrued on deposits.



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