

# B S R & Associates LLP

Chartered Accountants

Salarpuriya Knowledge City,  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of KFin Services Private Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of KFin Services Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), 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 the 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 financial statements give the information required by the Companies Act, 2013 ("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 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard..

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**KFin Services Private Limited**  
**Independent Auditor's Report (continued)**

**Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.

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**KFin Services Private Limited**  
**Independent Auditor's Report (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 01 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3) of the Act).

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**KFin Services Private Limited**  
**Independent Auditor's Report (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

- (B) 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:
- a) The Company does not have any pending litigations which would impact its financial position.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 22 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 21 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
  - e) The Company has neither declared nor paid any dividend during the year.

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**KFin Services Private Limited**  
**Independent Auditor's Report (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration has been paid to any of the directors of the Company during the current year. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**  
*Chartered Accountants*  
ICAI Firm Registration No.: 116231W/ W-100024



**G Prakash**  
*Partner*  
Membership No.:099696  
UDIN: 22099696AJMZDU3990

Place: Bengaluru  
Date: 24 May 2022

**KFin Services Private Limited**

**Annexure A to the Independent Auditor's Report on Financial Statements**

With reference to the Annexure A referred to in our Report of even date to the Members of KFin Services Private Limited ("the Company") on financial statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company did not have any Property, plant and equipment during the year ended 31 March 2022. Accordingly, the provisions of Clause (i)(a)(A) of the Order are not applicable to the Company.  
(a) (B) The Company did not have any intangible assets during the year ended 31 March 2022. Accordingly, the provisions of Clause (i)(a)(B) of the Order are not applicable to the Company.  
(b) The Company did not have any Property, plant and equipment during the year ended 31 March 2022. Accordingly, the provisions of Clause (i)(b) of the Order are not applicable to the Company.  
(c) The Company did not have any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable.  
(d) The Company did not have any Property, plant and equipment during the year ended 31 March 2022. Accordingly, the provisions of Clause (i)(d) of the Order are not applicable to the Company.  
(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company did not hold any inventories during the year ended 31 March 2022. Accordingly, clause 3(ii)(a) of the Order is not applicable.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company. The Company has made investment in a company during the year. The Company has not made any investments in firms, limited liability partnership or any other parties.  
(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.



**B S R & Associates LLP**

**KFin Services Private Limited**

**Annexure A to the Independent Auditor's Report on Standalone Financial Statements**

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ('GST').
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST and Income-Tax, and other statutory dues have been regularly deposited by the Company with the appropriate authorities;
- According to the information and explanation given to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance, Duty of Customs and Cess.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST and Income tax and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) above, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) and 3(ix)(c) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

**B S R & Associates LLP**

**KFin Services Private Limited**

**Annexure A to the Independent Auditor's Report on Standalone Financial Statements**

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system as per Section 138 of the Act and does not have an Internal Audit system. Accordingly, clause 3(xiv)(a) and 3(xiv)(b) of the Order are not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of INR 103.59 lakhs in the current financial year and INR 3.06 lakhs in the immediately preceding period from 06 January 2020 to 31 March 2021.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



**B S R & Associates LLP**

**KFin Services Private Limited**

**Annexure A to the Independent Auditor's Report on Standalone Financial Statements**

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm's Registration No: 116231W/W-100024



**G Prakash**

*Partner*

Membership No: 099696

ICAI UDIN No.: 22099696AJMZDU3990

Place: Bengaluru

Date: 24 May 2022

**KFin Services Private Limited****Balance Sheet**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current tax assets (net)	3	0.49	-
<b>Total non-current assets</b>		<b>0.49</b>	<b>-</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	4	431.50	0.88
(b) Other current assets	5	17.51	55.56
		<b>449.01</b>	<b>56.44</b>
<b>TOTAL ASSETS</b>		<b>449.50</b>	<b>56.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	6	551.00	1.00
(b) Other equity	7	(106.65)	(3.06)
<b>Total equity</b>		<b>444.35</b>	<b>(2.06)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables			
- Total dues of micro enterprises and small enterprises	8	-	-
- Total dues of creditors other than micro enterprises and small enterprises	8	4.07	4.05
(ii) Other current financial liabilities	9	-	54.45
Other current liabilities	10	1.08	-
<b>Total current liabilities</b>		<b>5.15</b>	<b>58.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>449.50</b>	<b>56.44</b>
Corporate information	1		
Significant accounting policies	2		

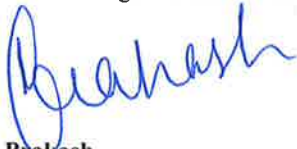
The notes referred to above form an integral part of the financial statements

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024


**G Prakash**

Partner

Membership No.: 099696

Place: Bengaluru

Date: 24 May 2022

for and on behalf of the Board of Directors of

**KFin Services Private Limited**

CIN: U72200TG2020PTC138221

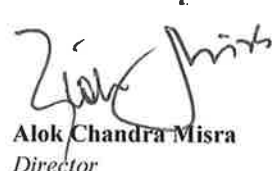

**Sreekanth Nadella**

Director

DIN: 08659728

Place: Mumbai

Date: 24 May 2022


**Alok Chandra Misra**

Director

DIN: 01542028

Place: Mumbai

Date: 24 May 2022

**KFin Services Private Limited****Statement of profit and loss**


(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	For the year ended 31 Mar 2022	For the period from 6 January 2020 to 31 March 2021
<b>Income</b>			
I. Revenue from operations		-	-
II. Other income	11	0.95	-
<b>III. Total Income (I+II)</b>		<b>0.95</b>	<b>-</b>
<b>Expenses</b>			
Other expenses	12	104.54	3.06
<b>Total expenses</b>		<b>104.54</b>	<b>3.06</b>
<b>Loss before taxation</b>		<b>(103.59)</b>	<b>(3.06)</b>
<b>Tax expense</b>			
Current tax expense	13	-	-
<b>Loss for the year/ period</b>		<b>(103.59)</b>	<b>(3.06)</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Items that will be reclassified to profit or loss		-	-
<b>Total comprehensive loss for the year/ period</b>		<b>(103.59)</b>	<b>(3.06)</b>
<b>Earning per equity share (EPS) (nominal value per share Rs. 10)</b>			
Basic and Dilutive	14	(2.17)	(30.60)
Corporate information	1		
Significant accounting policies	2		

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

As per our Report of even date attached

for **BSR & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 116231W/W-100024



**G Prakash**  
Partner  
Membership No.: 099696

Place: Bengaluru  
Date: 24 May 2022

for and on behalf of the Board of Directors of  
**KFin Services Private Limited**  
CIN: U72200TG2020PTC138221



**Sreekanth Nadella**  
Director  
DIN: 08659728

Place: Mumbai  
Date: 24 May 2022



**Alok Chandra Nisra**  
Director  
DIN: 01542028

Place: Mumbai  
Date: 24 May 2022

**KFin Services Private Limited****Statement of changes in equity**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

**Equity share capital and other equity**

Particulars	Equity share capital	Other equity	Total equity
		Retained earnings	
Balance as at 6 January 2020	-	-	-
Changes in equity share capital due to prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Issue of share capital	1.00	-	-
Loss for the period 6 January 2020 to 31 March 2021 [Refer Note 2(a)(i)]	-	(3.06)	(3.06)
Balance as at 31 March 2021	1.00	(3.06)	(3.06)

Particulars	Equity share capital	Other equity	Total equity
		Retained earnings	
Balance as at 1 April 2021	1.00	(3.06)	(3.06)
Changes in equity share capital due to prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	1.00	(3.06)	(3.06)
Issue of share capital	550.00	-	-
Loss for the year	-	(103.59)	(103.59)
Balance as at 31 March 2022	551.00	(106.65)	(106.65)

Corporate information

1

Significant accounting policies

2

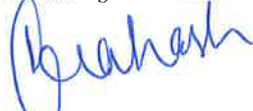
The notes referred to above form an integral part of the financial statements

As per our Report of even date attached

for: **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

**G Prakash**

Partner

Membership No.: 099696

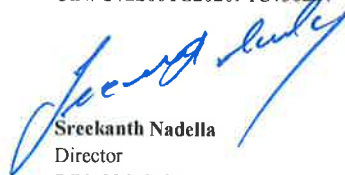
Place: Bengaluru

Date: 24 May 2022

for and on behalf of the Board of Directors of

**KFin Services Private Limited**

CIN: U72200TG2020PTC138221

**Sreekanth Nadella**

Director

DIN: 08659728

Place: Mumbai

Date: 24 May 2022

**Alok Chandra Misra**

Director

DIN: 01542028

Place: Mumbai

Date: 24 May 2022

**KFin Services Private Limited****Statement of cash flows**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

Particulars	For the year ended 31 Mar 2022	For the period from 6 January 2020 to 31 March 2021
<b>Cash flows from operating activities</b>		
Loss before tax	(103.59)	(3.06)
Adjustment for:		
Interest income	(0.95)	-
Loss on sale of investments	73.43	-
<b>Operating loss before working capital changes</b>	<b>(31.11)</b>	<b>(3.06)</b>
<i>Adjustments for working capital changes</i>		
(Decrease)/ Increase in current liabilities	(54.45)	54.45
Increase in other liabilities	1.08	-
Increase in trade payables	0.02	4.05
Decrease/ (Increase) in other current assets	38.05	(55.56)
<b>Cash used in operations</b>	<b>(46.41)</b>	<b>(0.12)</b>
Income taxes paid	(0.49)	-
<b>Net cash used in operating activities</b> (A)	<b>(46.90)</b>	<b>(0.12)</b>
<b>Cash flows from investing activities</b>		
Investments in equity and preference shares	(513.45)	-
Proceeds from sale of investments in equity and preference shares	440.02	-
Fixed deposits placed with banks	(440.00)	-
Fixed deposits redeemed from banks	440.00	-
Interest income	0.95	-
<b>Net cash used in investing activities</b>	<b>(72.48)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	550.00	1.00
<b>Net cash generated from financing activities</b> (B)	<b>550.00</b>	<b>1.00</b>
<b>Net increase in cash and cash equivalents</b> (A + B)	<b>430.62</b>	<b>0.88</b>
Cash and cash equivalents at beginning of reporting year/ period	0.88	-
<b>Cash and cash equivalents at end of reporting year/ period (Refer Note 4)</b>	<b>431.50</b>	<b>0.88</b>

**Notes:**

1) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard - 7 'Statement of Cash Flows'.

**Reconciliation of Cash and Cash equivalents with the Balance Sheet (Refer Note 4)**

Balance with banks:

(i) in current accounts

431.50	0.88
<b>431.50</b>	<b>0.88</b>


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

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAFirm Registration No.: 116231W/ W-100024


**G Pralash**

Partner

Membership No.: 099696

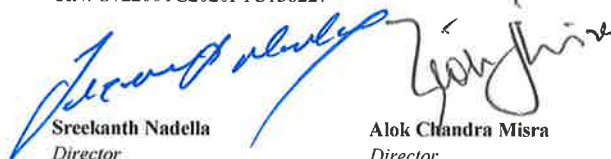
Place: Bengaluru

Date: 24 May 2022

for and on behalf of the Board of Directors of

**KFin Services Private Limited**

CIN: U72200TG2020PTC138221


**Sreekanth Nadella**

Director

DIN: 08659728

Place: Mumbai

Date: 24 May 2022

**Alok Chandra Misra**

Director

DIN: 01542028

Place: Mumbai

Date: 24 May 2022

## **KFin Services Private Limited**

### **Notes forming part of the financial statements**

#### **1 Corporate Information**

KFin Services Private Limited ("the Company") was incorporated on 06 January 2020 at Hyderabad, India. The objective of the Company is to provide various services including services of know-your-customer (KYC) registration agency and deliver consultancy and business services and advisors covering all branches and disciplines of data management such as corporate legal affairs, secretarial, personnel, administration, taxation, and other allied areas, accounting, information systems, organizational studies, systems analysis to the clients and allied activities.

#### **2 Significant Accounting Policies**

##### **(a) Basis of preparation of financial statements**

###### **(i) Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company was incorporated on 6 January 2020 and therefore last year was the first set of financial statements prepared since inception of the Company.

Management believes that the Company will likely commence its operations within the next 12 months from the balance sheet date and the funds available with the Company shall be adequate to meet the operational needs once the Company commences its business and therefore the going concern assumption is valid and accordingly the financial statements have been prepared on a going concern basis.

These financial statements were authorized for issue by the Company's Board of Directors on 24 May 2022.

###### **(ii) Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

###### **(iii) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except certain financial liabilities that are measured at amortised cost.

###### **(iv) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

##### **Assumptions and estimation uncertainties**

###### *a) Taxes:*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities of the jurisdiction in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation, if any and subsequent cash outflow with respect to taxes.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

###### *b) Provisions and contingencies:*

Assessments undertaken in recognizing the provisions and contingencies have been made as per the best judgment of the management based on the current available information.

**KFin Services Private Limited**

**Notes forming part of the financial statements (continued)**

**2 Significant Accounting Policies (continued)**

**(a) Basis of preparation of financial statements (continued)**

**(iv) Use of estimates and judgements (continued)**

*c) Fair value measurement of financial instruments*

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgments is required in establishing fair values. The 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

**(v) Current and non-current classification**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

**Assets**

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

- i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. 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:

- i. It is expected to be settled in the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. 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.

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

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

**(vi) Measurement of fair values**

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For changes that have occurred between levels in the hierarchy during the period the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



**KFin Services Private Limited**

**Notes forming part of the financial statements (continued)**

**2 Significant Accounting Policies (continued)**

**(b) Revenue recognition**

Revenue recognition is in accordance with the terms and conditions of the contracts which may be entered into by the Company with each customer provided, it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and no significant uncertainty exist regarding the collection.

The Company has not yet commenced its commercial operations.

**(c) Other income**

Interest income or expense is recognised using the effective interest method on time proportion method.

**(d) Earnings Per Share**

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit after tax (and includes the post-effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

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. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

**(e) Tax expense**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognised on temporary differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition 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.

The carrying amount of deferred tax assets is 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**KFin Services Private Limited**

**Notes forming part of the financial statements (continued)**

**2 Significant Accounting Policies (continued)**

**(f) Statement of Cash Flows and Cash & cash equivalents**

Cash flows are reported using the indirect method, whereby net profit/ (loss) 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. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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

**(g) Provision, contingent liabilities and contingent assets**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the standalone financial statements but disclosed, where an inflow of economic benefit is probable.

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 recognizes any impairment loss on the assets associated with that contract.

**(h) 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 instruments also include derivative contracts such as foreign currency forward contracts, embedded derivatives in the host contract, etc.

**Financial assets**

*Initial recognition and measurement*

The Company initially recognise financial assets on the date on which they are originated. The company recognises the financial assets on the trade date, which is the date on which the company becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset

*Classifications and subsequent measurement*

*Classifications*

*Business model assessment*

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

*Assessment whether contractual cash flows are solely payments of principal and interest*

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

*Debt instrument at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through profit and loss (FVTPL):

- a) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## 2 Significant Accounting Policies (continued)

### (h) Financial instruments (continued)

#### Financial assets (continued)

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised 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 amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### *Debt instrument at fair value through Other Comprehensive Income (FVOCI)*

A financial asset is measured at FVOCI only if both of the following conditions are met:

- a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- b) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from ECL impairment are recognised in the profit or loss.

#### *Debt instrument at fair value through profit and loss (FVTPL)*

Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

#### *Reclassification of financial assets*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

#### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

#### *Impairment of financial assets*

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

##### *Classification and subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### *Financial Liabilities measured at amortised cost*

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains and losses attributable to changes in own credit risk are recognised in OCI. These gains and losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**KFin Services Private Limited**

**Notes forming part of the financial statements (continued)**

**2 Significant Accounting Policies (continued)**

**(h) Financial instruments (continued)**

**Financial liabilities (continued)**

*Derecognition of financial liabilities*

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria')

**(i) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**(j) Segment reporting**

The Company has not yet started the commercial operations and accordingly there are no reportable segments as per Ind AS 108 - Operating Segment.

**(i) Recent accounting developments and accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2022.

MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statement. These amendments are applicable to the Company for the financial year starting 1 April 2021 and have been considered for preparation and presentation of these Financial Information.



**KFin Services Private Limited****Notes to the financial statements (continued)**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

	As at 31 Mar 2022	As at 31 March 2021
<b>3 Non-current tax assets (net)</b>		
Advance income-tax including tax deducted at source (net of provision for tax INR Nil; 31 March 2021: INR.Nil)	0.49	-
	<u>0.49</u>	<u>-</u>
<b>4 Cash and cash equivalents</b>		
Balances with Banks		
- in current account	431.50	0.88
	<u>431.50</u>	<u>0.88</u>
<b>5 Other current assets</b>		
Prepaid expenses	-	47.40
Balances with government authorities	17.51	8.16
	<u>17.51</u>	<u>55.56</u>



**KFin Services Private Limited****Notes to the financial statements (continued)***(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)***6. Equity share capital**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised share capital:</b>				
Equity shares of INR 10 each	8,000,000	800.00	8,000,000	800.00
<b>Issued, subscribed and fully-paid up capital</b>				
Equity shares of INR 10 each, fully paid up	5,510,000	551.00	10,000	1.00
	<b>5,510,000</b>	<b>551.00</b>	<b>10,000</b>	<b>1.00</b>

**Notes:****A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period is set below:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each, fully-paid up:				
Shares outstanding at the beginning of the period*	10,000	1.00	-	-
Shares issued during the period	5,500,000	550.00	10,000	1.00
Shares outstanding at the end of the period	<b>5,510,000</b>	<b>551.00</b>	<b>10,000</b>	<b>1.00</b>

\* The Company was incorporated on 6 January 2020, and therefore there is no shares outstanding at the beginning of the previous period.

**B. Details of shares held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate :**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Percentage	Number of shares	Amount
<b>Equity shares of INR 10 each fully paid up, held by:</b>				
KFin Technologies Limited (Formerly known as 'KFin Technologies Private Limited')*	5,509,994	99.99%	9,999	99.99%

\* Balance 6 shares are held by Employees of Holding Company on behalf of KFin Technologies Limited.

**C. Shareholder holding more than 5% of shares along with the number of shares held is as given below:**

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of INR 10 each, fully-paid up:</b>				
KFin Technologies Limited	5,509,994	99.99%	9,999	99.99%
	<b>5,509,994</b>	<b>99.99%</b>	<b>9,999</b>	<b>99.99%</b>

**D. Shares held by promoters at the end of the year:**

Name of shareholder	As at 31 March 2022			As at 31 March 2021		
	No. of shares	Percentage of total shares	% of change during the period	No. of shares	Percentage of total shares	% of change during the period
<b>Equity shares of INR 10 each, fully-paid up:</b>						
KFin Technologies Limited	5,509,994	99.99%	0.00%	9,999	99.99%	100%
	<b>5,509,994</b>	<b>99.99%</b>		<b>9,999</b>	<b>99.99%</b>	

**E. Terms and rights attached to equity shares:**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

The Company was incorporated on 6 January 2020 and from then onwards, the Company has not allotted any shares as fully paid by way of bonus shares, pursuant to a contract without payment being received in cash and has also not bought back any shares during this period.



**KFin Services Private Limited**

**Notes to the financial statements (continued)**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>7 Other equity</b>		
<b>Reserves and surplus</b>		
<b>(a) Retained earnings</b>		
Opening balance *	(3.06)	-
Add: Loss for the year/ period (Refer note 2(a)(i))	(103.59)	(3.06)
<b>Closing balance</b>	<b>(106.65)</b>	<b>(3.06)</b>
	<b>(106.65)</b>	<b>(3.06)</b>

\* Previous period was Company's first year of operation and therefore opening balance in retained earning is INR Nil.

**Nature of reserves**

**(a) Retained earnings**

Retained earnings mainly represent all current and prior year profits/ (losses) as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution and transfers to general reserve.

**8 Trade payables**

- Total dues of micro enterprises and small enterprises

- Total dues of creditors other than micro enterprises and small enterprises

-	-
4.07	4.05
<b>4.07</b>	<b>4.05</b>

**Ageing of trade payables as at 31 March 2022 is as under:**

Particulars	Outstanding for following period from the due date of payment				
	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	Total
Micro, Small and Medium Enterprise	-	-	-	-	-
Others than Micro, Small and Medium Enterprise	4.07	-	-	-	4.07
Disputed dues - Micro, Small and Medium Enterprise	-	-	-	-	-
Disputed dues - Others than Micro, Small and Medium Enterprise	-	-	-	-	-

**Ageing of trade payables as at 31 March 2021 is as under:**

Particulars	Outstanding for following period from the due date of payment				
	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	Total
Micro, Small and Medium Enterprise	-	-	-	-	-
Others than Micro, Small and Medium Enterprise	4.05	-	-	-	4.05
Disputed dues - Micro, Small and Medium Enterprise	-	-	-	-	-
Disputed dues - Others than Micro, Small and Medium Enterprise	-	-	-	-	-

\* Refer Note 17 for disclosure relating to Micro, Small and Medium enterprises

**9 Other financial liabilities**

Payable to holding company (Refer Note 16)

-	54.45
<b>-</b>	<b>54.45</b>

**10 Other current liabilities**

Statutory dues payable

1.08	-
<b>1.08</b>	<b>-</b>



**KFin Services Private Limited****Notes to financial statements (continued)**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

	<b>For the year ended 31 Mar 2022</b>	<b>For the period from 6 January 2020 to 31 March 2021</b>
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<b>11 Other income</b>		
Interest income from : Bank deposits (carried at amortised cost)	0.95	-
	<b>0.95</b>	-
<b>12 Other expenses</b>		
Legal and professional *	30.88	2.85
Rates and taxes	-	0.09
Bank charges	0.23	0.12
Loss on sale of investments (Refer Note 21)	73.43	-
	<b>104.54</b>	<b>3.06</b>
<b>* Includes payments to the auditors comprising of:</b>		
Statutory audit fees	2.00	2.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>

**13 Tax expense**

As on 31 March 2022, the Company does not have any tax expenses (current tax or deferred tax) which is required to be recognised in the statement of profit or loss or in Other comprehensive income. Accordingly, there are no further disclosures made in respect of movement in deferred taxes.

**Reconciliation of effective tax rate is as under:**

Loss before tax	(103.59)	(3.06)
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	(26.07)	(0.77)

**Tax effect of:**

Non recognition of deferred tax assets	26.07	0.77
	-	-

Deferred tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred tax assets in respect of the losses amounting to INR 103.59 lakhs (31 March 2021: INR 3.06 lakhs) due to lack of reasonable certainty of future taxable profits as at balance sheet date. These losses can be carried-forward against future taxable income as below:

Particular	As at 31 March 2022	As at 31 March 2021
Losses with expiration (8 years)	103.59	3.06
Losses without expiration date	-	-
<b>Amount of Deferred tax that has not been recorded at the year end</b>		
Tax rate	25.168%	25.168%
Deferred tax asset not recorded as at year end	26.07	0.77

**14 Earnings per share**

Particulars	<b>For the year ended 31 Mar 2022</b>	<b>For the period from 6 January 2020 to 31 March 2021</b>
<b>Loss after tax attributable to equity shareholders (INR) (A)</b>	(103.59)	(3.06)
Number of shares at the beginning of the period	10,000	-
Add: Equity shares issued during the period	5,500,000	10,000
Total number of equity shares outstanding at the end of the period	5,510,000	10,000
<b>Weighted average number of equity shares for Basic EPS (B)</b>	<b>4,766,164</b>	<b>10,000</b>
<b>Basic EPS – par value of INR 10 (A/B) fully paid up</b>	<b>(2.17)</b>	<b>(30.60)</b>

The Company does not have any potential dilutive equity share shares and therefore the diluted EPS is the same as basic EPS

**KFin Services Private Limited**  
**Notes to financial statements (continued)**  
**(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)**

	As at 31 March 2022	As at 31 March 2021
<b>15 Commitments and contingent liability</b>		
(a) Capital commitment	Nil	Nil
(b) Contingent liabilities	Nil	Nil

**16 Related parties**

**A. Names of related parties and nature of relationship**

**i. Ultimate holding company :**

GASC MGP, LLC, Delaware

**ii. Holding Company :**

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

**iii. Key Management personnel (KMP)**

Venkata Satya Naga Sreekanth Nadella, Director

Alok Chandra Misra, Director

Vishesh Tayal, Director

**B. Transactions with the related parties**

Particulars	For the year ended 31 Mar 2022	For the period from 6 January 2020 to 31 March 2021
<b>Issue of equity shares</b>		
KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)	550.00	1.00
<b>Reimbursement of expenses made</b>		
KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)		
- Legal and professional expenses	35.97	54.45

**C. Related party balances**

	As at 31 March 2022	As at 31 March 2021
KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)	-	54.45

All related party transactions entered during the year/ period were in ordinary course of business and are on arm's length basis.

**17 Due to micro and small enterprises**

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under the MSMED Act. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at respective year end has been made in the financial statements based on information received and available with the Company.

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the year.	-	-
Interest due thereon remaining outstanding as at the end of the year.	-	-
The amount of interest paid by the buyer as per the MSMED Act.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year	-	-
The amount of interest due and payable for the period/ year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

**Note:** The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**18. Financial instruments – Fair values and risk management**

**Fair value measurements**

**A. Financial instruments by category**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2022

Particulars	Financial instruments by category		Fair value hierarchy		
	Carrying value	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalents	431.50	431.50	-	-	-
	<b>431.50</b>	<b>431.50</b>	-	-	-
<b>Financial liabilities:</b>					
Trade payables	4.07	4.07	-	-	-
Other financial liabilities	-	-	-	-	-
	<b>4.07</b>	<b>4.07</b>	-	-	-

As at 31 March 2021

Particulars	Financial instruments by category		Fair value hierarchy		
	Carrying value	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalents	0.88	0.88	-	-	-
	<b>0.88</b>	<b>0.88</b>	-	-	-
<b>Financial liabilities:</b>					
Trade payables	4.05	4.05	-	-	-
Other financial liabilities	54.45	54.45	-	-	-
	<b>58.50</b>	<b>58.50</b>	-	-	-

**B. Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data 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.

There are no transfers between level 1 and level 2 during the year.

**Valuation process**

The finance department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

**Maturity profile of financial liabilities**

Particular	Carrying value As at 31 March 2022	Contractual cash flows			
		Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Trade payables	4.07	4.07	-	-	-
Other financial liabilities	-	-	-	-	-

Particular	Carrying value as on As at 31 March 2021	Contractual cash flows			
		Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Trade payables	4.05	4.05	-	-	-
Other financial liabilities	54.45	54.45	-	-	-

> The Company does not have any foreign currency transaction during the year/ period and therefore there is no currency risk.

> The Company does not have any interest bearing assets/ liabilities during the year/ period and therefore there is no interest rate risk.

**KFin Technologies Limited (formerly known as "KFin Technologies Private Limited")****Notes to standalone financial statements (continued)***(All amounts are in INR millions, unless otherwise stated)***19 Ratios as per Schedule III requirements**

<b>Particular</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>i) Current ratio = Current assets divided by current liabilities</b>		
Current assets	449.01	56.44
Current liabilities	5.15	58.50
<b>Ratio</b>	<b>87.19</b>	<b>0.96</b>
<b>% change from the previous period/ year</b>	<b>8937%</b>	
<b>Reason for change more than 25%:</b>		
The increase is on account of increase in cash and cash equivalents on account of proceeds from sale of investments in Artivatic Data Labs Private Limited. Refer Note 21 for further details.		
<b>ii) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity</b>		
Net loss after tax	(103.59)	(3.06)
Equity	444.35	(2.06)
<b>Ratio</b>	<b>(0.23)</b>	<b>1.49</b>
<b>% change from the previous period/ year</b>	<b>-116%</b>	
<b>Reason for change more than 25%:</b>		
The change is primarily on account of losses incurred on investments made during the year.		
<b>iii) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed (pre cash)</b>		
Loss before tax (A)	(103.59)	(3.06)
Other income (B)	0.95	-
<b>EBIT (A)-(B)</b>	<b>(104.54)</b>	<b>(3.06)</b>
<b>Capital employed (C)-(D)-(E)</b>	<b>12.85</b>	<b>(2.94)</b>
Total Assets (C)	449.50	56.44
Current liabilities (D)	5.15	58.50
Cash and cash equivalents (E)	431.50	0.88
<b>Ratio</b>	<b>(8.14)</b>	<b>1.04</b>
<b>% change from the previous period/ year</b>	<b>-882%</b>	

**Reason for change more than 25%:**

The change is primarily on account of losses incurred on investments made during the year.

The Company has not yet started operations and accordingly the Company does not have revenue, trade receivables, debt and therefore Debt equity ratio, Debt service coverage ratio, Trade receivables turnover ratio, Net capital turnover ratio, Net profit ratio, Inventory turnover ratio, Trade payable turnover ratio is not applicable and accordingly not presented.

**KFin Services Private Limited****Notes to financial statements (continued)**

(All amounts in Indian Rupees lakhs, except share data and where otherwise stated)

**20. Capital management**

The Company aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes long-term borrowings (including current maturities) and short-term borrowings.

As the Company does not have any debt as at 31 March 2022, the disclosure of total debt to equity ratio has not been disclosed.

21. On 23 March 2021, the Company entered into an agreement to invest in Artivatic Data Labs Private Limited by subscribing to 3,511 number of equity shares of INR 1 each fully paid-up and 31,599 Compulsory Convertible Preference Shares having a face value of INR 1 for a total consideration of INR 750.00 lakhs, collectively comprising of 17% holding of Artivatic Data Labs Private Limited.

During the current year, the Company made an investment of INR 440.02 lakhs (towards purchase of equity and preference shares of Artivatic Data Labs Private Limited) for which it incurred transaction costs of INR 73.43 lakhs. Subsequently, during the year these investments were disposed for an amount of INR 440.02 lakhs and accordingly the amount of INR 73.43 lakhs has been charged to statement of profit and loss.

22. The Company has received funds from its Holding Company with the understanding that the company will make the investment in the Artivatic Data Labs Private Limited and details of the Investments transaction are as follows:

Funding Party	Date of funds received	Amount of funds received	Name of ultimate Beneficiary	Date of investment in Ultimate Beneficiary	Amount of investments in Ultimate Beneficiary
KFin Technologies Limited (Formerly known as 'KFin Technologies Private Limited')	6-Apr-21	450.00	Artivatic Data Labs Private Limited	8-Apr-21	50.00
KFin Technologies Limited (Formerly known as 'KFin Technologies Private Limited')	27-Nov-21	100.00	Artivatic Data Labs Private Limited	30-Apr-21	350.00
			Artivatic Data Labs Private Limited	23-Dec-21	40.02
<b>Total</b>		<b>550.00</b>			<b>440.02</b>

The Company has complied with the relevant provisions of the Companies Act with regards to the aforesaid transactions and these transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

23. The Company have not advanced or loaned or invested funds to any other person(s) or entity(i.e.), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

24. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

25. The Company was incorporated on 6 January 2020 and during the period ended 31 March 2021, the Company did not have any profits. Accordingly, the Company was not required to spend any amount towards Corporate Social Responsibility ('CSR') under the provisions of the Companies Act, 2013 for the year ended 31 March 2022.

26. The current year figures are not strictly comparable with previous year as the previous year's figures are for the 15 months period from 6 January 2020 to 31 March 2021.

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/W-100024



**G. Prakash**

Partner

Membership No.: 099696

Place: Bengaluru

Date: 24 May 2022

for and on behalf of Board of Directors of

**KFin Services Private Limited**

CIN: U72200TG2020PTC138221



**Sreekanth Nadella**

Director

DIN: 08659728

Place: Mumbai

Date: 24 May 2022



**Alok Chandra Misra**

Director

DIN: 01542028

Place: Mumbai

Date: 24 May 2022