

B S R & Associates LLP

Chartered Accountants

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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 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period 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 2021, 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.

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, 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.

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

Management's and Board of Directors' Responsibility for the Financial Statements
(continued)

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.
- 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.

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

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

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. Requirements stated by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, are not applicable to the Company.
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 1 April 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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).
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.



B S R & Associates LLP

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 Auditors' Report under Section 197(16):

The Company is a Private Limited Company; accordingly, the matter to be included in the Auditor's Report under Section 197(16) are not applicable to the Company.

for B S R & Associates LLP

Chartered Accountants

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



Arpan Jain

Partner

Membership No.: 125710

UDIN: 21125710AAAABA3787

Place: Hyderabad

Date: 11 June 2021

KFin Services Private Limited**Balance Sheet**

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

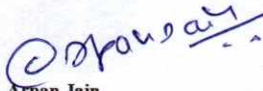
Particulars	Notes	As at 31 March 2021
ASSETS		
1. Current assets		
(a) Financial Assets		
(i) Cash and cash equivalents	2.1	0.88
(b) Other current assets	2.2	55.56
		<u>56.44</u>
TOTAL ASSETS		<u><u>56.44</u></u>
EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	2.3	1.00
(b) Other equity	2.4	(3.06)
		<u>(2.06)</u>
2. Liabilities		
Current liabilities		
Financial liabilities		
(a) Other financial liabilities	2.5	58.50
		<u>58.50</u>
TOTAL EQUITY AND LIABILITIES		<u><u>56.44</u></u>
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

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


Arpan Jain
Partner
Membership No.: 125710

Place: Hyderabad
Date: 11 June 2021




Sreekanth Nadella
Director
DIN: 08659728

Place: Hyderabad
Date: 11 June 2021


Vishesh Tayal
Director
DIN: 06642042

Place: Shamli
Date: 11 June 2021

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 period from 6 January 2020 to 31 March 2021
Income		
Revenue from operation		-
Expenses		
Other expenses	2.6	3.06
Total expenses		3.06
Loss before taxation		(3.06)
Tax expense		
Current tax expense	2.6.1	-
Loss for the period		(3.06)
Other comprehensive income		
(i) Items that will not be reclassified to profit or loss		-
(ii) Items that will be reclassified to profit or loss		-
Total comprehensive loss for the period		(3.06)
Earning per equity share (EPS) (nominal value per share Rs. 10)	2.8	
Basic and Dilutive		(30.56)
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

for and on behalf of the Board of Directors of

KFin Services Private Limited

CIN: U72200TG2020PTC138221



Arpan Jain

Partner

Membership No.: 125710

Place: Hyderabad

Date: 11 June 2021


Sreekanth Nadella

Director

DIN: 08659728

Place: Hyderabad

Date: 11 June 2021


Vishesh Tayal

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DIN: 06642042

Place: Shamli

Date: 11 June 2021

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

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

Particulars		For the period from 6 January 2020 to 31 March 2021
Cash flow from operating activities		
Loss before tax		(3.06)
<i>Adjustments for working capital changes</i>		
Increase in current liabilities		58.50
Increase in other current assets		(55.56)
Cash used in operations		<u>(0.12)</u>
Income taxes paid		-
Net cash used in operating activities	(A)	<u><u>(0.12)</u></u>
Cash flows from financing activities		
Proceeds from issue of equity share capital		1.00
Net cash generated from financing activities	(B)	<u>1.00</u>
Net increase in cash and cash equivalents	(A + B)	0.88
Cash and cash equivalents at beginning of reporting period		-
Cash and cash equivalents at end of reporting period (refer note 2.4)		<u><u>0.88</u></u>

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'.

2) Reconciliation of Cash and Cash equivalents with the balance sheet:

Cash and cash equivalents - closing balance	0.88
Add: Other bank balances	
Cash and bank balances - closing balance	<u><u>0.88</u></u>

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



Arpan Jain

Partner

Membership No.: 125710

Place: Hyderabad

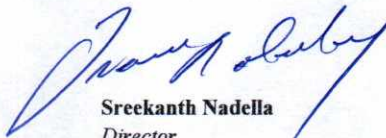
Date: 11 June 2021



for and on behalf of the Board of Directors of

KFin Services Private Limited

CIN: U72200TG2020PTC138221



Sreekanth Nadella

Director

DIN: 08659728

Place: Hyderabad

Date: 11 June 2021



Vishesh Tayal

Director

DIN: 06642042

Place: Shamli

Date: 11 June 2021



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

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

Particulars	Equity share capital	Other equity		Total equity
		Reserve and Surplus	Other comprehensive income	
		Retained earnings		
Balance as at 6 January 2020	-	-	-	-
Adjustments:				
Issue of share capital	1.00	-	-	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)	-	(2.06)

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


Arpan Jain

Partner

Membership No.: 125710

Place: Hyderabad

Date: 11 June 2021



for and on behalf of the Board of Directors of

KFin Services Private Limited

CIN: U72200TG2020PTC138221


Sreekanth Nadella

Director

DIN: 08659728

Place: Hyderabad

Date: 11 June 2021


Vishesh Tayal

Director

DIN: 06642042

Place: Shamli

Date: 11 June 2021



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 this is the first set of financial statements prepared since inception of the Company.

As the Company has not yet commenced its commercial operations, it has incurred losses during the current period amounting to INR 3.06 lakhs. The Company's current liabilities exceeded its current assets by INR 2.06 lakhs thereby indicating adverse liquidity position. Further, based on the committed outflows of financial year 2020-21, the Company would require additional funding to meet its obligations falling due in ensuing twelve months. The Holding Company has infused INR 450 lakhs as additional equity into the Company post 31 March 2021 to support its cash flow needs under a Rights Issue. While the abovementioned conditions may cast doubt about the Company's ability to continue as a going concern, Management is confident that the Company will be able to meet its short-term obligation given the letter of support provided by Holding Company and through additional equity infused by the Holding Company. Accordingly, these financial statements do not include any adjustments related to the recoverability and classification of the carrying amount of assets or the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

These financial statements were authorized for issue by the Company's Board of Directors on 11 June 2021.

(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 for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities that are measured at fair value or amortised value

(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.



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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.



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A handwritten signature in blue ink, consisting of stylized initials.



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 operation.

(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 reassessed 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.



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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 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.



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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.



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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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors of the company have been identified as being the Chief operating decision maker by the management of the company.

In accordance with Ind AS 108- "Operating Segment", segment information has been furnished in the consolidated financial statements. Hence, no disclosure is included in this regard in these financial statements

(i) Standards issued but not yet effective

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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 2021**2.1 Cash and cash equivalents**

Balances with Banks	0.88
- in current account	
Total	0.88

2.2 Other current assets

Prepayment (Refer note 2.13)	47.40
Balances with government authorities	8.16
Total	55.56

2.3 Equity share capital

Particulars	As at 31 March 2021	
	Number of Shares	Amount
Authorised share capital:		
Equity shares of INR 10 each	8,000,000	80.00
Issued, subscribed and fully-paid up capital		
Equity shares of INR 10 each, fully paid up	10,000	1.00
Total	10,000	1.00

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 2021	
	Number of shares	Amount
Equity shares of INR 10 each, fully-paid up:		
Shares outstanding at the beginning of the period*	-	-
Shares issued during the period	10,000	1.00
Shares outstanding at the end of the period	10,000	1.00

* The Company was incorporated on 6 January 2020, and therefore there is no shares outstanding at the beginning of the period. Also Refer note 2(a)(i).

B. 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 2021	
	% holding	Number of shares
Equity shares of INR 10 each, fully-paid up:		
KFin Technologies Private Limited	99.99%	9,999
	99.99%	9,999

C. Terms and rights attached to equity shares:

(a) 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.



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 2021

2.4 Other equity

Reserves and surplus

(a) Retained earnings

Opening balance *

Add: Loss for the period 6 January 2020 to 31 March 2021 [Refer note 2(a)(i)]

Closing balance

Total

-
<u>(3.06)</u>
<u>(3.06)</u>
<u><u>(3.06)</u></u>

* This is 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 as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution and transfers to general reserve.

2.5 Other financial liabilities

Provision for expenses

Payable to holding company (Refer Note 2.9)

4.05
<u>54.45</u>
<u><u>58.50</u></u>



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

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

**For the period from
6 January 2020
to 31 March 2021**

2.6 Other expenses

Legal and professional *	2.85
Rates and taxes	0.09
Bank charges	0.12
	3.06
	3.06

*** Includes payments to the auditors comprise of:**

Statutory audit fees	2.00
Total	2.00
	2.00

2.6.1 Tax expense

As on 31 March 2021, 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 disclosure made in respect of movement in deferred tax asset.

Reconciliation of effective tax rate is as under:

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

Tax effect of:

Non recognition of deferred tax assets	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 3.06 lakhs that can be carried-forward against future taxable income. These losses can be carried-forward as below:

Particular

**As at
31 March 2021**

Losses with expiration (8 years)	0.77
Losses without expiration date	-



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

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

2.7 Commitments and contingent liability

Particulars	As at 31 March 2021
(a) Capital commitment	Nil
(b) Contingent liabilities	Nil

2.8 Earnings per share (EPS)

Particulars	For the period from 06 January 2020 to 31 March 2021
A Loss after tax attributable to equity shareholders (INR) (A)	(3.06)
Number of shares at the beginning of the period	-
Add: Equity shares issued during the period	10,000
Total number of equity shares outstanding at the end of the period	10,000
B Weighted average number of equity shares for Basic EPS (B)	10,000
Basic EPS – par value of INR 10 (A/B) fully paid up	(30.56)

The Company does not have any potential dilutive equity share shares and therefore there is no dilutive EPS.

2.9 Related party**A. Name of Related party and nature of relationship:**

Sl. No.	Relationship	Name of the party
1	Ultimate Holding Company	General Atlantic Singapore Fund Pte Ltd.
2	Holding Company	KFin Technologies Private Limited
3	Key management personnel (KMP)	Venkata Satya Naga Sreekanth Nadella, Director
		Alok Chandra Misra, Director
		Vishesh Tayal, Director

Related party transactions for the period from 6 January 2020 to 31 March 2021

Particulars	For the period from 6 January 2020 to 31 March 2021
Issue of equity shares KFin Technologies Private Limited	1.00
Reimbursement of expenses KFin Technologies Private Limited	54.45

Amounts due to related parties

Particulars	As at 31 March 2021
Other payable KFin Technologies Private Limited	54.45

All related party transactions entered during the period 6 January 2020 to 31 March 2021 were in ordinary course of business and are on arm's length basis.



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

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

2.10 Due to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the period from 6 January 2020 to 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the period: - Principal - Interest	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-
The amount of interest accrued and remaining unpaid at the end of the accounting period.	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act.	-

2.11 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 2021

Particulars	Financial instruments by category		Fair value hierarchy		
	Carrying value	Amortised cost	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	0.88	0.88	-	-	-
	0.88	0.88	-	-	-
Financial liabilities:					
Other financial liabilities	58.50	58.50	-	-	-



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

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

2.11 Financial instruments – Fair values and risk management (continued)**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 on 31 March 2021	Contractual cash flows			
		Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Other financial liabilities	58.50	58.50	-	-	-

As at 31 March 2021, the Company does not have any foreign currency transaction and therefore there is no currency risk.

As at 31 March 2021, the Company does not have any interest bearing assets/ liabilities and therefore there is no interest rate risk.

2.12 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 2021, the disclosure of total debt to equity ratio is not been disclosed.



KFin Services Private Limited

Notes to financial statements (continued)

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

2.13 On 23 March 2021, the Company has 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. The aforesaid amount is planned to be invested in two Tranches, of which first tranche is completed in the month of April 2021.

The acquisition is proposed to be funded by way of Equity infusion by the Holding Company.

All of the aforementioned transactions are subject to conditions precedent and applicable approvals, as deemed necessary.

The Company has incurred an amount of INR 47.40 lakhs towards transaction costs which are attributable to the acquisition of financial asset. As at 31 March 2021, this is considered as prepayment.

2.14 Subsequent to the year-end, the Holding Company, KFin Technologies Private Limited has subscribed to 4,500,000 equity shares at Rs. 10 each on Rights Basis issued by the Company. The aforesaid equity shares were allotted on 6 April 2021.

2.15 As at 31 March 2021, the Company does not have any premises on lease and therefore no disclosures are made in these financial statements in respect of Ind AS 116 - Leases.

2.16 In accordance with Ind AS 108 - Operating Segments, segment information is disclosed in the consolidated financial statements of the Company and accordingly no separate segment disclosures have been furnished in these financial statements of the Company.

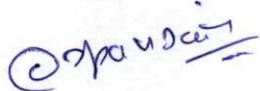
2.17 Previous year's figures

This being the first set of financial statements prepared since inception of the Company on 6 January 2020, previous year's figures and comparative information are not applicable.

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants

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


Arpan Jain
Partner
Membership No.: 125710

Place: Hyderabad
Date: 11 June 2021



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


Sreekanth Nadella
Director
DIN: 08659728

Place: Hyderabad
Date: 11 June 2021


Vishesh Tayal
Director
DIN: 06642042

Place: Shamli
Date: 11 June 2021

