



KLAY FINVEST PRIVATE LIMITED

Director's Report

To,

The Members of

KLAY FINVEST PRIVATE LIMITED
A-802, CRESCENZO, C/38-39, G BLOCK,, BANDRA KURLA COMPLEX
Mumbai City - 400051 Maharashtra

Your Directors have pleasure in presenting the 5th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|------------------------|-----------------------|
| Revenue from Operations | 11,73,860.00 | 5,93,032.00 |
| Other Income | 10,68,99,333.00 | 2,50,30,501.00 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 10,80,73,193.00 | 2,56,23,533.00 |
| Less: Depreciation/ Amortization/ Impairment | 59,019.00 | 35,955.00 |
| Profit /loss before Finance Costs, Exceptional items and Tax Expense | 10,80,14,174.00 | 2,55,87,578.00 |
| Less: Finance Costs | 2,11,92,816.00 | 2,12,50,876.00 |
| Less: Other Operating & Non-Operating Expenses | 59,05,480.00 | 95,98,866.00 |
| Profit /loss before Exceptional items and Tax Expense | 8,09,15,878.00 | -52,62,164.00 |
| Add/(less): Exceptional items | -11,23,480.00 | 13,37,155.00 |
| Profit /loss before Tax Expense | 7,97,92,398.00 | -39,25,009.00 |
| Less: Tax Expense | Current Tax | 1,76,41,000.00 |
| | Deferred Tax | 23,37,754.00 |
| Profit /loss for the year (1) | 6,20,60,604.00 | -58,54,318.00 |

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The Company has transferred Rs 1,24,12,121 under the head of Reserve and Surplus Account.

The Reserve and Surplus Account as on 31st March, 2021 stood at Rs. 1,24,70,615 as compared to Rs. 58,494 as on 31st March, 2020.

FINAL DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.





| | | |
|-------|---|----|
| iv. | Change in the financial year | NA |
| v. | Capital expenditure programmes | NA |
| vi. | Details and status of acquisition, merger, expansion, modernization and diversification | NA |
| vii. | Developments, acquisition and assignment of material Intellectual Property Rights | NA |
| viii. | Any other material event having an impact on the affairs of the company | NA |

V. COMMENCEMENT OF ANY NEW BUSINESS

During the financial year under review no new business commenced by the company.

VI. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

VII. SHARE CAPITAL STRUCTURE OF THE COMPANY:

a. Authorized Capital:

Rs. 5,00,00,000/- (Rs. Five Crore Only (in words)) divided into 5,00,00,000 Equity Shares of Rs. 1 /- each.

b. Issued Capital:

Rs. 4,89,31,397/- (Rs. Four Crore Eighty Nine Lac Thirty One Thousand Three Hundred Ninety Seven Only (in words)) divided into 4,89,31,397 Equity Shares of Rs. 1 /- each.

c. Subscribed and Paid-up Capital:

Rs. 4,89,31,397/- (Rs. Four Crore Eighty Nine Lac Thirty One Thousand Three Hundred Ninety Seven Only (in words)) divided into 4,89,31,397 Equity Shares of Rs. 1 /- each.

VIII. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

IX. BOARD OF DIRECTORS

The board of directors of the company duly constituted and there was no change in the composition of Board of Directors. The Board of the company as on the date of this report comprised of the following directors.

| SN | Name of the Directors | DIN | Designation |
|----|------------------------|----------|-------------|
| 1. | Mr. Kalpesh Khakhria | 07532349 | Director |
| 2. | Mr. Akshat Kumar | 07532358 | Director |
| 3. | Mr. Amit Mahesh Asnani | 07532354 | Director |

X. APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)



The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

XI. COMPOSITION OF AUDIT COMMITTEE

The provision of Section 177 relating to Audit committee is not applicable on the company.

XII. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

XIII. MEETINGS OF THE BOARD OF DIRECTORS

The following Meetings of the Board of Directors were held during the Financial Year 2020-21:

| SN | Date of Meeting | Board Strength | No. of Directors Present |
|----|-----------------|----------------|--------------------------|
| 1. | 01.06.2020 | 03 | 02 |
| 2. | 21.08.2020 | 03 | 02 |
| 3. | 28.09.2020 | 03 | 02 |
| 4. | 01.12.2020 | 03 | 03 |
| 5. | 15.02.2021 | 03 | 02 |

XIV. PRESENCE/ATTENDANCE OF DIRECTORS IN THE MEETINGS

| S N | Name of Director | Board Meeting | | | Committee Meeting | | | AGM |
|--------|------------------|--------------------|------------------------|-----|--------------------|------------------------|----|-----|
| | | No of Meeting held | No of Meeting attended | % | No of Meeting held | No of Meeting attended | % | |
| 1. | Kalpesh Khakhria | 05 | 05 | 100 | NA | NA | NA | 00 |
| 2. | Akshat Kumar | 05 | 04 | 80 | NA | NA | NA | 01 |
| 3. | Amit Asnani | 05 | 02 | 40 | NA | NA | NA | 00 |

XV. PARTICULARS OF EMPLOYEES

Provision related to the particulars of the employees employed by the company falling within Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

XVI. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

| | |
|----|--|
| a. | In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; |
| b. | The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period; |
| c. | The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; |
| d. | The directors had prepared the annual accounts on a going concern basis; and |



| | |
|----|---|
| e. | Company being a listed/unlisted company, the said para is applicable and complied accordingly / not applicable. |
| f. | The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. |

XVII. INTERNAL FINANCIAL CONTROLS

As per amended exemption notification for the private company under Section 462 of the Companies Act 2013, there is no as such obligation on the Company to setup an Internal Financial Control system in the Company.

XVIII. REPORTING OF FRAUDS BY AUDITORS

For the Financial year 2020-2021, the Statutory Auditor has not reported any instances of frauds committed in the Company by its Officers or Employees.

XIX. INFORMATION ABOUT SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

XX. DEPOSITS

The company has not accepted deposits from public within the meaning of Section 73 of the Companies Act, 2013 also no unsecured loan accepted from its directors and relative of directors under sub rule 1 clause (C) sub clause (Viii) of rule 2 of Companies (Acceptance of Deposits) Rules 2014.

XXI. LOANS, GUARANTEES AND INVESTMENTS

The Company has not made / given / advanced any Loan, Guarantee and Investment during the financial year covered under section 186 of the Companies Act, 2013.

XXII. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Particulars of Transactions with Related party with noted on accounts forming part of the Financial Statements.

Further all the necessary details of transaction entered with the related parties as defined under Section 188 of the Companies Act, as defined under Section 2 (76) of the said Act are attached herewith in form no. AOC-2 for your kind perusal and information.

XXIII. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitution of Corporate Social Responsibility Committee.

XXIV. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:



| SN | PARTICULARS | REMARKS |
|-----------|--|---|
| A. | CONSERVATION OF ENERGY: | |
| | the steps taken or impact on conservation of energy; | The Corporation is taking due care for using electricity in the office and its branches. The Corporation usually takes care for optimum utilization of energy. No capital investment on energy Conservation equipment made during the financial year. |
| | the steps taken by the company for utilizing alternate sources of energy; | |
| | the capital investment on energy conservation equipment; | |
| B. | TECHNOLOGY ABSORPTION: | |
| | the efforts made towards technology absorption; | NA |
| | the benefits derived like product improvement, cost reduction, product development or import substitution; | NA |
| | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- <ul style="list-style-type: none"> • the details of technology imported; • the year of import; • whether the technology been fully absorbed; • if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over. | NA |
| | the expenditure incurred on Research and Development | NA |
| C. | FOREIGN EXCHANGE EARNINGS AND OUTGO: | |
| | The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows | Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the balance sheet date are restated at the closing exchange rates. Gain / loss arising on actual payments / realizations and year-end restatements are recognised in the statement of profit and loss. |

XXV. RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

XXVI. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is not required to form such policy.

XXVII. REGULATORY ACTION



There are no significant and material orders passed by the regulators or courts or Tribunals that could impact the going concern status and operations of the company in future.

XXVIII. STATUTORY AUDITORS AND THEIR REPORT

At the Annual General Meeting held on September 29, 2017, M/s. MSKA & Associates., Chartered Accountants (FRN No. 105047W) was appointed as statutory auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022 in terms of the first proviso to Section 139 of the Companies Act, 2013.

Company has received certificate from the Auditors to the effect they are not disqualified to continue as statutory auditors under the provisions of applicable laws.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor`s Report are self-explanatory.

XXIX. SECRETARIAL AUDITORS

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

XXX. COST RECORDS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintenance is not applicable on the company.

XXXI. ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

XXXII. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

XXXIII. HEALTH, SAFETY AND ENVIRONMENT PROTECTION

Company's Health and Safety Policy commits to comply with applicable legal and other requirements connected with occupational Health, Safety and Environment matters and provide a healthy and safe work environment to all employees of the Company.

XXXIV. SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings of the Company.



XXXV. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

XXXVI. APPRECIATION AND ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation, your company has been receiving from its Suppliers, Retailers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

For & on behalf of the Board of Directors

KALPESH KHAKHRIA
DIN : 07532349
(Director)
FLAT-2402 (E&W-SUB METER) 345-BURJ
DUBAI, (8-BOLLYWARD WALK), Premise
Number: 345061675 - 9637 NA UNITED
ARAB EMIRATES

Date
Place

AMIT MAHESH ASNANI
DIN : 07532354
Director
40 MC LEOD STREET
KOLKATA - 700017 West Bengal INDIA

30/09/2021

Dubai



INDEPENDENT AUDITOR'S REPORT

To the Members of Klay Finvest Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Klay Finvest Private Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit 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 Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) 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.

Emphasis of Matter

We draw attention to Note 27 to the financial statements, which describes that the extent to which the COVID-19 Pandemic will continue to impact the Company’s financial statements will depend on ongoing and uncertain future developments.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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

Responsibilities of Management and Those Charged With Governance for Financial Statements

The Company's Board of Directors is 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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 auditors' 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 the effectiveness of the Company's internal financial control with reference to financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. The Company is a Private Company as defined under section 2(68) of the Act and covered under the criteria specified in the Notification G.S.R. .583(E) dated June 13, 2017 as amended from time to time by Ministry of Corporate Affairs and complies with conditions specified therein. Accordingly, reporting under section 143(3)(i) of the Act with respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls is not applicable to the Company.
- g. 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.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Swapnil

Subhash Kale

Digitally signed by
Swapnil Subhash Kale
Date: 2021.06.29
21:36:08 +05'30'

Swapnil Kale

Partner

Membership No. 117812

UDIN: 21117812AAAAHN3408

Mumbai

June 29, 2021

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS
OF KLAY FINVEST PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2021**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) Fixed assets (Property, Plant and Equipment) have been physically verified by the Management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there were no undisputed amounts payable in respect of income-tax, goods and service tax, cess and any other material statutory dues applicable to it in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders. (Refer Note 5(b) to the Financial Statements for the year ended March 31, 2021).
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with 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. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and therefore, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

- xiv. According to the information and explanations given to us and based on 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 convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Company.

For MSKA & Associates**Chartered Accountants**

ICAI Firm Registration No. 105047W

Swapnil Subhash Digitally signed by Swapnil
Subhash Kale
Date: 2021.06.29 21:35:27 +05'30'

Kale

Swapnil Kale

Partner

Membership No. 117812

UDIN: 21117812AAAAHN3408

Mumbai

June 29, 2021

Klay Finvest Private Limited
Balance Sheet as at March 31, 2021

| | | (Amount in Rs.) | (Amount in Rs.) |
|--|------|---------------------------|---------------------------|
| | Note | 31-Mar-21 | 31-Mar-20 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 249,999,393 | 249,999,393 |
| Reserves and surplus | 4 | 51,217,872 | -10,842,732 |
| | | <u>301,217,265</u> | <u>239,156,661</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 156,983,817 | 156,983,817 |
| Long-term provisions | 6 | 179,950 | 76,884 |
| | | <u>157,163,767</u> | <u>157,060,701</u> |
| Current liabilities | | | |
| Trade payables | | | |
| Total outstanding due of micro enterprises and small enterprises | 7 | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| Other current liabilities | 8 | 59,146,719 | 40,122,916 |
| Short-term provisions | 9 | 3,887,393 | 424,784 |
| | | <u>63,034,112</u> | <u>40,547,700</u> |
| Total | | <u>521,415,144</u> | <u>436,765,062</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 10 | | |
| Property, Plant and Equipment | | 68,958 | 127,977 |
| Deferred tax asset (Net) | 11 | 5,723,602 | 8,061,356 |
| Long-term loans and advances | 12 | 15,900,000 | 5,900,000 |
| | | <u>21,692,560</u> | <u>14,089,333</u> |
| Current assets | | | |
| Current investments | 13 | 417,949,764 | 346,225,897 |
| Cash and bank balances | 14 | 5,327,829 | 75,160,083 |
| Short-term loans and advances | 15 | 1,142,898 | 989,039 |
| Other current assets | 16 | 75,302,093 | 300,710 |
| | | <u>499,722,584</u> | <u>422,675,729</u> |
| Total | | <u>521,415,144</u> | <u>436,765,062</u> |

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements
As per our report of even date

For MSKA & Associates
Chartered Accountants

Firm Registration No.:105047W

Swapnil Subhash Kale
Digitally signed by Swapnil Subhash Kale
Date: 2021.06.29 22:02:18 +05'30'

Swapnil Kale
Partner
Membership No:117812

Date : 29 June, 2021
Mumbai

For and on behalf of the Board of Directors of
Klay Finvest Private Limited
CIN:U74999MH2016FTC288032

Akshat Kumar
Digitally signed by AKSHAT KUMAR
Date: 2021.06.29 16:39:36 +05'30'

Akshat Kumar
Director
DIN: 07532358

Date : 29 June, 2021
Mumbai

Ian Luis Xavier D'Souza
Digitally signed by Ian Luis Xavier D'Souza
Date: 2021.06.29 18:08:57 +05'30'

Ian Dsouza
Director
DIN: 07727245

Date : 29 June, 2021
Mumbai

shweta subramanian
Digitally signed by shweta subramanian
Date: 2021.06.29 18:14:31 +05'30'

Shweta Subramanian
Company Secretary
ACS No. 46538

Date : 29 June, 2021
Mumbai

Klay Finvest Private Limited
Statement of Profit and Loss for the year ended March 31, 2021

| | | (Amount in Rs.) | (Amount in Rs.) |
|--|------|--------------------|--------------------|
| | Note | 31-Mar-21 | 31-Mar-20 |
| Income: | | | |
| Revenue from operations | 17 | 1,173,860 | 593,032 |
| Other Income | 18 | 106,899,333 | 25,030,501 |
| Total | | 108,073,193 | 25,623,533 |
| Expenses: | | | |
| Employee benefits expense | 19 | 3,714,111 | 2,522,317 |
| Finance costs | 20 | 21,192,816 | 21,250,876 |
| Depreciation and amortization expense | 21 | 59,019 | 35,955 |
| Other expenses | 22 | 2,191,369 | 7,076,549 |
| Total | | 27,157,315 | 30,885,697 |
| Profit(Loss) before tax | | 80,915,878 | (5,262,164) |
| Tax expense: | | | |
| Current tax | | 17,641,000 | 3,417,000 |
| Adjustment of tax relating to earlier year | | (1,123,480) | 1,337,155 |
| Deferred tax | | 2,337,754 | (4,162,001) |
| | | 18,855,274 | 592,154 |
| Profit / (Loss) for the year | | 62,060,604 | (5,854,318) |
| Earnings per Equity Share [Nominal value per Share Rs. 1 (Previous year)] | | | |
| Basic earnings per share | 24 | 0.25 | (0.02) |
| Diluted earnings per share | | 0.19 | 0.02 |

Summary of Significant Accounting Policies 2
The accompanying notes are an integral part of the Financial Statements
As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Swapnil Subhash Kale
Digitally signed by Swapnil Subhash Kale
Date: 2021.06.29 22:03:07 +05'30'

Swapnil Kale
Partner
Membership No:117812

Date : 29 June, 2021
Mumbai

For and on behalf of the Board of Directors of Klay Finvest Private Limited
CIN:U74999MH2016FTC288032

AKSHAT KUMAR
Digitally signed by AKSHAT KUMAR
Date: 2021.06.29 16:40:50 +05'30'

Akshat Kumar
Director
DIN: 07532358

Date : 29 June, 2021
Mumbai

Ian Luis Xavier D'Souza
Digitally signed by Ian Luis Xavier D'Souza
Date: 2021.06.29 18:10:02 +05'30'

Ian Dsouza
Director
DIN: 07727245

Date : 29 June, 2021
Mumbai

shweta subramanian
Digitally signed by shweta subramanian
Date: 2021.06.29 18:15:26 +05'30'

Shweta Subramanian
Company Secretary
ACS No. 46538

Date : 29 June, 2021
Mumbai

Klay Finvest Private Limited
Cash Flow Statement for the year ended March 31, 2021

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---|----------------------|----------------------|
| | 31-Mar-21 | 31-Mar-20 |
| Cash Flow from Operating activities | | |
| Profit / (Loss) before tax | 80,915,878 | (5,262,164) |
| Adjustments for: | | |
| Depreciation and amortization expenses | 59,019 | 35,955 |
| Unrealised (gain)/loss on unquoted mutual funds | 498,348 | (2,875,548) |
| Unrealised (gain)/loss on Bonds | 403,445 | - |
| Profit on sale / redemption of mutual funds | (105,403,550) | (22,154,953) |
| Interest accrued but not due on borrowings (net of tds) [Refer Note 5(b)] | 18,543,712 | 18,594,515 |
| Operating (loss)/Profit before working capital changes | (4,983,148) | (11,662,195) |
| Changes in working capital | | |
| Increase / (decrease) in trade payables | - | - |
| Increase / (decrease) in other current liabilities | 480,090 | -2,946,542 |
| Decrease / (increase) in short-term loans and advances | (153,859) | 2,343,365 |
| Decrease / (increase) in long-term loans and advances | (10,000,000) | (5,900,000) |
| Decrease / (increase) in other current assets | (75,001,383) | (134,194) |
| Increase / (decrease) in short-term provisions | (196,411) | 678,784 |
| Increase / (decrease) in long-term provisions | 103,066 | 76,884 |
| Cash generated from / (used in) operations | (89,751,645) | (17,543,897) |
| Income tax paid (Net of Refund) | (12,858,500) | (6,195,432) |
| Net cash flows from / (used in) operating activities (A) | (102,610,145) | (23,739,329) |
| Cash flow from Investing activities | | |
| Purchase of Property, Plant and Equipment | - | (130,801) |
| Investment in bank deposit having original maturity of more than 3 months | - | - |
| Amount received on maturity of bank deposits | - | - |
| Purchase of current investments | (1,009,809,816) | (2,010,550,348) |
| Sale of current investments | 1,042,587,707 | 1,689,354,951 |
| Net cash flow from / (used in) investing activities (B) | 32,777,891 | (321,326,198) |
| Cash flow from Financing activities | | |
| | - | - |
| Net cash flow from / (used in) financing activities (C) | - | - |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (69,832,254) | (345,065,528) |
| Cash and cash equivalents at the beginning of the year | 75,160,083 | 420,225,611 |
| Cash and cash equivalents at the end of the year (Refer Note 14) | 5,327,829 | 75,160,083 |
| Cash / bank balance comprises of: | | |
| Particulars | 31-Mar-21 | 31-Mar-20 |
| Cash and cash equivalents comprise | | |
| Cash on hand | - | - |
| Balances with banks in current accounts | 5,327,829 | 75,160,083 |
| Fixed Deposits (with original maturity of less than 3 months) | - | - |
| Total cash and bank balances at end of the year (Refer Note 14) | 5,327,829 | 75,160,083 |

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

2. Cash and cash equivalents comprises of cash on hand, bank balances and fixed deposits with original maturity of less than three months.

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Swapnil Subhash Kale
Digitally signed by Swapnil Subhash Kale
Date: 2021.06.29 22:03:44 +05'30'

Swapnil Kale
Partner
Membership No:117812

Date : 29 June, 2021
Mumbai

For and on behalf of the Board of Directors of
Klay Finvest Private Limited
CIN:U74999MH2016FTC288032

AKSHAT KUMAR
Digitally signed by AKSHAT KUMAR
Date: 2021.06.29 10:41:39 +05'30'

Akshat Kumar
Director
DIN: 07532358

Date : 29 June, 2021
Mumbai

Ian Luis Xavier D'Souza
Digitally signed by Ian Luis Xavier D'Souza
Date: 2021.06.29 18:11:12 +05'30'

Ian Dsouza
Director
DIN: 07727245

Date : 29 June, 2021
Mumbai

shweta subramanian
Digitally signed by shweta subramanian
Date: 2021.06.29 18:16:18 +05'30'

Shweta Subramanian
Company Secretary
ACS No. 46538

Date : 29 June, 2021
Mumbai

1. Corporate Information

Klay Finvest Private Limited ('the Company') is incorporated in India under the provision of the Companies Act, 2013 and regulated by the Reserve Bank of India as a Non-Banking Financing Company (NBFC) vide Certificate No. N-13.02240 dated May 17, 2018. It is a non-deposit taking non systemically important Non-Banking Financial Company ('NBFC-ND-Non SI'). The Company is a wholly owned subsidiary of Klay Holdings (DIFC) Limited ('the parent'), a Company registered in Dubai, United Arab Emirates.

The Company is engaged in a range of Financial Service activities which includes:

- a. Loans against securities
- b. Corporate loans
- c. Personal loans
- d. Loan against property etc.

2. Summary of significant accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rule 2016 (as amended) and applicable guidelines as issued by the RBI in respect of NBFCs and other accounting principles generally accepted in India to the extent applicable. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

b. Use of estimates

The preparation of financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities as on the date of financial statements. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Current - Non-Current classification

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

Assets

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

- a) It is expected to be realized in the Company's normal operating cycle;
- b) It is expected to be realized within 12 months after the reporting date; or

Klay Finvest Private Limited

Notes forming part of financial statements for the year ended March 31, 2021

- c) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is due to be settled within 12 months after the reporting date; or
- c) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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 realization in cash or cash equivalents.

d. Fixed Assets

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditure relating to tangible is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

e. Depreciation on property, plant and equipment

Based on Management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of fixed assets. The Company uses straight line method and has uses the following useful life to provide depreciation of different class of its fixed assets.

| Particulars | Useful life in years |
|-------------|----------------------|
| Computer | 3 |

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset.

Klay Finvest Private Limited**Notes forming part of financial statements for the year ended March 31, 2021**

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Individual items of Fixed Assets, the acquisition cost of which is up to Rs.5,000/- is depreciated in full in the year of acquisition.

f. Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments (non-current investments). Cost includes purchase cost, brokerage, stamp duty etc.

Quoted current investments for each category shall be valued at cost or market value whichever is lower. For this purpose, the investments in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. Market value is determined based on published sources such as quotes from news wire agencies, recognized stock exchange, Fixed Income Money Market and Derivative Association ('FIMMDA') etc.

In case of Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme in accordance with RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17.

Long Term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

g. Borrowing Costs

Borrowing cost includes interest, other cost incurred in connection with borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognized as an expenditure in the period in which they are incurred.

h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Interest accrued on loan to borrower are accounted as per the rates agreed upon, on a time proportion basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

Klay Finvest Private Limited**Notes forming part of financial statements for the year ended March 31, 2021**

- Processing fees on processing of loans are recognised upfront as income as once received

Other Income

- Interest Income is recognised on a time proportion basis, taking into account the amount outstanding and the rate of interest applicable.
- Dividend is recognized as income when the right to receive dividend is established on reporting date
- In respect of other heads of Income, the Company accounts the same on accrual basis.

Profit/ Loss on sale of investments

- Profit/ Loss on sale of investments is recognized on trade date basis. On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

i. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

j. Employee benefits**Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Post-employment benefits**Gratuity**

The Company has a defined benefit plan and pays gratuity to employees who retires or resign after serving for the stipulated period mentioned under 'The payment of Gratuity Act, 1972.

Actuarial valuation of the gratuity liability is determined as per AS-15 'Employee Benefits' by an independent actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

Leave encashment

The employees of the Company are entitled to leave encashment as per the policy of the Company. The liability in respect of leave encashment is provided based on the actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent Actuary for measuring the liability is the Projected Unit Credit Method.

Defined contribution plan

The provisions of Employees Provident Funds and Miscellaneous provisions Act, 1952 are not applicable to the Company.

k. Taxation

Current and deferred tax

Income tax expense comprises current tax and deferred tax charge or credit. The current charge for income tax is based on the estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the income tax law applicable for the year.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the Company's financial statements.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised subject to Management's judgement that their future realisation is reasonably certain, except where there is unabsorbed depreciation and carry forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such asset. Deferred tax assets are reviewed at the Balance Sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

l. Operating Lease - As Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

m. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

n. Loan provision and write- offs

The Company's policy on assets classification and provisioning or write offs is in accordance with the prudential norms for Income Recognition and Asset Classification and provisioning norms prescribed by the "Master Direction- Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016". A general provision has been made on standard assets at the rate of 0.25 percent.

o. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

p. Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the balance sheet date are restated at the closing exchange rates. Gain / loss arising on actual payments / realisations and year-end restatements are recognised in the statement of profit and loss.

Klay Finvest Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2021

| | | | (Amount in Rs.) | (Amount in Rs.) |
|---|--------------------|---------------------------|--------------------|---------------------------|
| | | | 31-Mar-21 | 31-Mar-20 |
| 3 Share capital | | | | |
| Authorized | | | | |
| 600,000,000 (31-Mar-20: 600,000,000) equity shares of Rs.1 each | | | 600,000,000 | 600,000,000 |
| Issued, subscribed and paid up | | | | |
| 249,999,393 (31-Mar-20: 249,999,393) equity shares of Rs.1 each fully paid-up | | | 249,999,393 | 249,999,393 |
| Total | | | 249,999,393 | 249,999,393 |
| (a) Reconciliation of shares and share capital | | | | |
| | | | 31-Mar-21 | 31-Mar-20 |
| | Number of shares | Amount | Number of shares | Amount |
| Outstanding at the beginning of the year | 249,999,393 | 249,999,393 | 249,999,393 | 249,999,393 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 249,999,393 | 249,999,393 | 249,999,393 | 249,999,393 |
| (b) Rights, preferences and restrictions attached to shares | | | | |
| The Company has only one class of equity shares having par value of Rs. 1 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. | | | | |
| (c) Increased in authorised share capital | | | | |
| The authorised share capital has increased during the year from Rs 250,000,000 (250,000,000 shares of par value Rs. 1 each) in previous year to Rs 600,000,000 (600,000,000 shares of par value Rs. 1 each) | | | | |
| (d) Shares held by holding company | | | 31-Mar-21 | 31-Mar-20 |
| Klay Holdings (DIFC) Limited, Dubai - the holding company | | | | |
| 249,999,392 (31-Mar 2020: 249,999,392) equity shares of Rs. 1 each fully paid | | | 249,999,392 | 249,999,392 |
| (e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company | | | | |
| Name of the shareholder | | | 31-Mar-21 | 31-Mar-20 |
| | Number of shares | % of holding in the class | Number of shares | % of holding in the class |
| Klay Holdings (DIFC) Limited, Dubai | 249,999,392 | 99.99% | 249,999,392 | 99.99% |
| 4 Reserves and Surplus | | | 31-Mar-21 | 31-Mar-20 |
| (a) Statutory Reserve (Created pursuant to Section 45-IC of the Reserve Bank of India, 1934) | | | | |
| Opening balance | | | 58,494 | 58,494.01 |
| Add: Transfer from statement of profit and loss | | | 12,412,121 | - |
| Closing balance | | | 12,470,615 | 58,494.01 |
| (b) Surplus /(Deficit) in Statement of Profit and Loss | | | | |
| Opening balance | | | (10,901,227) | (5,046,908.88) |
| Add: Profit for the year | | | 62,060,604 | (5,854,317.63) |
| Less: Transferred to statutory reserve | | | 12,412,121 | - |
| Closing balance | | | 38,747,257 | (10,901,227) |
| Total (a)+(b) | | | 51,217,872 | (10,842,733) |
| 5 Long term borrowings | | | 31-Mar-21 | 31-Mar-20 |
| Unsecured | | | | |
| 13.5% Compulsorily Convertible Debentures | | | 156,983,817 | 156,983,817 |
| Total | | | 156,983,817 | 156,983,817 |
| (a) Compulsorily Convertible Debentures | | | | |
| 15,698,382 Unsecured Compulsory Convertible Debentures (CCDs) of Rs. 10/- each aggregating to Rs. 156,983,817 were allotted to Klay Holdings (DIFC) Limited, Dubai (the Holding Company) on January 15, 2018 (6,950,641 CCDs) and on March 28, 2018 (8,747,741 CCDs).The CCDs will be compulsorily and automatically converted into equity shares of the Company (conversion shares) upon completion of 9 years and 11 months from the date of such allotment at the conversion price.The CCDs shall be converted into equity shares of face value of Rs. 1/- (Rupees One Only) each at a Conversion Price which shall be five times of the Earnings Per Share (EPS) of the Company based on the last audited financial statements prior to the Conversion Date. In case of absence of profit, whereby the EPS would be negative on the Conversion Date, then the CCDs will be converted at par value, whereby 10 equity shares will be issued against one CCD. | | | | |
| (b) | | | | |
| The Interest rate of CCDs is 13.50% p.a. which shall be calculated and due quarterly on a non-cumulative basis. Based on the resolution and revised agreement with Klay Holdings (DIFC) Limited, Dubai dated November 29, 2018, interest payable on the CCDs issued to Klay Holdings DIFC Limited and allotted on January 15, 2018 and on March 28, 2018, is deferred for the financial years 2017-18, 2018-19, 2019-20 and 2020-21 and the interest payments shall begin in April 2021. | | | | |
| (c) | | | | |
| The CCDs holder will be eligible to all the other rights and privileges available to them under the act as applicable to the Company. | | | | |

Klay Finvest Private Limited
Notes forming part of the Financial Statements for the year ended March 31, 2021

| | (Amount in Rs.) | (Amount in Rs.) |
|--|-------------------|-------------------|
| | 31-Mar-21 | 31-Mar-20 |
| 6 Long-term provisions | | |
| Provision against standard assets | 39,750 | 14,750 |
| Provision for gratuity (Refer Note 23) | 104,925 | 38,952 |
| Provision for leave encashment (Refer Note 23) | 35,275 | 23,182 |
| Total | 179,950 | 76,884 |
| 7 Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| Total | - | - |
| 8 Other current liabilities | | |
| Interest accrued on Advances (Net of TDS) [Refer Note 5(b)] | 57,504,751 | 38,961,039 |
| Statutory dues | 770,510 | 795,648 |
| Payable to employee for expense reimbursement | - | 5,898 |
| Payable to related party (Refer note 26) | 856,867 | 2,149 |
| Others payables | 14,590 | 358,182 |
| Total | 59,146,719 | 40,122,916 |
| 9 Short-Term Provisions | | |
| Provision against standard assets | - | - |
| Provision for income tax [net of advance tax of Rs. 128,00,000] | 3,286,020 | (373,000) |
| Provision for gratuity (Refer Note 23) | 407 | 119 |
| Provision for leave encashment (Refer Note 23) | 1,952 | 1,455 |
| Provision for bonus | 84,000 | 350,000 |
| Provision for expenses | 515,014 | 446,210 |
| Total | 3,887,393 | 424,784 |

10 Fixed assets

(Amount in Rs.)

As at 31-Mar-21

| | Gross block | | | Depreciation | | | Net block | | | |
|-------------------------------|-------------------|---------------------------|----------------------------|--------------------|-------------------|-----------------|-------------------------------|--------------------|--------------------|--------------------|
| | As at 1-Apr-20 | Additions/ Adjustments | Deductions/ Adjustments | As at 31-Mar-21 | As at 1-Apr-20 | For the year | On Deductions/ Adjustments | As at 31-Mar-21 | As at 31-Mar-21 | As at 31-Mar-20 |
| Property, Plant and Equipment | | | | | | | | | | |
| Computers and Accessories | 177,075 | - | - | 177,075 | 49,098 | 59,019 | - | 108,117 | 68,958 | 127,977 |
| Total | 177,075 | - | - | 177,075 | 49,098 | 59,019 | - | 108,117 | 68,958 | 127,977 |

Fixed assets

As at 31-Mar-20

| | Gross block | | | Depreciation | | | Net block | | | |
|-------------------------------|-------------------|---------------------------|----------------------------|--------------------|-------------------|-----------------|-------------------------------|--------------------|--------------------|--------------------|
| | As at 1-Apr-19 | Additions/ Adjustments | Deductions/ Adjustments | As at 31-Mar-20 | As at 1-Apr-19 | For the year | On Deductions/ Adjustments | As at 31-Mar-20 | As at 31-Mar-20 | As at 31-Mar-19 |
| Property, Plant and Equipment | | | | | | | | | | |
| Computers and Accessories | 46,274 | 130,801 | - | 177,075 | 13,143 | 35,955 | - | 49,098 | 127,977 | 33,131 |
| Total | 46,274 | 130,801 | - | 177,075 | 13,143 | 35,955 | - | 49,098 | 127,977 | 33,131 |

| | (Amount in Rs.) | (Amount in Rs.) |
|---|--------------------|--------------------|
| | 31-Mar-21 | 31-Mar-20 |
| 11 Deferred tax asset (Net) | | |
| Deferred tax asset | | |
| Interest on debentures (As per section 94B of Income Tax Act 1961) | 5,530,192 | 8,743,995 |
| Provision against standard assets | 10,004 | 4,103 |
| Depreciation | 962 | - |
| Provision for gratuity | 26,510 | 10,870 |
| Provision for leave encashment | 9,369 | 6,854 |
| Provision for bonus | 21,141 | 97,370 |
| Unrealised gain on unquoted mutual fund | 125,424 | - |
| Gross deferred tax asset (A) | 5,723,602 | 8,863,192 |
| Deferred tax liability | | |
| Unrealised gain on unquoted mutual fund | - | 799,977 |
| Depreciation | - | 1,858 |
| Gross deferred tax liability (B) | - | 801,835 |
| Net deferred tax asset (A-B) | 5,723,602 | 8,061,356 |
| 12 Long term loans and advances (Unsecured, considered good, unless stated otherwise) | 31-Mar-21 | 31-Mar-20 |
| Loan | | |
| Secured -Loan against securities | 15,900,000 | 5,900,000 |
| Total | 15,900,000 | 5,900,000 |
| 13 Current investments | | |
| Quoted: Mutual funds (valued at lower of cost and fair market value) | | |
| Nil (31-Mar 2020: 30,000) units of Rs 1.25 each in Nippon India ETF Junior BeES | - | 6,559,212 |
| Nil (31-Mar 2020: 150,000) units of Rs 1 each in Nippon India ETF Nifty BeES | - | 12,837,327 |
| Nil (31-Mar 2020: 100,000) units of Rs 10 each in SBI ETF Nifty 50 | - | 8,953,810 |
| Unquoted: Mutual funds (at Net Asset Value) | | |
| 11,693.94(31-Mar 2020: 21,813.389) units of Rs 1,000 each in HDFC Money Market Fund - Regular Plan Growth | 51,671,177 | 91,049,823 |
| 1,64,096.04 (31-Mar 2020: 272,668.876)units of Rs 100 each in ICICI Prudential Money Market Fund- Growth | 48,091,906 | 75,668,449 |
| Nil (31-Mar 2020: 2,478,008.955) units of Rs 10 each in IDFC Money Manager Growth -(Regular plan) | - | 75,672,198 |
| 13,871.65 (31-Mar 2020: 22,872.082) units of Rs 1,000 each in Kotak Money Market Fund Reg- Growth -(Regular plan) | 48,092,236 | 75,485,078 |
| 1,68,829.679 (31-Mar 2020: Nil)units of Rs 100 each in Aditya Birla SL Money Manager Growth | 48,109,739 | - |
| 43,557.102 (31-Mar 2020: Nil) units of Rs 1,000 each in Axis Money Market Fund Regular Growth | 48,097,468 | - |
| 15,052.678(31-Mar 2020: Nil) units of Rs1,000 each in Nippon India Money Market Growth | 48,109,918 | - |
| 20,256.393 (31-Mar 2020: Nil) units of Rs 1,000 each in UTI MMMF Regular Growth | 48,104,757 | - |
| Quoted: Investment in Bonds | | |
| 18,894 (31-Mar 2020: Nil) units of Rs.1000 each in REC LTD - 8.46% | 23,431,772 | - |
| 18,927 (31-Mar 2020: Nil) units of Rs.1,000 each in India Infrastructure Finance Company Limited LTD - 8.48% | 24,057,920 | - |
| 15 units (31-Mar 2020: Nil) of Rs.1,000,000 each in Bank of Baroda - 8.50% | 15,091,502 | - |
| 15 units(31-Mar 2020: Nil) of Rs.1,000,000 each in State Bank of India - 7.74% | 15,091,368 | - |
| Total | 417,949,764 | 346,225,897 |
| Aggregate amount of quoted investments | | |
| At Cost | 78,076,002 | 28,350,349 |
| At Market Value | 77,672,557 | 29,267,400 |
| Aggregate amount of unquoted investments | | |
| At Cost | 337,900,000 | 315,000,000 |
| At Market Value at Net Asset Value | 340,277,200 | 317,875,548 |
| Aggregate provision for diminution in value of investments | - | - |
| 14 Cash and Bank Balances | 31-Mar-21 | 31-Mar-20 |
| Cash and cash equivalents | | |
| Current accounts | 5,327,829 | 75,160,083 |
| Total | 5,327,829 | 75,160,083 |
| 15 Short term loans and advances (Unsecured, considered good, unless stated otherwise) | 31-Mar-21 | 31-Mar-20 |
| Security Deposits | 255,000 | 336,000 |
| GST input credit receivable | 812,614 | 653,039 |
| Receivable from related party (Refer note 26) | - | - |
| Others | 75,284 | - |
| Total | 1,142,898 | 989,039 |
| 16 Other current assets | 31-Mar-21 | 31-Mar-20 |
| Interest accrued and not due on loan | 189,316 | 177,000 |
| Interest accrued on Bonds | 2,345,000 | - |
| Receivable towards sale of Mutual funds | 72,702,289 | - |
| Prepaid Expenses | 65,488 | 123,710 |
| Total | 75,302,093 | 300,710 |

Klay Finvest Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2021

| | (Amount in Rs.) 31-Mar-21 | (Amount in Rs.) 31-Mar-20 |
|--|------------------------------|------------------------------|
| 17 Revenue from operations | | |
| Interest on loan | 1,160,860 | 560,032 |
| Processing fee | 13,000 | 33,000 |
| Total | 1,173,860 | 593,032 |
| 18 Other income | 31-Mar-21 | 31-Mar-20 |
| Profit on sale / redemption of mutual funds | 12,379,190 | 22,154,953 |
| Profit & Loss on Exchange Traded Funds | 93,024,360 | - |
| Unrealised gain/(loss) on unquoted mutual funds | (498,348) | 2,875,548 |
| Unrealised loss on bonds | (403,445) | - |
| Dividend Income | 780,000 | - |
| Interest on Bonds | 1,617,576 | - |
| Total | 106,899,333 | 25,030,501 |
| 19 Employee benefits expense | 31-Mar-21 | 31-Mar-20 |
| Salaries, wages, bonus and other allowances | 3,635,260 | 2,458,231 |
| Gratuity and leave encashment | 78,851 | 63,708 |
| Staff welfare expenses | - | 378 |
| Total | 3,714,111 | 2,522,317 |
| 20 Finance cost | 31-Mar-21 | 31-Mar-20 |
| Interest expense on debentures [Refer note 5(b)] | 21,192,816 | 21,250,876 |
| Total | 21,192,816 | 21,250,876 |
| 21 Depreciation and amortization expense | 31-Mar-21 | 31-Mar-20 |
| on fixed assets (Refer note 10) | 59,019 | 35,955 |
| Total | 59,019 | 35,955 |
| 22 Other Expenses | 31-Mar-21 | 31-Mar-20 |
| Rent | 632,074 | 1,444,800 |
| Repairs And Maintainance - Machinery | 12,514 | 9,125 |
| Rates and taxes | 29,005 | 6,702 |
| ROC charges and Stamp duty on increase of authorised share capital | - | 3,325,600 |
| Membership and licensing Fee | 24,338 | 45,415 |
| Travelling expenses | - | 306,201 |
| Auditor's remuneration (Refer note below) | 253,250 | 445,000 |
| Communication expenses | 29,979 | 13,753 |
| Legal and professional charges | 998,058 | 1,424,762 |
| Bank charges | 2,339 | 8,166 |
| Provision for standard assets | 25,000 | 8,250 |
| Trading Related Expenses | 170,696 | - |
| Miscellaneous expenses | 14,115 | 38,775 |
| Total | 2,191,369 | 7,076,549 |
| Note : The following is the break-up of Auditors' remuneration | | |
| | 31-Mar-21 | 31-Mar-20 |
| As auditor: | | |
| Statutory audit | 150,000 | 150,000 |
| Other Services | 100,000 | 100,000 |
| Certification fees for the financial year 2018-19 | - | 186,000 |
| Reimbursement of Expenses | 3,250 | 9,000 |
| Total | 253,250 | 445,000 |

23. Employee Benefits

As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below:

Employee Benefit Obligation (Gratuity and Leave Encashment)

| Particulars | Gratuity Benefits | | Leave Encashment Benefits | |
|---------------------------------------|-------------------|----------------|---------------------------|----------------|
| | Financial Year | | Financial Year | |
| I. Funded status of the plan: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Present value of unfunded obligations | 105,332 | 39,071 | 37,227 | 24,637 |
| Present value of funded obligations | - | - | - | - |
| Fair value of plan assets | - | - | - | - |
| Unrecognised past service cost | - | - | - | - |
| Net Liability (Assets) | 105,332 | 39,071 | 37,227 | 24,637 |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| II. Profit and loss account for the year: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Current service cost | 64,742 | 39,071 | 23,901 | 24,637 |
| Interest on obligation | 2,672 | - | 1,638 | - |
| Expected return on plan assets | - | - | - | - |
| Net actuarial (gain)/loss recognised | (1,153) | - | (12,949) | - |
| Total included in employee benefit expense | 66,261 | 39,071 | 12,590 | 24,637 |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| III. Reconciliation of defined benefit obligation: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Opening defined benefit obligation | 39,071 | - | 24,637 | - |
| Transfer in/(out) obligation | - | - | - | - |
| Current Service Cost | 64,742 | 39,071 | 23,901 | 24,637 |
| Interest Cost | 2,672 | - | 1,638 | - |
| Actuarial (gain)/loss on obligations | (1,153) | - | (12,949) | - |
| Benefit Paid | - | - | - | - |
| Closed defined benefit obligation | 105,332 | 39,071 | 37,227 | 24,637 |

Klay Finvest Private Limited
Notes forming part of financial statements for the year ended March 31, 2021

| IV. Reconciliation of plan assets: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|---|----------------|----------------|----------------|----------------|
| Opening value of plan assets | - | - | - | - |
| Transfer in/(out) plan assets | - | - | - | - |
| Expenses deducted from the fund | - | - | - | - |
| Expected Return on plan assets | - | - | - | - |
| Actuarial gain/(loss) on Plan Assets | - | - | - | - |
| Contributions by employer | - | - | - | - |
| Benefit Paid | - | - | - | - |
| Closing value of Plan Assets | - | - | - | - |

| V. Reconciliation of net defined benefit liability: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|--|----------------|----------------|----------------|----------------|
| Net opening provision in the books of account | 39,071 | - | 24,637 | - |
| Transfer in/(out) obligation | - | - | - | - |
| Transfer in/(out) plan assets | - | - | - | - |
| Employee Benefit Expense | 66,261 | 39,071 | 12,590 | 24,637 |
| | 105,332 | 39,071 | 37,227 | 24,637 |
| Benefit paid by company | - | - | - | - |
| Contribution to plan assets | - | - | - | - |
| Closing provision in the books of account | 105,332 | 39,071 | 37,227 | 24,637 |

| VI. Reconciliation of net defined benefit liability: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|---|----------------|----------------|----------------|----------------|
| Current Liability | 407 | 119 | 1,952 | 1,455 |
| Non-Current Liability | 104,925 | 38,952 | 35,275 | 23,182 |
| Net Liability | 105,332 | 39,071 | 37,227 | 24,637 |

| VII. Table of experience adjustment: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|---|----------------|----------------|-----------------|----------------|
| Defined Benefit Obligation | 105,332 | 39,071 | 37,227 | 24,637 |
| Plan Asset | - | - | - | - |
| Excess/(Deficit) of Obligation Over Plan Asset | (105,332) | 39,071 | (37,227) | 24,637 |
| Experience Adjustment on Plan Liability (Gain)/Loss | (581) | - | (12,788) | - |
| Actuarial Loss /(Gain) due to Plan Asset | (572) | - | (161) | - |
| Net Actuarial (Gain)/Loss for the year | (1153) | - | (12,949) | - |

Klay Finvest Private Limited
Notes forming part of financial statements for the year ended March 31, 2021

| VII. Principle actuarial assumptions: | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|--|--|--|--|--|
| Discount Rate | 6.90% | 6.85% | 6.90% | 6.85% |
| Expected Return on Plan Assets | NA | NA | NA | NA |
| Salary growth rate | 7.00% | 7.00% | 7.00% | 7.00% |
| Withdrawal rates | 10% of younger ages reducing to 2% at older ages | 10% of younger ages reducing to 2% at older ages | 10% of younger ages reducing to 2% at older ages | 10% of younger ages reducing to 2% at older ages |

24. Earnings per Share (EPS)

| Particulars | March 31, 2021 | March 31, 2020 |
|--|-----------------------|-----------------------|
| Profit / (Loss) attributable to equity shareholders | 62,060,604 | (5,854,318) |
| Weighted average number of equity shares in calculating basic EPS | 249,999,393 | 249,999,393 |
| Weighted average number of equity shares in calculating diluted EPS* | 406,983,210 | 406,983,210 |
| Basic EPS | 0.25 | (0.02) |
| Diluted EPS* | 0.19 | 0.02 |

Following is the reconciliation of the weightage average number of equity shares used in the computation of basic and diluted earnings per share:

| Particulars | March 31, 2021 | March 31, 2020 |
|---|-----------------------|-----------------------|
| Weighted average number of equity shares in calculating basic EPS | 249,999,393 | 249,999,393 |
| Effect of potential equity shares outstanding | 156,983,817 | 156,983,817 |
| Weighted average number of equity shares in calculating diluted EPS | 406,983,210 | 406,983,210 |

Following is the reconciliation of the amounts used as the numerators in calculating basic and diluted earnings per share, and Adjustments related to earnings from Potential Equity shares to the net profit or loss for the period:

| Particulars | March 31, 2021 | March 31, 2020 |
|--|-----------------------|-----------------------|
| Profit / (Loss) attributable to equity shareholders for calculation of Basic EPS | 62,060,604 | (5,854,318) |
| Add: Interest Expense (net of income tax) | 15,296,975 | 15,338,883 |
| Profit / (Loss) attributable to equity shareholders for calculation of diluted EPS | 77,357,579 | 9,484,565 |

Klay Finvest Private Limited**Notes forming part of financial statements for the year ended March 31, 2021**

* Diluted number of equity shares are calculated whereby 10 equity shares of Rs.1 each (at par) will be issued against each CCD. [Refer Note 5(a)]

The impact of compulsory convertible debenture is anti-dilutive. Therefore, diluted earnings per share is same as basic earnings per share

25. Operating Leases**Company as lessee**

The Company has entered into commercial lease for office premises. This lease has a life of 6 months.

Future minimum rentals payable under operating leases for non-cancellable period are as follows:

| Particulars | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| The amount of minimum lease payments recognized in the Profit and Loss account in respect of operating lease | 632,074 | 1,444,800 |
| The total of future minimum lease payments recognized under non-cancellable operating leases | | |
| Within one year | 103,790 | 82,320 |
| After one year but not more than five years | | |

26. Related party disclosures:

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures" the name of the related parties where control exists/able to exercise significant influence along with the aggregate transactions/year end balances with them as identified and certified by Management are given below:

a. Names of relates parties and Related Party Relationship**i. Parties that exercise Common Control:**

| Relationship | Name of Party |
|------------------------------|---------------------------------------|
| Ultimate holding company | Klay Limited, British Virgin Island |
| Intermediate holding company | KIC II Limited, British Virgin Island |
| Holding company | Klay Holdings DIFC Limited, Dubai |

ii. Other related parties with whom transactions have been taken place during the period

| | |
|--------------------------------|---|
| Fellow Subsidiary | Klay Investment Advisers Private Limited Klay Securities Private Limited |
| Key Managerial Personnel (KMP) | Kalpesh Khakhria (Director) Akshat Kumar (Director) Anirudh Sisodia (Director) Ian Dsouza (Director) |

b. Transactions with related parties:

| Particulars | April 01, 2020 to March 31, 2021 | April 01, 2019 to March 31, 2020 |
|--|--|--|
| Klay Securities Private Limited | | |
| Trading related expense | 102,391 | 2,950 |
| Management Fees | 770,784 | - |
| Reimbursement for Fixed Assets | - | 141,600 |
| Reimbursement for Investment in Bonds | 50,380,079 | - |
| Reimbursement for other expense | 11,836 | 21,738 |
| Klay Holdings DIFC Limited, Dubai | | |
| Interest expense on debentures | 21,192,816 | 212,50,876 |
| Ian Dsouza | | |
| Reimbursement of Expenses | - | 333,381 |
| | | |

c. Outstanding balances

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-------------|-------------|
| 13.5% Compulsorily Convertible Debentures | | |
| Klay Holdings DIFC Limited, Dubai | 156,983,817 | 156,983,817 |
| Interest accrued but not due on borrowings (Net of TDS) | | |
| Klay Holdings DIFC Limited, Dubai | 57,504,751 | 38,961,039 |
| Payable for Trading related expense / Management fees | | |
| Klay Securities Private Limited | 8,56,867 | 2,149 |

27. Impact of COVID-19

Consequent to the outbreak of the COVID-19 pandemic, the Government of India, on March 24, 2020, introduced a strict 21-day lockdown. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations. The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Company’s results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.

Klay Finvest Private Limited

Notes forming part of financial statements for the year ended March 31, 2021

Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package:

| Particulars | Amount in Rs |
|--|--------------|
| Respective amounts in SMA/Overdue category where moratorium/deferment was extended | - |
| Respective amounts where asset classification benefit is extended | - |
| Provisions made during Q4 FY 2020 & Q1 FY 2021 | - |
| Provisions adjusted during respective accounting periods against slippages and the residual provisions | - |

28. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities, in its financial statements. The amount of contingent liabilities is based on Management's estimate, and no significant liability is expected to arise out of the same.
29. The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has received and ensured that adequate provision as required under any law /accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.
30. The Company did not have any dues to any micro, small or medium enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance.
31. **Additional NBFC disclosures**
- In accordance with the RBI notification No. RBI/DNBR/2016-17/44- Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016- Master Direction - Non-Banking Financial Company - Non Systematically Important Non Deposit taking Company (Reserve Bank) Direction, 2016 (the "Master Direction"), refer Annexure-I for additional NBFC disclosure.
32. Previous year figures have been regrouped/reclassified, where necessary, to confirm to current year's classification.

For MSKA & Associates
Chartered Accountants
 Firm Registration No.:105047W

Swapnil Subhash Kale
 Digitally signed by Swapnil Subhash Kale
 Date: 2021.06.29 22:04:46 +05'30'

Swapnil Kale
 Partner
 Membership No:117812

Mumbai
 June 29, 2021

For and on behalf of the Board of Directors of
Klay Finvest Private Limited
 CIN:U74999MH2016FTC288032

AKSHAT KUMAR
 Digitally signed by AKSHAT KUMAR
 Date: 2021.06.29 16:43:25 +05'30'

Akshat Kumar
 Director
 DIN: 07532358

Mumbai
 June 29, 2021

Ian Luis Xavier D'Souza
 Digitally signed by Ian Luis Xavier D'Souza
 Date: 2021.06.29 18:12:41 +05'30'

Ian Dsouza
 Director
 DIN: 07727245

Mumbai
 June 29, 2021

shweta subramanian
 Digitally signed by shweta subramanian
 Date: 2021.06.29 18:17:26 +05'30'

Shweta Subramanian
 Company Secretary
 ACS No. 46538

Mumbai
 June 29, 2021

Klay Finvest Private Limited
Notes forming part of financial statements for the year ended March 31, 2021

Annexure-1

Schedule to Balance Sheet as on March 31, 2021

| Particulars | | (Rs in Lacs) | | | |
|-------------------|--|--------------------|-----------|----------------|-----------|
| | | Amount outstanding | | Amount Overdue | |
| Liabilities side: | | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| (1) | Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid: | | | | |
| | (a) Debenture: | | | | |
| | -Secured | - | - | - | - |
| | -Unsecured | 2,145 | 1,959 | | |
| | (other than falling within the meaning of public deposits) | | | | |
| | (b) Deferred Credits | - | - | - | - |
| | (c) Term Loans | - | - | - | - |
| | (d) Inter-corporate loans and borrowing | - | - | - | - |
| | (e) Commercial Paper | - | - | - | - |
| | (f) Public Deposits* | - | - | - | - |
| | (g) Other Loans | - | - | - | - |
| | *Please refer note 1 below | | | | |

Klay Finvest Private Limited

Notes forming part of financial statements for the year ended March 31, 2021

| <u>Particulars</u> | | (Rs in Lacs) | |
|--------------------|---|--------------------|-----------|
| Assets side | | Amount outstanding | |
| | | 31-Mar-21 | 31-Mar-20 |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (3) below]: | | |
| (a) | Secured | 159 | 59 |
| (b) | Unsecured | - | - |
| (3) | Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities | | |
| (i) | Lease assets including lease rentals under sundry debtors: | | |
| | (a) Financial lease | - | - |
| | (b) Operating lease | - | - |
| (ii) | Stock on hire including hire charges under sundry debtors: | | |
| | (a) Assets on hire | - | - |
| | (b) Repossessed Assets | - | - |
| (iii) | Other loans counting towards asset financing activities | | |
| | (a) Loans where assets have been repossessed | - | - |
| | (b) Loans other than (a) above | - | - |
| (4) | Break-up of Investments: | | |
| | <u>Current Investments:</u> | | |
| (i) | <u>Quoted</u> | | |
| | (i) Shares | | |
| | (a) Equity | - | - |
| | (b) Preference | - | - |
| | (ii) Debentures and Bonds | 776.73 | - |
| | (iii) Units of mutual funds | - | 283.5 |
| | (iv) Government Securities | - | - |
| | (v) Others | - | - |

Klay Finvest Private Limited

Notes forming part of financial statements for the year ended March 31, 2021

| | | | |
|------|--------------------------------------|---------|----------|
| (ii) | <u>Unquoted</u> | | |
| | (i) Shares | | |
| | (a) Equity | - | - |
| | (a) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | 3402.77 | 3,178.76 |
| | (iv) Government Securities | - | - |
| | (v) Others | - | - |
| | <u>Long term Investments:</u> | | |
| (i) | <u>Quoted</u> | | |
| | (i) Shares | | |
| | (a) Equity | - | - |
| | (b) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | - | - |
| | (iv) Government Securities | - | - |
| | (v) Others | - | - |
| | <u>Unquoted</u> | | |
| | (i) Shares | | |
| | (a) Equity | - | - |
| | (a) Preference | - | - |
| | (ii) Debentures and Bonds | - | - |
| | (iii) Units of mutual funds | - | - |
| | (iv) Government Securities | - | - |
| | (v) Others | - | - |

| | | | | | | |
|-----|---|---------------------------------------|-----------------|---------------------------------------|------------------|----------------------|
| (5) | Borrower group-wise classification of assets financed as in (2) and (3) above: | | | | | |
| | Please refer note 2 below | | | | | |
| | Category | Secured | | Unsecured | | Total |
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 | Mar-21 Mar-20 |
| | 1 Related Parties** | | | | | |
| | (a) Subsidiaries | - | - | - | - | - - |
| | (b) Companies in the same group | - | - | - | - | - - |
| | (c) Other related parties | - | - | - | - | - - |
| | 2 Other than related Parties | 159 | 59 | - | - | 159 59 |
| | Total | 159 | 59 | - | - | 159 59 |
| (6) | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade) | | | | | |
| | Category | Market value/Fair value or NAV | | Book Value (Net of provisions) | | |
| | | Mar-21 | Mar-20 | Mar-21 | Mar-20 | |
| | 1 Related Parties** | | | | | |
| | (a) Subsidiaries | - | - | - | - | |
| | (b) Companies in the same group | - | - | - | - | |
| | (c) Other related parties | - | - | - | - | |
| | 2 Other than related Parties | 4,179.50 | 3,462.26 | 4,179.50 | 3,462.26 | |
| | Total | 4,179.50 | 3,462.26 | 4,179.50 | 3,462.26 | |
| | ** As per Accounting Standard of the ICAI (Please refer note 3 below) | | | | | |
| (7) | Other Information | | | | | |
| | Particulars | | | 31-Mar-21 | 31-Mar-20 | |
| | (i) Gross Non-Performing Assets | | | | | |
| | (a) Related parties | | | - | - | |
| | (b) Other than related parties | | | - | - | |
| | (ii) Net Non-Performing Assets | | | | | |
| | (a) Related parties | | | - | - | |
| | (b) Other than related parties | | | - | - | |
| | (iii) Assets acquired in satisfaction of debt | | | - | - | |

Klay Finvest Private Limited

Notes forming part of financial statements for the year ended March 31, 2021

| Notes: | | |
|--|--|--|
| 1. As defined in point xix of paragraph 3 of Chapter-2 of Master Directions. | | |
| 2. Provisioning norms shall be applicable as prescribed in Master Directions. | | |
| 3. All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (4) above. | | |