HARIBHAKTI & CO. LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of DFL Technologies Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of DFL Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 Ind AS 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

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 Ind AS 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 Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS 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 Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 section 143(11) of the Act, we give in "Annexure 1", 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/ provided managerial remuneration to its directors, hence, section 197 of the Act is not applicable;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company 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.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 20118970AAAACW6284

Place: Mumbai
Date: June 15, 2020

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of DFL Technologies Private Limited on the Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property. Therefore, clause 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company is in the business of providing services and hence, does not have any inventory. Accordingly, clause 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including income tax, goods and services tax (GST) and any other material statutory dues applicable to it.

No undisputed amounts payable in respect of income tax, GST and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute.

(viii) During the year, the Company has not taken any loans or borrowings from any financial institution, bank or government nor has it issued any debentures. Accordingly, clause 3(viii) of the Order is not applicable to the Company.

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

(x) During the course of our 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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) As the Company has not paid/provided any managerial remuneration hence provisions of section 197 read with Schedule V of the Act are not applicable. Therefore, clause 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Section 177 is not applicable to the Company.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 20118970AAAACW6284

Place: Mumbai
Date: June 15, 2020

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of DFL Technologies Private Limited on the Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of DFL Technologies Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Ind AS financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN: 20118970AAAACW6284

Place: Mumbai
Date: June 15, 2020

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

DFL Technologies Private Limited
Notes to Financial Statements for the year ended 31st March 2020

1. Nature of operations

DFL Technologies Private Limited is subsidiary Company of Dhanvarsha Finvest Limited . It was incorporated on 7 October, 2019 and the Company is in the business of distribution of various financial services nod loan products.

A. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The Financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention and on accrual basis of accounting unless stated otherwise. GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (The 'Act'), pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied to all the years presented. These financial statements have been prepared to assist Dhanvarsha Finvest Limited, the Holding Company to comply with the requirements of Section 129(3) of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements..

These financial statements are approved for issue by the Board of Directors on 15 June, 2020.

B. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest thousands with two decimals, except when otherwise indicated.

C. Basis of Measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act except for:

Financial instruments – measured at fair value

D. Use of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

i. Business model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Determination of estimated useful lives of property, plant, equipment:

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support and supported by independent assessment by professionals.

iii. Recognition of deferred tax assets:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

iv. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

v. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 24 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD. *

vi. Impairment of financial assets

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

vii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

E. Standards issued but not effective:

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal

MUMBAI

proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on plant, property and equipment

Depreciation on property, plant and equipment is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Computers	3
Networks and Servers	6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Impairment of property, plant and equipment and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

C. Revenue recognition

i. <u>**Fees & Commission Income:**</u>

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as per Ind AS 115 , unless included in the effective interest calculation.

D. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months and for low value assets .

MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

E. Financial Instruments

i. Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

HARIBHAKTI & CO. LLP. CHARTERED ACCOUNTANTS MUMBAI

DFL TECHNOLOGIES PVT. LTD.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets at Amortised Cost:

The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

iii. Financial assets at Fair value through Other Comprehensive Income (FVOCI):

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

iv. Financial Instruments at Fair Value through Profit and Loss Account (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Company does not have any financial instruments designated as measured at fair value through profit or loss.

MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

v. A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

vi. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

vii. Derecognition of financial assets and financial liabilities

Recognition

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification :

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

DFL TECHNOLOGIES PVT. LTD. *

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or
ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

viii. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

ix. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

F. Impairment of Financial Assets:

In accordance with Ind AS 109, Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets carried at amortised cost e.g., advances, debt securities, deposits and Company balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Loan commitments which are not measured as at FVTPL, financial guarantee contracts which are not measured as at FVTPL

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. When estimating the cash flows, an Company is required to consider:

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  - Modelling techniques

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

G. Determination of Fair Value

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

H. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of temporary timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary timing differences. Deferred tax assets are recognized for deductible temporary timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MUMBAI
CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

I. Foreign currency transactions and balances

i. **Initial recognition:**
Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. **Conversion:**
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. **Exchange differences:**
All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

J. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

K. Segmental Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD. *

The Joint Managing Director of the Holding Company, who is also a Director in the Company, acts as the chief operating decision maker (CODM) of the Company in accordance with Operating Segment (Ind AS 108) for the purpose of assessing financial performance and position of the Company and make strategic decisions.

L. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

M. Contingent liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Where 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.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

N. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

DFL Technologies Private Limited
Balance sheet as at March 31, 2020

(Rs in '000)

Particuairs	Note	As at March 31, 2020
Assets		
Non-current assets		
(a) Property, plant and equipment	3	87.32
(b) Other non-current assets	4	27.00
Current assets		
(a) Financial assets		
(i) Trade receivables	5	52.61
(ii) Cash and cash equivalents	6	132.28
Total Assets		**299.21**
Equity And Liabilities		
Equity		
(a) Equity share capital	7	500.00
(b) Other equity	8	(380.48)
Liabilities		
Non-current liabilities		
Deferred Tax Liability (net)	9	3.23
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	10	108.00
total outstanding dues of creditors other than micro enterprises and small enterprises		58.36
(b) Other Current liabilities	11	10.10
Total Equity and Liabilities		**299.21**

Significant accounting policies and accompanying Notes forming part of the Financial Statements — 1 to 26

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Purushottam Nyati
Partner
Membership No. 118970

Mumbai
June 15, 2020

For and on behalf of the Board of Directors of
DFL Technologies Private Limited
CIN: U67190MH2019PTC331368

Karan Desai
Director
DIN: 05285546

Narendra Tater
Director
DIN: 08580775

Mumbai
June 15, 2020

DFL Technologies Private Limited
Statement of Profit and Loss for the period ended March 31, 2020

(Rs in '000)

	Particualrs	Note	For the period ended March 31, 2020
I.	Revenue from Operations	12	52.61
II.	**Total Income**		**52.61**
III.	**Expenses**		
	Depreciation and amortisation expense	13	7.32
	Other expenses	14	422.54
	Total Expenses (III)		**429.86**
IV.	**Profit before Exceptional items and tax (I-III)**		**(377.25)**
	Exceptional items (Net Tax)		-
V.	**Profit before tax (I-III)**		**(377.25)**
VI	**Tax Expenses**	15	
	Current Tax		-
	Deferred Tax		3.23
VII	**Profit for the period (III-VI)**		**(380.48)**
VIII	**Other Comprehensive Income**		-
A.	**Items that will not be reclassified to profit or loss**		-
B.	**Items that will reclassified to profit or loss**		-
IX	**Total Other Comprehensive Income for the period (VII+VIII)**		**(380.48)**
X	**Earning Per Share**	16	
	Basic		(7.61)
	Diluted		(7.61)

Significant accounting policies and accompanying Notes forming part of the Financial Statements 1 to 26

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purushottam Nyati
Partner
Membership No. 118970

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

Mumbai
June 15, 2020

For and on behalf of the Board of Directors of
DFL Technologies Private Limited
CIN: U67190MH2019PTC331368

Karan Desai
Director
DIN: 05285546

Narendra Tater
Director
DIN: 08580775

Mumbai
June 15, 2020

DFL Technologies Private Limited
Statement of Changes In Equity as at March 31, 2020

A. **Equity share capital** (Rs in '000)

Particualrs	As at March 31, 2020
Balance at the beginning of the period	-
Changes in Equity Share capital during the period	500.00
Balance at the end of the period	**500.00**

B. **Other Equity** (Rs in '000)

Particualrs	Reserve and Surplus	Other comprehensive income	Total
	Retained Earnings		
Balance as on April 01, 2019			
Profit/(Loss) for the period	(380.48)	-	(380.48)
Other comprehensive income for the period	-	-	-
Balance as on March 31, 2020	**(380.48)**	**-**	**(380.48)**
Significant accounting policies and accompanying Notes forming part of the Financial Statements	1 to 26		

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purushottam Nyati
Partner
Membership No. 118970

Mumbai
June 15, 2020

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DFL Technologies Private Limited
CIN: U67190MH2019PTC331368

Karan Desai
Director
DIN: 05285546

Narendra Tater
Director
DIN: 08580775

Mumbai
June 15, 2020

DFL Technologies Private Limited
Statement of Cash Flows for the year ended March 31, 2020

(Rs in '000)

	Particualrs	Period ended March 31, 2020
A.	**Cash flow from operating activities**	
	Profit before tax	(377.25)
	Adjustments for	
	Depreciation and amortisation	7.32
	Operating (loss)/ profit before working capital changes	**(369.93)**
	Movement in working capital	
	Decrease/(Increase) in trade receivables	(52.61)
	Decrease/(Increase) in other non-current assets	(27.00)
	Decrease/(Increase) in trade payables	166.36
	Decrease/(Increase) in other current liabilities	10.10
	Cash generated from operations	**(273.08)**
	Income taxes paid	-
	Net cash from/(utilised in) operating activities	**(273.08)**
B.	**Cash flow from investing activities**	
	Purchase of Property, Plant and Equipment	(94.64)
	Purchase of Intangible Asset	
	Net cash from/(utilised in) investing activities	**(94.64)**
C.	**Cash flow from financing activities**	
	Proceeds from Issue of equity Share Capital	500.00
	Net Cash from financing activities	**500.00**
	Net (Decrease)/ Increase In Cash And Cash Equivalents	**132.28**
	Cash and cash equivalents at the beginning of the financial year	-
	Cash and cash equivalents at the end of the year	**132.28**

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

(Rs in '000)

Particualrs	Year ended March 31, 2020
Balances with banks - in current accounts	132.28
Total	**132.28**

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

Significant accounting policies and accompanying Notes forming part of the Financial Statements — 1 to 26

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purushottam Nyati
Partner
Membership No. 118970

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

Mumbai
June 15, 2020

For and on behalf of the Board of Directors of
DFL Technologies Private Limited
CIN: U67190MH2019PTC331368

Karan Desai
Director
DIN: 05285546

Narendra Tater
Director
DIN: 08580775

Mumbai
June 15, 2020

DFL Technologies Private Limited
Notes to financial statements for the year ended March 31, 2020

3 Property, Plant and Equipment (Rs in '000)

Particualrs	Computers	Total
For the period ended March 31, 2020		
Gross Carrying Amount		
Cost as at April 1, 2019		
Additions	94.64	94.64
Gross carrying value as of March 31, 2020	**94.64**	**94.64**
Accumulated Depreciation		
Accumulated Depreciation as at April 01, 2019		
Depreciation charge during the year	7.32	7.32
Accumulated depreciation as of March 31, 2020	**7.32**	**7.32**
Net carrying value as of March 31, 2020	**87.32**	**87.32**

4 Other non-current assets (Rs in '000)

Particualrs	As at March 31, 2020
Capital Advance	27.00
Total	**27.00**

5 Trade receivables (Rs in '000)

Particualrs	As at March 31, 2020
Considered good - unsecured	52.61
Unsecured, significant increase in credit risk	-
Less: provision for doubtful debts	-
Total	**52.61**

6 Cash and cash equivalents (Rs in '000)

Particualrs	As at March 31, 2020
Current Balance with Bank (of the nature of cash and cash equivalents)	132.28
Total	**132.28**

HARIBHAKTI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD. ★

DFL Technologies Private Limited
Notes to financial statements for the year ended March 31, 2020

7 Equity share capital

(Rs in '000)

Particualrs	As at March 31, 2020
a. Authorised Share Capital	
50,000 Equity Shares of Rs. 10 each	500.00
Total	
b. Issued, Subscribed and Paid-up:	
50,000 Equity Shares of Rs. 10 each	500.00
Total	**500.00**

c. Reconciliation of number of equity shares:

(Rs in '000)

Particualrs	March 31, 2020	
	No. of shares	Amount
Balance as at the beginning of the period		
Issued during the period	50,000.00	500.00
Balance as at the end of the period	**50,000.00**	**500.00**

d. Details of shareholders holding more than 5% shares in the Company

(Rs in '000)

Particualrs	March 31, 2020	
	No. of shares	Amount
Dhanvarsha Finvest Limited	50,000	100.00%
Total	**50,000**	**100.00%**

e. Shares of the Company held by holding Company

Particualrs	As at March 31, 2020
Dhanvarsha Finvest Limited	50,000.00
Total	**50,000.00**

f. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be proportional to the number of equity shares held by the shareholders.

g. There were no shares alloted pursuant to contract(s) without payment being received in cash or as fully paid up by way of bonus shares or any shares bought back since the inception of the Company.

h. There are no unpaid calls from any director or officer.

8 Other equity

(Rs in '000)

Particualrs	As at March 31, 2020
Retained Earnings	(380.48)
Total	**(380.48)**

Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

(Rs in '000)

Particualrs	As at March 31, 2020
Balance at the beginning of the year	
Profit/(Loss) for the period	(380.48)
Balance at the end of the year	**(380.48)**

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

DFL Technologies Private Limited
Notes to financial statements for the year ended March 31, 2020

9 Deferred tax assets/liabilities (net) (Rs in '000)

Particualrs	As at March 31, 2020
Deferred tax asset on account of:	
Timing difference between tax depreciation and depreciation charged in the books	0
Deferred tax liability on account of:	
Timing difference between tax depreciation and depreciation charged in the books	(3.23)
Net deferred tax assets / (liabilities)	**(3.23)**

9.1 Movements in deferred tax assets/(liabilities) (Rs in '000)

Particualrs	As at March 31, 2019	(Charged)/Credited to P & L	(Charged)/Credited to OCI	As at March 31, 2020
Timing difference between tax depreciation and depreciation charged in the books	-	(3.23)	-	(3.23)
Net Net deferred tax assets/(liability)	-	(3.23)	-	(3.23)

10 Trade Payables (Rs in '000)

Particualrs	As at March 31, 2020
total outstanding dues of micro enterprises and small enterprises	108.00
total outstanding dues of creditors other than micro enterprises and small enterprises	58.36
Total	**166.36**

10.1 Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Company, which has been relied upon by the auditors. The outstanding balance on account of principal and interest as on remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is Rs. March 31 2020 : Rs.108 . The Company has not delayed in making payments to any of the parties registered as small and medium enterprises under MSMED, and there has been no interest accrued or paid in this regard.

11 Other Current liabilities (Rs in '000)

Particualrs	As at March 31, 2020
Statutory Dues	10.10
Total	**10.10**

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD. *

12 Revenue from operations

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Commission Income	52.61
Total	**52.61**

Revenue from contracts with customers

Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(Rs in '000)

Particulars	For the period ended March 31, 2020
Type of Services	
Fee and commission income	52.61
Total revenue from contract with customers	**52.61**
Geographical markets	
India	52.61
Outside India	-
Total revenue from contract with customers	**52.61**
Timing of revenue recognition	
Services transferred at a point in time	52.61
Services transferred over time	-
Total revenue from contracts with customers	**52.61**

Contract balance

Particulars	As at March 31, 2020
Trade Receivables	52.61

13 Depreciation, amortization and impairment

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Depreciation of property, plant and equipment (Refer Note 3)	7.32
Total	**7.32**

14 Others expenses

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Advertise & Marketing	29.50
Licence Fees	61.35
Office Expenses	13.34
Professional Fees	128.63
Rent	67.38
Rates and Taxes	4.34
Payment to Auditors	118.00
Total	**422.54**

14.1 Payment to Auditors

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Statutory audit	118.00
Total	**118.00**

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD. *

15 Income tax expense

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Current tax	
Current tax on profits for the period	-
Adjustments for current tax of prior periods	-
Total Current Tax	
Deferred tax expense (income)	
Increase in deferred tax liabilities (Refer Note 9)	3.23
Total deferred tax expense/(benefit)	**3.23**
Total tax expense	**3.23**

15.1 Reconciliation of effective tax rate:

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Profit/(Loss) before income tax expense	-377.25
Enacted income tax rate in India applicable to the Company 27.82 %	-104.95
Tax effect of:	
DTA not created on losses	108.18
Income tax expense	**3.23**
Effective tax rate	**-0.86%**

15.2 Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

16 Earnings per share

(Rs in '000)

Particualrs	For the period ended March 31, 2020
Profit attributable to the equity holders of the Company (A) (` in ***)	(380.48)
Weighted Average number of shares issued for Basic EPS (B)	50,000.00
Adjustment for calculation of Diluted EPS (c)	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	50,000.00
Basic EPS in Rs.	(7.61)
Diluted EPS in Rs.	(7.61)

17 Capital and other commitments and contingent liabilities

The Company has no capital commitments as at the balance sheet date and there are no contingent liabilities as at the balance sheet date.

18 Derivatives

The Company has no transactions / exposure in derivatives in the current period. The Company has no unhedged foreign currency exposure as on March 31, 2020.

19 Disclosures under Ind AS -19

The Company does not have any employees other than directors as on March 31, 2020 and has not paid any managerial remuneration to them. Hence disclosure under Ind AS-19 - Employee Benefits is not applicable.

20 Segment reporting

The Joint Managing Director of the Holding Company, who is also a Director in the Company, acts as the chief operating decision maker (CODM) of the Company in accordance with Operating Segment (Ind AS 108) for the purpose of assessing financial performance and position of the Company and make strategic decisions. The Company's business activities are mainly related to distribution of financial products which is primarily assessed as a single reportable operating segment under Fund Based Activity in accordance with Ind AS 108 by the CODM.

All the assets of the Company and source of revenue of the Company is within India and hence, no separate geographical segment is identified.

100% of the Company's total revenue is represented by one single external customer during the period ended March 31, 2020

21 **Subsequent events**
There have been no events after the reporting date that require disclosure in these financial statements.

22 **Related Party Disclosures**

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

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

Description of relationship	Name of the related party
Ultimate Holding Company	Wilson Holdings Private Limited
Holding Company	Dhanvarsha Finvest Limited
Directors	Mr. Karan Neale Desai
	Mr. Mahendra Kumar Servaiya
	Mr. Narendra Kumar Tater

B. **Details of related party transactions :**

(Rs in '000)

Name of the related party	Nature of Transaction	For the period ended March 31, 2020
Dhanvarsha Finvest Limited	Rent	61.36

C. **Details of balances outstanding for related party transactions:**

(Rs in '000)

Name of the related party	Nature of Transaction	As at March 31, 2020
Dhanvarsha Finvest Limited	Trade Payable	11.80

D. **Payment to KMP**
Refer Note 19 with respect to non-payment of remuneration to KMP. Hence no disclosure has been made.

E. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

HARIBHAKTI & CO. LLP. * CHARTERED ACCOUNTANTS * MUMBAI

DFL TECHNOLOGIES PVT. LTD. *

23 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirement. No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2020.

24 Fair value measurements

A. Accounting classification and fair values

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

(Rs in '000)

Financial Assets and Liabilities as at March 31, 2020	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Current Financial Assets								
Trade receivables	-	-	52.61	52.61	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	132.28	132.28	-	-	-	-
Total	-	-	184.89	184.89	-	-	-	-
Current Financial liabilities								
Trade payables	-	-	166.36	166.36	-	-	-	-
Total	-	-	166.36	166.36	-	-	-	-

B. Measurement of fair value

The carrying amounts of trade payables, cash and cash equivalent including other current bank balances and other liabilities,etc are considered to be the same as their fair values, due to current and short term nature of such balances.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The fair value of all mutual funds is valued using the closing NAV as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

HARIBHAKTI & CO. LLP. MUMBAI CHARTERED ACCOUNTANTS

DFL TECHNOLOGIES PVT. LTD.

25 Financial Risk Management

The Company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The management reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

• Credit risk
• Liquidity risk and
• Market risk

A. **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

(i) **Cash and bank balances**

The Company has bank balance of Rs.132.28 thousands. The same are held with bank and financial institution counterparties with good credit rating.

(ii) **Trade Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of busines.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(Rs. in '000)

Particulars	As at
Outstanding for a period not exceeding six months	52.61
Outstanding for a period exceeding six months	-
Gross Trade Receivables	**52.61**
Less: Impairment Loss	-
Net Trade Receivables	**52.61**

The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer .The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

(iii) Other than trade financial assets reported above , the Company has no other financial assets which carries any significant credit risk.

B. **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(Rs in '000)

Contractual maturities of financial liabilities as at March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Trade payables	166.36	-	-	166.36
Other financial liabilities	-	-	-	-
Total	**166.36**	**-**	**-**	**166.36**

C. **Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Company's exposure to, and management of, these risks is explained below.

(i) **Foreign currency risk**

The Company caters mainly to the Indian Market . Most of the transactions are denominated in the Company's functional currency i.e. Rupees. Hence the Company is not exposed to Foreign Currency Risk.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company do not have any borrowings and therefore not subject to interest rate risk.

(iii) **Price Risk**

The Company does not have a material price risk exposure.

26 Previous year comparatives

The Company has been incoporated on October 07, 2019, hence previous years figures are not available

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purushottam Nyati
Partner
Membership No. 118970

Mumbai
June 15, 2020

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DFL Technologies Private Limited
CIN: U67190MH2019PTC331368

Karan Desai
Director
DIN: 05285546

Narendra Tater
Director
DIN: 08580775

Mumbai
June 15, 2020