

BSR & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Credavenue Securities Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Credavenue Securities Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from 18 June 2021 (date of incorporation) to 31 March 2022 (the "period"), and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

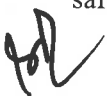
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The Company has been exempted from the requirements of its auditor's reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3)).
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



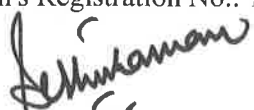
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- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- e) The Company has neither declared nor paid any dividend during the period.

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

In our opinion and according to the information and explanations given to us the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022


S Sethuraman
Partner
Membership No.203491
ICAI UDIN: 22203491AJPUCL9775

Place: Chennai
Date: 25 May 2022

Annexure A to the Independent Auditor's Report on the Financial Statements of Credavenue Securities Private Limited for the period ended 31 March 2022

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(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a)

- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any intangible assets. Accordingly, clause 3(i)(a) B of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the period.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

- (a) The Company is a service company, primarily rendering online platform support services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the period. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.



Annexure A to the Independent Auditor's Report on the Financial Statements of Credavenue Securities Private Limited for the period ended 31 March 2022 (Continued)

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- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the period. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Income-Tax and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Provident Fund	Employee related	70,000	August 2021	September 15, 2021	Not yet paid	

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

Annexure A to the Independent Auditor's Report on the Financial Statements of Credavenue Securities Private Limited for the period ended 31 March 2022 (Continued)

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- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period.
- (ix)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the period. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the period. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the period ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares, private placement or preferential allotment of fully or partly convertible debentures during the year. In respect of private placement of equity shares made during the year, the Company has duly complied with the requirements of section 42 and section 62 of the Companies Act, 2013. The proceeds from issue of equity and preference shares have been used for the purposes for which the funds were raised except for an amount of INR 2,438.66 lakhs which remains unutilised as the funds were raised at the fag-end of the year.



Annexure A to the Independent Auditor's Report on the Financial Statements of Credavenue Securities Private Limited for the period ended 31 March 2022 (Continued)

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- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Financial Statements of Credavenue Securities Private Limited for the period ended 31 March 2022 (Continued)

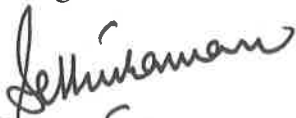
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- (d) According to information and explanations provided to us, the Group in which the Company is a part of, does not have any CIC (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has incurred cash losses of INR 234.42 lakhs in the current financial period.
- (xviii) There has been no resignation of the statutory auditors during the period. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



S Sethuraman

Partner

Membership No.203491

ICAI UDIN: 22203491AJPUCL9775

Place: Chennai

Date: 25 May 2022

Credavenue Securities Private Limited**Balance sheet as at March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)*

Particulars	Note	As at March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	3	96.17
Right of use assets	4	103.07
Financial assets		
Other financial assets	5	23.15
Deferred tax assets (net)	6	15.49
		237.88
Current assets		
Financial assets		
Cash and cash equivalents	7	2,438.66
Loans	8	10.39
Other current assets	9	43.53
		2,492.58
Total assets		2,730.46
EQUITY AND LIABILITIES		
Equity		
Equity share capital	10	2,700.00
Other equity	11	(251.74)
Total equity		2,448.26
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	12	72.18
Provisions	13	10.05
		82.23
Current liabilities		
Financial liabilities		
Lease liabilities	14	41.27
Trade payables	15	
Total outstanding dues of micro enterprises and small enterprises		73.55
Total outstanding dues of creditors other than micro enterprises and small enterprises		22.63
Other financial liabilities	16	45.02
Other current liabilities	17	16.38
Provisions	18	1.12
		199.97
Total liabilities		282.20
Total equity and liabilities		2,730.46

Significant accounting policies

1 and 2

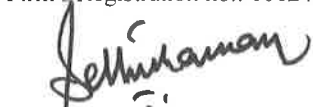
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration no.: 101248W/W-100022


S. Sethuraman

Partner

Membership No. 203491

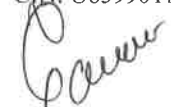
Place : Chennai

Date : May 25, 2022

for and on behalf of the board of directors of

Credavenue Securities Private Limited

CIN: U65990TN2021PTC144175


Gaurav Kumar

Managing Director

DIN : 07767248

Place : Chennai

Date : May 25, 2022


Vineet Sukumar

Director

DIN : 06848801

Credavenue Securities Private Limited**Statement of Profit and Loss for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)*

Particulars	Note	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Other income	19	4.38
Total income		4.38
Expenses		
Employee benefits expense	20	160.50
Finance costs	21	10.51
Depreciation and amortisation expense	22	32.81
Other expenses	23	67.79
Total expenses		271.61
Loss before tax		(267.23)
Tax expense:	29	
Current tax		-
Deferred tax		(15.49)
Total tax expense		(15.49)
Loss for the period		(251.74)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of the net defined benefit liability/asset		-
Income tax relating to items that will not be reclassified to profit or loss		-
Total other comprehensive income/ (loss), net of tax		-
Total comprehensive loss for the period		(251.74)
Earnings per share (Face value - INR 10)	26	
Basic and diluted		(4.04)

Significant accounting policies

2 and 3

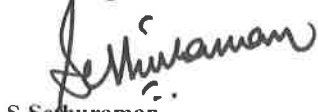
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration no.: 101248W/W-100022


S Sethuraman

Partner

Membership No. 203491


Place : Chennai

Date : May 25, 2022

for and on behalf of the board of directors of

Credavenue Securities Private Limited

CIN: U65990TN2021PTC144175

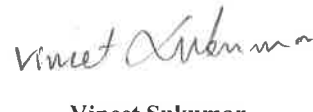

Gaurav Kumar

Managing Director

DIN : 07767248

Place : Chennai

Date : May 25, 2022


Vineet Sukumar

Director

DIN : 06848801

Credavenue Securities Private Limited**Cash Flow Statement for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)*

Particulars	Period from June 18, 2021 (date of incorporation) to March 31, 2022
A. Cash flow from operating activities	
Loss before tax	(267.23)
Adjustments for:	
Depreciation on Property, plant & equipment	12.29
Depreciation on right of use assets	20.52
Finance cost	10.51
Interest income	(3.77)
Operating profit before working capital changes	(227.68)
Adjustments for changes in working capital:	
(Increase) in loans	(10.39)
(Increase) in other financial assets	(23.15)
(Increase) in other assets	(43.53)
Increase in trade payables	96.18
Increase in other financial liabilities	45.02
Increase in other liabilities and provisions	27.56
Cash used in operating activities	(135.99)
Income taxes paid	-
Net cash used in operating activities	(135.99)
B. Cash flow from investing activities	
Purchase of property, plant and equipment	(108.46)
Interest income	3.77
Net cash used in investing activities	(104.69)
C. Cash flow from financing activities	
Issue of share capital	2,700.00
Principal portion of lease payments	(10.15)
Finance cost	(10.51)
Net cash generated from financing activities	2,679.34
D. Net increase in cash and cash equivalents (A+B+C)	2,438.66
E. Cash and cash equivalents at the beginning	-
F. Cash and cash equivalents at the end (D+E)	2,438.66
Cash and cash equivalents at the end	
Cash and cash equivalents - Refer Note: 7	2,438.66
	2,438.66

Significant accounting policies (Refer note 1 and 2)

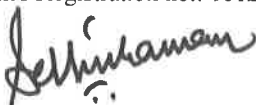
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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S Sethuraman

Partner

Membership No. 203491

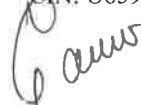
Place : Chennai

Date : May 25, 2022

for and on behalf of the board of directors of

Credavenue Securities Private Limited

CIN: U65990TN2021PTC144175

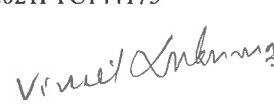

Gaurav Kumar

Managing Director

DIN : 07767248

Place : Chennai

Date : May 25, 2022


Vineet Sukumar

Director

DIN : 06848801

Credavenue Securities Private Limited**Statement of Changes in Equity for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***A. Equity share capital**

	Note	No. of shares	Amount
Balance as at June 18, 2021 (date of incorporation)		-	-
Changes in equity share capital during the period		27,000,000	2,700.00
Balance as at March 31, 2022	10	27,000,000	2,700.00

B. Other equity

Particulars	Note	Reserves and surplus (Retained earnings)	Total
Balance as at June 18, 2021 (date of incorporation)		-	-
Loss for the period		(251.74)	(251.74)
Balance as at March 31, 2022	11	(251.74)	(251.74)

Significant accounting policies

1 and 2

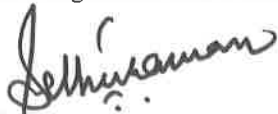
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration no.: 101248W/W-100022

**S Sethuraman**

Partner

Membership No. 203491

for and on behalf of the board of directors of

Credavenue Securities Private Limited

CIN: U65990TN2021PTC144175

**Gaurav Kumar**

Managing Director

DIN : 07767248

**Vineet Sukumar**

Director

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1 Company Overview

Credavenue Securities Private Limited ('CSPL' or 'the Company') is headquartered in Chennai, India and was incorporated on June 18, 2021 to act as an arranger in domestic debt capital markets and provide merchant banking services. The Company is a wholly owned subsidiary of Credavenue Private Limited (Holding Company).

2 Basis of preparation**2.1 Statement of Compliance**

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

The financial statements were authorised for issue by the Company's Board of Directors on May 25, 2022.

Figures for the current period ended March 31, 2022 are presented for the period from June 18, 2021 (date of incorporation) to March 31, 2022. No comparative figures are presented as this is the first set of financial statements prepared by the Company since the date of incorporation.

Details of the Company's accounting policies are included in Note 2.

2.2 Functional and presentational currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs (two decimals), except share data and as otherwise stated.

2.3 Basis of Measurement

These financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit asset/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgments

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including trade receivables and other current / non-current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information on the expected future performance of the Company. The Company has performed sensitivity analysis (wherever applicable) on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to future economic conditions.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(7) and 33: Leases - whether an arrangement contains a lease;
- Note 3(4) and 31: Financial instruments: Classification and measurement

Assumptions and estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

- Note 3(2) and 3(3): Useful lives of property, plant and equipment and intangible assets
- Note 3(5): Impairment test on financial; key assumptions underlying recoverable amounts;
- Note 3(14), 3(15), 13 and 34: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies
- Note 32: measurement of defined benefit obligation; key actuarial assumptions;

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets 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 (i.e. as prices) or indirectly (i.e. derived from prices).

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or liabilities fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management basis its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer note 34). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



2.6 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared applying significant accounting policies and measurement bases summarized below.

3.1 Revenue recognition

A. Interest income

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

B. Other income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

B. Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

C. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight Line method, and is generally recognised in the statement of profit and loss.

The estimated useful life of the property, plant and equipment under Part C of the Schedule II of the Companies Act, 2013 followed by the Company is furnished below:

Asset Category	Estimated Useful Life
Computers and Accessories	3 Years
Office equipments	5 Years
Leasehold improvements	3 Years

The residual value for all the above assets are retained at 5% of the cost.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for reporting period.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.



D. Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.3 Intangible assets**A. Other intangible assets****i) Internally generated: Research and development**

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Others

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful life of 3 years using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary.

3.4 Financial instruments**A. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Financial assets**i) Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

- Those to be measured at Fair value through other comprehensive Income (FVTOCI)
- Those to be measured at Fair value through profit and loss (FVTPL) and;
- Those measured at amortised cost.

a. Financial assets at Fair Value Through Other Comprehensive Income

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income changes in fair value of an investment in an equity instrument that is not held for trading. This selection is made on an instrument-by-instrument basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.



Credavenue Securities Private Limited

Notes to the Financial Statements for the period ended March 31, 2022

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

b. Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Company also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in statement of profit and loss.

c. Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

ii) Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting period under review, the Company has not entered into any forward currency contracts.

iii) De-recognition of financial assets

A financial asset is derecognised only when;

- The Company has transferred the rights to receive cash flows from the financial asset or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

C. Financial Liabilities

i) Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables.

ii) Subsequent measurement

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in the statement of profit and loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit and loss are included within finance costs or finance income.

iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



3.5 Impairment

A. Impairment of financial instruments

The Company recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

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

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

i) Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

ii) Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

iii) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

B. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or Companies of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.



3.6 Employee benefits

A. Post-employment benefits

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

(ii) Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

B. Short-term employee benefits

Short term employee benefit obligations are those that are expected to be settled within 12 months after end of reporting period. They are recognised up to end of the reporting period at amounts expected to be paid at the time of settlement. With respect to bonus, the Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur

C. Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

D. Other long term employee benefit obligations

These obligations represent liability towards compensated absences that are not expected to be settled wholly within a period of 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in balance sheet if entity does not have an unconditional right to defer settlement for at least 12 months after reporting period, regardless of when the actual settlement is expected to occur.



3.7 Leases:**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for buildings. 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 on 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 end of the lease term, unless the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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 Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

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
- 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

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, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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 the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.8 Income tax

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

A. Current tax

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

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

B. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



3.9 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred under finance costs.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprises current account balances and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Cash flow statement

Cash flows are reported using the indirect method, where by loss before tax is appropriately classified for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

3.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including bonus element in a rights issue to existing shareholders, and share options.

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 considered for the effects of all dilutive potential equity shares.

3.13 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company has not commenced its operations as at the balance sheet date. Therefore, there are no separate reportable segments as per Ind AS 108 - Operating Segment.

3.14 Provisions, Contingent Liabilities and Contingent Assets

A. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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

B. Contingent liabilities

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

C. Contingent Assets

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.15 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- Estimated amount of contracts remaining to be executed on capital account and not provided for;
- Uncalled liability on shares and other investments partly paid; and
- Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.



Credavenu Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***3 Property, Plant and Equipment**

	Computers	Office equipments	Leasehold improvements	Total
As at June 18, 2021	-	-	-	-
Additions	1.09	2.04	105.33	108.46
Disposals	-	-	-	-
As at March 31, 2022	1.09	2.04	105.33	108.46
Accumulated Depreciation				
As at June 18, 2021	-	-	-	-
Additions	0.52	0.13	11.64	12.29
Disposals	-	-	-	-
As at March 31, 2022	0.52	0.13	11.64	12.29
Net block				
As at March 31, 2022	0.56	1.91	93.69	96.17

- a) There are no immovable properties in the name of the Company.
b) There are no assets held by third parties.
c) There are no capital commitments for the Company.



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***4 Right of use assets**

	Office Premise Buildings
Gross Block Value	
As at June 18, 2021	-
Additions	123.60
Disposals	-
As at March 31, 2022	<u>123.60</u>
Accumulated Depreciation	
As at June 18, 2021	-
Additions	20.52
Disposals	-
As at March 31, 2022	<u>20.52</u>
Net Block Value	
As at March 31, 2022	<u>103.07</u>

5 Other Financial Assets

	As at March 31, 2022
Unsecured, considered good	
Security deposits	23.15
Total	<u>23.15</u>

6 Deferred tax assets

	As at March 31, 2022
Deferred tax assets (Refer note 29)	15.49
Total	<u>15.49</u>



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***7 Cash and Cash equivalents**

	As at March 31, 2022
Balances with Banks in Current Accounts	2,438.66
Total	2,438.66

8 Loans

	As at March 31, 2022
Loans to employees, Unsecured	
Considered good	10.39
Which have significant increase in Credit Risk	-
Credit impaired	-
Less: Loss Allowance	-
Total	10.39

9 Other current assets

	As at March 31, 2022
Unsecured, considered good	
Prepaid expenses	3.28
Advance to suppliers	35.13
Balance with government authorities	5.12
Total	43.53



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***10 Equity share capital**

	As at March 31, 2022
Authorised	
27,000,000 Equity shares of Rs.10/- each	2,700.00
Issued and subscribed capital	
27,000,000 Equity shares of Rs.10/- each	2,700.00
Issued, subscribed and paid up capital	
27,000,000 Equity shares of Rs.10/- each	2,700.00
Total	2,700.00

- a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

	As at March 31, 2022	
	No. of shares	Amount
Equity shares with voting rights		
At the beginning of the period	-	-
Shares issued during the period (fully paid up)	27,000,000	2,700.00
At the end of the period	27,000,000	2,700

- c) Rights, preferences and restrictions attached to each class of shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of amounts payable to preference shareholders. However, no such preference shares exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Shares held by ultimate holding company/ holding company/ associates

	As at March 31, 2022	
Name of the shareholder	No of shares	%
Credavenue Private Limited (including beneficial ownership)	27,000,000	100

- e) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the end of the period are as given below:

	As at March 31, 2022	
Name of the shareholder	No of shares	%
Credavenue Private Limited (including beneficial ownership)	27,000,000	100

- f) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during the period ended March 31, 2022.

- g) Shares held by promoters at the end of the period

As at March 31, 2022		
Name of the Promoter	No. of Shares	% of Total Shares
Credavenue Private Limited	27,000,000	100

11 Other Equity

	As at March 31, 2022
a) Retained earnings	
At the commencement of the period	-
Add: Loss for the period	(251.74)
At the end of the period	(251.74)
Total	(251.74)

Description of reserves**a) Retained earnings**

Retained earnings represent the amount of accumulated earnings of the Company.



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***12 Lease liabilities**

	As at March 31, 2022
Lease liabilities (Refer note 33)	72.18
Total	72.18

13 Provisions

	As at March 31, 2022
Provision for employee benefits	
Gratuity (Refer note 32)	1.22
Compensated absences	8.83
Total	10.05

14 Lease liabilities

	As at March 31, 2022
Lease liabilities (Refer note 33)	41.27
Total	41.27

15 Trade payables

	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	73.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	22.63
Total	96.18

All Trade Payables are 'current', Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 31.

a) Ageing schedule:

Particulars	As at March 31, 2022
Undisputed dues	
i) MSME	
Less than 6 months	73.55
6 Months - 1 Year	-
1 - 2 years	-
2 - 3 years	-
More than 3 years	-
ii) Others	
Less than 6 months	9.52
6 Months - 1 Year	-
1 - 2 years	-
2 - 3 years	-
More than 3 years	-
ii) Unbilled	13.11
Total	96.18

There are no payables which are disputed and unbilled as at end of the period.



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***16 Other financial liabilities**

	As at March 31, 2022
Employee benefits payable	45.02
Total	45.02

17 Other current liabilities

	As at March 31, 2022
Statutory liabilities	8.26
Payable to related parties (refer note 30)	8.12
Total	16.38

18 Provisions

	As at March 31, 2022
Provision for employee benefits	
Compensated absences	1.12
Total	1.12



Credavenue Securities Private Limited

Notes to the Financial Statements for the period ended March 31, 2022

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

19 Other income

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Interest Income from bank deposits (at amortised cost)	3.77
Other Income	0.61
Total	4.38

20 Employee Benefits Expense

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Salaries, wages and bonus	145.57
Contribution to provident and other funds	3.45
Share based payment to employees	11.48
Total	160.50

21 Finance Cost

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Interest cost on lease liabilities (Refer note 33)	7.50
Interest cost others	3.01
Total	10.51

22 Depreciation and amortisation expense

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Depreciation on property, plant & equipment	12.29
Depreciation on right of use asset (Refer note 33)	20.52
Total	32.81

23 Other expenses

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Electricity charges	1.13
Auditors' remuneration (Refer note 24)	5.00
Rent	5.50
Rates and taxes	42.94
Legal and professional charges	1.60
Other expenses	11.62
Total	67.79



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***24 Auditors' remuneration**

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Statutory audit	5.00
Total	5.00

25 Corporate Social Responsibility

The company does not fall within the scope of corporate social responsibility laid out under Section 135 from the Companies Act, 2013, as amended.

26 Earnings per share

	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Basic and diluted earnings per share	
Loss after tax	(251.74)
Weighted average number of equity shares outstanding during the year:	6,227,797
Face value per share	INR 10
Basic earnings per share	(4.04)
Diluted earnings per share	(4.04)

27 Segment reporting

The Company is only engaged in the business of facilitating finance between lenders and borrowers through its marketplace technology. With regard to geographic presence, the Company operates only in India. Therefore, there are no separate reportable segments as per Ind AS 108 - Operating Segment. As at March 31, 2022, the Company has not yet commenced its operations.

28 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the period.
- (iii) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - 2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - 2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the period.
- (viii) There are no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (ix) The Company has no borrowings from banks or financial institutions on the basis of security of current assets.
- (x) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.



Credavenu Securities Private Limited

Notes to the Financial Statements for the period ended March 31, 2022

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

29 Income tax

A Amount recognised in statement of profit and loss

Particulars	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Current income tax:	
In respect of current period	-
Deferred tax:	
Attributable to origination and reversal of temporary differences	15.49
Tax credit reported in the statement of profit and loss	15.49

B Income tax recognised in other comprehensive income

Particulars	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Current tax	-
Deferred tax	
Re-measurement gain on defined benefit plans	-
Tax (charge)/ credit recognised in other comprehensive income	-

C The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to loss before taxes is as follows:

Particulars	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Loss before tax	(267.23)
Applicable Income tax rate	25.168%
Expected Income tax expense	(67.26)
Effect of:	
Tax on loss carried forward to future years	82.75
Tax credit recognised in the statement of profit and loss	15.49

D Deferred tax

Deferred tax assets/(liabilities) as at March 31, 2022 in relation to:

Particulars	As at June 18, 2021	Recognised in statement of profit and loss	As at March 31, 2022
Property, plant & equipment	-	1.68	1.68
Provision for employee benefits	-	14.14	14.14
Others	-	(0.33)	(0.33)
Total	-	15.49	15.49



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***30 Related party transactions****List of related parties**

Related party relationships are as identified by the management and relied upon by the auditors.

Name of the related parties	Nature of relationship
M/s. Credavenue Private Limited	Holding Company
Key Management Personnel (KMP):	
Mr. Gaurav Kumar	Managing Director
Mr. Vineet Sukumar	Director

A Transactions with related parties

Particulars	Period from June 18, 2021 (date of incorporation) to March 31, 2022
Credavenue Private Limited	
Purchase of fixed assets	1.09
Transfer of employee loans	3.47
Equity contribution	2,700.00
Recharge of ESOP expenses	11.48
Other expenses (Rent)	5.50

B Balances with related parties

Particulars	As at March 31, 2022
Credavenue Private Limited	
Equity contribution	2,700.00
Other current liabilities	8.12



Credavenue Securities Private Limited**Notes to the Financial Statements for the period ended March 31, 2022***(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)***31 Financial Instrument****A Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

B Fair value measurement

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows.

Particulars	Amortised cost	FVTPL	FVOCI	Total Carrying value	Total fair value
Financial Assets:					
Cash and cash equivalents	2,438.66	-	-	2,438.66	2,438.66
Loans	10.39	-	-	10.39	10.39
Others financial Assets	23.15	-	-	23.15	23.15
Total	2,472.20	-	-	2,472.20	2,472.20
Financial Liabilities:					
Lease Liabilities	113.45	-	-	113.45	799.17
Trade payables	96.18	-	-	96.18	1,583.81
Others Financial Liabilities	45.02	-	-	45.02	338.29
Total	254.65	-	-	254.65	2,721.27

There are no financial assets and liabilities as at March 31, 2022 which are measured at fair value through profit/loss or other comprehensive income.

C Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business, the Company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining value as well as in identifying opportunities. Risk management is therefore made an integral part of the Company's effective management practice. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. The Company measures, monitors and manages credit risk at an individual entity borrower level and at the group exposure level for corporate borrowers. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

The Company's credit period generally ranges from 30-75 days.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Company has considered the latest available credit ratings as at the date of approval of these financial statements.

(ii) Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.



32 Employee benefits**Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:**

Particulars	March 31, 2022
Gratuity cost	
Service cost	0.05
Net interest on net defined liability/(asset)	-
Re-measurement - actuarial (gain)/loss recognised in OCI	-
Net gratuity cost	0.05

Net employee benefit expense recognised in the Other Comprehensive Income

Particulars	March 31, 2022
Actuarial (Loss)/ Gain from changes in financial assumptions	
Actuarial (Loss)/ Gain on obligation for the period	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-
Balance at end of year (Loss)/ Gain	-

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2022
Discount rate	6.84%
Salary escalation	8.00%
Attrition rate	12.00%

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022
Change in defined benefit obligation	
Obligations at the beginning of the period	-
Transfer	1.17
Service cost	0.05
Interest cost	-
Benefits settled	-
Actuarial (gain)/loss	-
Obligations at the end of the period	1.22

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2022
Opening fair value of plan assets	
Benefits paid	-
Actuarial gains/ (losses)	-
Closing fair value of plan assets	-
Closing Liability (net) recognized in Balance Sheet	-
Expected contribution to fund to be made in the next year	-

Percentage Break-down of total plan assets:

Particulars	As at March 31, 2022
Investment Funds with Insurance Company	-
Of which Unit Linked	-
Of which Traditional/ Non-Unit Linked	-
Cash and cash equivalents	-
Total	-

Sensitivity analysis:

Particulars	As at March 31, 2022	
	Increase	Decrease
Discount rate (1% movement)	(0.11)	0.13
Future salary growth (1% movement)	0.12	(0.11)

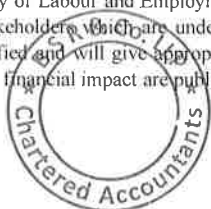
Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2022
Within 1 year	0.00
1-2 years	0.00
2-3 years	0.00
3-4 years	0.00
4-5 years	0.18
6-10 years	0.77
More than 10 years	1.76

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



Credavenu Securities Private Limited
Notes to the Financial Statements for the period ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)
33 Leases

	As at March 31, 2022
Opening Balance	-
Additions	123.60
Deletion	-
Depreciation	20.52
Closing Balance	103.08

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

(i) Ind AS 116 "Leases" is applied the standard to all lease contracts. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset measured at the amount of the initial measurement of the lease liability.

(ii) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.
2. Excluded initial direct costs from the measurement of the right-of-use asset.

(iii) The Company takes head office premises on lease. Below are the additions made during the period in the carrying value of:

Lease Liabilities

	Amount
Balance as at June 18, 2021	-
Additions	123.60
Finance cost accrued during the period	7.50
Payment of lease liabilities (including interest)	(17.65)
Balance as at March 31, 2022	113.45

Amounts recognised in Profit and Loss

	Period from June 18, 2021 to March 31, 2022
Depreciation expense on right-of-use assets	20.52
Interest expense on lease liabilities	7.50

Maturity analysis of Lease Liability

	As at March 31, 2022
Not later than one year	41.27
Later than one year but not later than four years	72.18
Later than four years	-

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored closely by the Entity's finance team.

34 Contingent liabilities and Commitments

There are no contingent liabilities and commitments as at March 31, 2022

35 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at September 30, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	As at March 31, 2022
Particulars	
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period	
Principal	73.55
Interest	2.36
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2.36
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-



Credavenue Securities Private Limited
Notes to the Financial Statements for the period ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)
36 Analytical ratios as per the schedule III requirements for the period ended March 31, 2022
a) Current ratio = Current asset divided by Current liabilities

Particulars	March 31, 2022
Current Asset	2,492.58
Current Liabilities	199.97
Ratio (In Times)	12.46

b) Debt-Equity ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	March 31, 2022
Total Debt	-
Total Equity	2,448.26
Ratio (In Times)	-

c) Debt Service Coverage ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	March 31, 2022
Loss after tax	(251.74)
Add:	
Depreciation expense	32.81
Finance cost	10.51
Earnings available for debt services	(208.42)
Interest payment on borrowings	-
Lease payments	(17.65)
Principal repayment	-
Total interest and principal repayments	(17.65)
Ratio	11.81

d) Return on Equity ratio = Profit after tax divided by shareholder's equity

Particulars	March 31, 2022
Loss after tax	(251.74)
Shareholder's equity	2,448.26
Ratio	-10.28%

f) Net capital turnover ratio = Revenue from operations divided by workings capital

Particulars	March 31, 2022
Revenue from operations	-
Working capital (refer note below)	2,292.61
Ratio	-

Note: Working capital = Current assets - Current liabilities

g) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2022
Loss for the period	(251.74)
Revenue from operations	-
Ratio	100.00%

h) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	March 31, 2022
Earnings before interest and taxes (refer note 1 below)	(256.72)
Capital employed (refer note 2 below)	2,546.22
Ratio	-10.08%

1, EBIT = Loss before taxes + finance cost

2. Capital employed = Total equity + Lease liabilities - Deferred tax assets

37 Impact of COVID-19

The Company has considered the possible effects that may result from the ongoing pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.



Credavenue Securities Private Limited

Notes to the Financial Statements for the period ended March 31, 2022

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

38 Subsequent events

There are no significant subsequent events that have occurred after the reporting period till the date of these financial statements which requires adjustment in these financial statements.

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration no.: 101248W/W-100022


S Seshuraman

Partner

Membership No. 203491

Place : Chennai

Date : May 25, 2022

for and on behalf of the board of directors of

Credavenue Securities Private Limited

CIN: U65990TN2021PTC144175


Gaurav Kumar

Managing Director

DIN : 07767248

Place : Chennai

Date : May 25, 2022


Vineet Sukumar

Director

DIN : 06848801