CAPITAL INDIA

Rediscover Business

CAPITAL INDIA CORP PRIVATE LIMITED

1ST ANNUAL REPORT

2021 - 22

BOARD'S REPORT

To,
The Members,
Capital India Corp Private Limited ("**Company**")

Your Directors are pleased to present the 1st (First) Annual Report of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2022 ("**FY 2021-22**" or "**period under review**").

1. FINANCIAL RESULTS

The Company's financial performance for the period under review is given hereunder:

(**Amount in INR**)

Particulars	**for the Financial Year 2021-22**
Total Income	NIL
Total Expenditure	4,92,47,805
Profit/(Loss) before tax	**(4,92,47,805)**
Tax Expense (including Deferred Tax)	(618)
Profit/(Loss) after tax	**(4,92,48,423)**
Balance carried to Balance Sheet	**(4,92,48,423)**

2. AMOUNT TRANSFERRED TO RESERVES

As on March 31, 2022, the Company has not transferred any amount to the reserves.

3. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company was incorporated during the period under review, by way of conversion of Capital India Corp LLP, a Limited Liability Partnership, existing under the provisions of the Limited Liability Partnership Act, 2008 and carrying on the business of holding and investment in group companies. The Company was registered under the provisions of the Companies Act, 2013, having its registered office in the NCT of Delhi and was granted a certificate of incorporation from Registrar of Companies on March 14, 2022.

The Company is carrying on the business of investment and holding investment in group companies.

Since the Company was incorporated by way of conversion on March 14, 2022, the Total Income of the Company during the period under review was NIL, Total Expenditure was INR 4,92,47,805 (Indian Rupees Four Crore Ninety Two Lakhs Forty Seven Thousand Eight Hundred Five only) and the Company had incurred a loss after tax of INR 4,92,48,423 (Indian Rupees Four Crore Ninety Two Lakhs Forty Eight Thousand Four Hundred Thirty Two only).

4. DIVIDEND

In view of losses, your Directors do not recommend any dividend for the period under review.

5. SHARE CAPITAL AND DEBENTURES

As on March 31, 2022, the capital structure of the Company comprise of Equity Shares having face value of INR 10 (Indian Rupees Ten only) each as under:

Particulars	**No. of Shares**	**Amount (INR)**
Authorised Share Capital	50,60,606	5,06,06,060
Issued, Subscribed and Paid-up Share Capital	50,60,606	5,06,06,060

During the period under review, the Board of Directors of your Company, after receiving approval from the shareholders in its Extra-Ordinary General Meeting held on March 14, 2022, had issued 41,046 (Forty One Thousand Forty Six) 0.01% unlisted unsecured redeemable optionally fully convertible debentures having face value of INR 1,00,000 (Indian Rupees One Lakh only) each, aggregating to INR 410,46,00,000 (Indian Rupees Four Hundred Ten Crore Forty Six Lakhs only) to Trident Buildtech Private Limited, by way of conversion of outstanding loan/current contribution of Trident Buildtech Private Limited.

6. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

As on March 31, 2022, below are the subsidiaries/step-down subsidiaries of the Company:

S. No.	Name of the Company	Nature of Relation
1.	Capital India Finance Limited (“**CIFL**”)	Subsidiary
2.	Credenc Web Technologies Private Limited	Subsidiary
3.	Capital India Wealth Management Private Limited	Wholly-Owned Subsidiary
4.	CIFL Holdings Private Limited	Wholly-Owned Subsidiary
5.	Kuants Wealth Private Limited	Wholly-Owned Subsidiary
6.	Capital India Home Loans Limited	Step-Down Subsidiary through CIFL
7.	Rapipay Fintech Private Limited *	Step-Down Subsidiary through CIFL
8.	Capital India Asset Management Private Limited	Step-Down Subsidiary through CIFL

* Rapipay Fintech Private Limited is also an Associate of the Company.

The Company does not have any Joint Venture/Associate (except as mentioned above) pursuant to the provisions of Section 2(6) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 read with the rules made thereunder. As on March 31, 2022, below is the composition of Board of Directors of the Company:

S. No.	Name of Director	Designation
1.	Mr. Sumit Kumar Narvar	Chairman and Managing Director
2.	Mr. Keshav Porwal	Non-Executive Director
3.	Mr. Deepak Vaswan	Non-Executive Director

On the basis of declaration received from the Directors and taken on record by the Board of Directors, none of the Directors are disqualified from being appointed as or holding office of Director as stipulated in Section 164 of the Companies Act, 2013.

The Company was not required to appoint any Key Managerial Personnel under the provisions of the Companies Act, 2013 during the period under review.

Particulars of employees receiving remuneration more than the limit prescribed

The provisions and disclosures required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

8. MEETINGS

i) BOARD MEETING

During the period under review, 4 (four) Board Meetings were held and the intervening gap between the meetings were within the period prescribed under the Companies Act, 2013.

S. No.	Date of Meeting	Total no. of Directors on the date of meeting	No. of Directors present during the meeting
1.	March 14, 2022	3	3
2.	March 14, 2022	3	3
3.	March 15, 2022	3	3
4.	March 25, 2022	3	3

The attendance of the Directors in the Board Meetings, during the period under review, is as follows:

S. No.	Name of Director	No. of Board Meetings Attended
1.	Mr. Sumit Kumar Narvar	4/4
2.	Mr. Keshav Porwal	4/4
3.	Mr. Deepak Vaswan	4/4

ii) GENERAL MEETING

During the period under review, 1 (one) Extra-Ordinary General Meeting of the shareholders of the Company was held on March 14, 2022.

9. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s AVK & Associates, Chartered Accountants, (Firm Registration No.: 02638N), was appointed as the 1st (first) Statutory Auditors of the Company by the Board of Directors in its meeting held on March 25, 2022. M/s AVK & Associates, Chartered Accountants, shall hold office upto the conclusion of 1st (first) Annual General Meeting ("**AGM**") of the Company.

The Auditor's Report submitted by M/s AVK & Associates, Chartered Accountants, the Statutory Auditors of the Company, for the period under review, does not contain any qualification, reservation, adverse remark or disclaimer.

10. CHANGE IN NATURE OF BUSINESS

During the period under review, there has been no change in the nature of business of the Company.

11. PUBLIC DEPOSITS

The Company did not accept any public deposits during the period under review. Therefore, the disclosures required under the Companies Act, 2013 and the rules framed thereunder are not applicable.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments as per Section 186 of the Act, made by the Company, have been disclosed in the financial statements.

13. COST RECORDS

The provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company for the period under review.

14. SECRETARIAL AUDIT REPORT

The provisions of the Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable on the Company for the period under review.

15. INTERNAL AUDIT & INTERNAL FINANCIAL CONTROLS

The provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are not applicable on the Company for the period under review.

Further, your Company has an adequate internal controls system, which is commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that the operations are being run effectively and efficiently to prevent any revenue leakage, that all its assets are safeguarded and protected.

16. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of financial year to which these financial statements related and the date of this report.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES

None of the transaction with related party(ies) comes within the ambit of Section 188 of the Companies Act, 2013. Accordingly, the particulars of the transactions in Form AOC - 2 of the rules prescribed under the Companies (Account) Rules, 2014 of the Companies Act, 2013 are not applicable.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. The activities of the Company are not energy intensive as the Company is not engaged in any manufacturing activity.

b. No technology has been developed and / or imported by way of foreign collaboration.

c. During the year, the Company had “NIL” foreign exchange earnings and outgo.

19. RISK MANAGEMENT

In today’s economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks i.e., competition, legal changes, change in Government policies, availability of finance, manpower as identified by the Company are systematically addressed through mitigating actions on a continuing basis.

20. DECLARATION BY INDEPENDENT DIRECTORS

The provisions of Section 149 of the Companies Act, 2013 and the rules made thereunder, relating to appointment of Independent Directors are not applicable on the Company.

21. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with rules made thereunder, relating to constitution of Audit Committee, are not applicable on the Company.

22. NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, relating to constitution of the Nomination & Remuneration Committee, are not applicable on the Company.

23. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions of Section 135 of Companies Act, 2013 read with rules made thereunder, relating to constitution of Corporate Social Responsibility Committee, are not applicable on the Company.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The provisions of Section 177 of the Companies Act, 2013 regarding vigil mechanism, are not applicable on the Company.

25. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There has been no order passed by any authority which impact the going concern status and Company's operations in future.

26. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

During the period under review, there were no women employees in the Company. Hence, no such information on the sexual harassment is being reported.

27. DETAILS IN RESPECT OF FRAUDS, IF ANY, REPORTED BY AUDITORS' UNDER SECTION 143 (12) OF THE COMPANIES ACT, 2013

There was no fraud reported by the Auditors' of the Company under Section 143(12) of the Companies Act, 2013, to the Board of Directors during the period under review.

28. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, in preparation of the Financial Statements for the financial year ended on March 31, 2022, and state that:

a. in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis;

e. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness(es) in the designs or operations were observed.

29. GENERAL DISCLOSURE

Your Directors states that no disclosure or reporting is required in respect of the following items, during the period under review:

a) The Company has not bought back any of its securities;
b) The Company has not issued any bonus shares;
c) The Company has not issued any sweat equity shares;
d) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
e) The provisions of Section 125 of the Companies Act, 2013 is not applicable to the Company;
f) There was no revision in the financial statements of the Company, and
g) There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

30. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

31. COMPLIANCE WITH THE REGULATIONS ISSUED BY THE RESERVE BANK OF INDIA

During the period under review, the Company was incorporated on March 14, 2022 upon conversion of LLP into private limited company in accordance with the Companies Act, 2013. In accordance with the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 issued by Reserve Bank of India ("**RBI**"), the Company upon conversion falls under the definition of core investment company and requires registration with the RBI to carry on its business activity. The Company is under process of making the necessary application for grant of registration with RBI within the prescribed timelines.

32. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates and consultants for their continued support extended to your Companies during the year under review.

By order and on behalf of the Board
Capital India Corp Private Limited

Sumit Kumar Narvar	**Deepak Vaswan**
Chairman & Managing Director	Non-Executive Director
DIN: 02045194	DIN: 07814811

Date : **June 06, 2022**
Place : **New Delhi**

INDEPENDENT AUDITOR'S REPORT

To the Members of **Capital India Corp Private Limited,**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Capital India Corp Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss(including other comprehensive income), Statement of changes in equity andthe Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (including Ind AS) and other explanatory information(herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March,2022 andits Loss(including other comprehensive income)and changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of financial statements in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report and Annexures to Board's Report but does not include the Ind AS financial statements and our 'Independent auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Managementfor the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance 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 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 theInd AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Ind AS financial statements is included in "***Annexure A***" of this auditor's report.

Emphasis on Matter

Without qualifying our report we draw your kind attention:

On note no 31 to the appended financial statements which states that the company came into existence on 14.03.2022 after its conversion from LLP namely Capital India Corp LLP. So all the transactions which were executed during the existence of LLP are out of purview of our audit.

On the note no 32 to the appended financial statements on the fact that the company though acting as Core Investment Company is yet to apply for registration as such with the regulatory authority.

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 sub-section (11) of section 143 of the Act, we give in the "***Annexure B***" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further, 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules made there under.

e) On the basis of the written representations received from the directors of the company as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "***Annexure C***". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided remuneration to its directors, during the year; and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

   iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity,including foreign entity("Intermediaries"),with the understanding,whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner

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whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief no funds(which are material either individually or in the aggregate)have been received by the Company from any person or entity, including foreign entity ("Funding Parties"),with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;

(c) Based on the audit procedures 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)of Rule11(e),as provided under and(b)above, contain any material misstatement.

v. The company has not declared or paid dividend during the year.

For AVK & Associates
Chartered Accountants
FRN: 02638N

(CA Ashwani Kumar Relan)
Partner
M.No:0888309

Place: New Delhi
Dated: 06.06.2022
UDIN:22088309AKQKAK6657

AVK & Associates

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

Annexure 'A' to Independent Auditors' Report of Capital India Corp Private Limited for the period ended 31st March 2022

Auditor's Responsibilities for the Audit of the Financial Statements

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

• Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies including Ind AS used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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• Evaluate the overall presentation, structure and content of theInd AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with Management of company 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 Management of company 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.

For AVK & Associates
Chartered Accountants
FRN: 02638N

(CA Ashwani Kumar Relan)
Partner
M.No:088309

Place: New Delhi
Dated: 06.06.2022
UDIN:22088309AKQKAK6657

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ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT

The Annexure 'B' referred to in our Independent Auditors' Report to the members of Capital India Corp Private Limited on the Ind AS financial statements for the year ended 31st March 2022:-

The company came into existence on 14.03.2022 so the parameters on the requirements to report on the clauses applicable are for the period from 14.03.2022 to 31.03.2022.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. The Company does not have any Property, Plant and Equipment hence reporting under clause 3(i) of the Order is not applicable.

ii. (a) The Company does not have any inventory and hence reporting under clause3(ii)(a)of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate at any points of time during the period ,from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. (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 prior to its existence as LLP had made investments and provided guarantee or security to a company .Besides the company has not granted any advance in the nature of loans, secured or unsecured to companies or any other parties during the period.

(b) Based on the audit procedures carried on by us and as per information and explanation obtained the company has not granted any loans to any party including its subsidiaries, therefore relevant clauses as to repayment ,rate of interest and other compliances under section 185 or 186 with respect to loans are not applicable.

(c) Based on the audit procedures carried on by us and as per information and explanation obtained ,the company has made investments and provided Guarantees which being carried over in its books after its conversion from LLP to Company, and based on the information and explanations obtained such transactions executed at the time of erstwhile LLP cannot be commented upon by us as an Auditor of the company. According to our audit procedures and information and explanation obtained we state that the terms and conditions of Investment made and Guarantees provided, had they been made at the time after conversion cannot be said to be prejudicial to the

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Interest of the Company .Details of Investments being carried over and carried over Guarantee given is as follows:

Serial No	Particulars	Amount involved
1.	Investments in subsidiaries associates and other parties	424,61,28,257/- Amount outstanding at the balance sheet date
2.	Guarantee provided on behalf of an associate concern	104,50,00,000/- Amount outstanding at the balance sheet date

iv. Based on our audit procedures and information and explanation obtained and the limitations explained about the incurrence of transactions of Investments and Guarantee provided at the time of existence as an LLP the compliances of section 185 and section 186 cannot be commented upon.

v. Based on our audit procedures and according to information and explanation obtained we state the company has not accepted deposits within the meaning of directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any relevant provisions of the companies act and rules made thereunder.

vi. According to information and explanations obtained we report that the maintenance of cost records has not been specified by the Central Government under sub-section(1)of section148of the Companies Act,2013.Hence,reporting under clause(vi)of the Order is not applicable to the Company.

vii. In respect of statutory dues:

b) In our opinion, the Company has been regular in depositing undisputed statutory dues, as applicable, including Income tax, and other material statutory dues with the authorities.

   There were no undisputed amounts payable in respect of Statutory dues including Income Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

c) There are no statutory dues referred to in sub-clause(a) above which have not been deposited as on March 31, 2022 on account of disputes.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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ix. Based on our audit procedures and information and explanation obtained we state that the company has not borrowed any money from any bank or Institution therefore clause 3 (ix) is not applicable.

x. (a)The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments)during the year and hence reporting under clause 3(x)(a)of the Order is not applicable.

(b) Based on our audit procedures and according to information and explanation obtained we state that during the period the company has made allotment of Optionally Convertible Debentures amounting Rs. 4,10,46,00,000/-, divided into 41,046 debentures having a face value of Rs 1,00,000/-. According to our audit procedures and information and explanations obtained, in our opinion the company has complied with the provisions of section 42 and section 62 of the Act. The funds raised have been used for the purpose of holding long term investments.

xi. Based on our audit procedures and according to information and explanation obtained,In our opinion:-

(a)No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company as required under the provisions of Section177 and 188 of the Companies Act, 2013 has disclosed all the applicable transactions with the related parties separately in its financial statements.

xiv. In our opinion and information and explanation obtained, the company does not fall under the ambit of internal audit system as it is not required to have an internal audit system as per provisions of the Companies Act 2013. Hence, reporting under clause 3(xiv) of the order is not applicable to the company.

AVK & ASSOCIATES DELHI Chartered Accountants

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) Based on our audit procedures and information and explanation obtained, In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934 .registration.

(b) Based on our audit procedures and information and explanation obtained the company has not conducted any Non- Banking Financial or Housing Finance activities without the valid certificate of registration from the Reserve Bank of India, hence reporting under clause 3(xvi)(b) is not applicable.

(d) Based on our audit procedures and information and explanation obtained In our opinion the company is a core investment company (CIC) as defined in regulation made by Reserve Bank of India and yet to obtain registration as such.

(e) In our opinion, and according to the information and explanation given to us there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xvii. The Company has incurred cash losses during the financial year covered by our audit. The company was not in existence during the preceding year. The amount of loss so incurred during the period is Rs. 4,92,48,423.

xviii. There has been no resignation of the statutory auditors of the Company during the period.

xix. In our opinion and according to explanation and information given to us there is no material uncertainty exist as on the date of the audit report that the company is 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.

xx. The company is not required to spend towards Corporate Social Responsibility (CSR) in accordance with Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

AVK & ASSOCIATES DELHI Chartered Accountants

xxi. Based on our audit procedures and according to information and explanation obtained, in our opinion the company a core investment company and is not a subsidiary company therefore the inclusion of comments by respective auditors as required by clause 3(xxi) is not applicable therefore provisions of clause 3(xxi) are not applicable.

For AVK & Associates
Chartered Accountants
FRN: 02638N

(CA Ashwani Kumar Relan)
Partner
M.No:088309

AVK & ASSOCIATES
DELHI
Chartered Accountants

Place: New Delhi
Dated: 06.06.2022
UDIN:22088309AKQKAK6657

ANNEXURE 'C' TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

The company came into existence on 14.03.2022 so the reporting parameters on the requirements to report on the clauses applicable are for the period from 14.03.2022 to 31.03.2022

We have audited the internal financial controls over financial reporting of Capital India Corp Private Limited("the Company") as of 31 March,2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March,2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AVK & Associates
Chartered Accountants
FRN: 02638N

(CA Ashwani Kumar Relan)
Partner
M.No:088309

Place: New Delhi
Dated: 06.06.2022
UDIN:22088309AKQKAK6657

AVK & ASSOCIATES DELHI CHARTERED ACCOUNTANTS

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Balance Sheet as at 31.03.2022 (Amount in INR)

Particulars	Notes	As at 31.03.2022
ASSETS		
Non-current assets		
Other Intangible Assets	5	3,56,100.00
Financial assets		
-Investment	5a	4,24,61,28,257
-Other financial assets		-
Deferred tax assets (net)		-
Total Non-current assets		**4,24,64,84,357**
Current assets		
Financial assets		
-Cash and cash equivalents	6	83,72,096
Other current assets	7	11,940
Total Current assets		**83,84,036**
Total assets		**4,25,48,68,394**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	8	5,06,06,060
Other equity	9	(41,63,80,208)
Total equity		**(36,57,74,148)**
Non-current liabilities		
Financial liabilities		
-Borrowing	10	4,10,46,00,000
Total Non-current liabilities		**4,10,46,00,000**
Current liabilities		
Financial liabilities		
-Borrowing	11	43,70,00,000
-Trade Payable		
a. Total outstanding due of micro & small enterprise		
b. Total outstanding dues of creditors other than micro & small enterprise	12	4,181
-Other financial liabilities	13	7,40,51,244
Other current liabilities	14	49,87,117
Total Current liabilities		**51,60,42,542**
Total equity and liabilities		**4,25,48,68,394**
Summary of significant accounting policies	3	
See accompanying notes to the financial statements		

As per our report of even date attached
For AVK & Associates
Chartered Accountants
Firm Regn. No. 02638N

AVK & ASSOCIATES DELHI Chartered Accountants

(Ashwani Kr. Relan)
Partner
M. No. 088309

Place : New Delhi
Date: 06.06.2022
UDIN: 22088309AKQKAK6657

For and on behalf of the Board of Directors of
Capital India Corp Private Limited

Capital India Corp Private Limited

Sumit Kumar Narvar
Chairman & Managing Director
DIN : 02045195

Place : New Delhi
Date: 06.06.2022

Deepak Vaswan
Director
DIN : 07814811

Place : New Delhi
Date: 06.06.2022

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Statement of Profit and Loss for the Period from 14.03.2022 to 31.03.2022 (Amount in INR)

Particulars	Notes	Year Ended 31.03.2022
Income		
Other income	15	-
Total income		-
Expenses		
Employee benefits expense		-
Financial Cost	16	4,88,55,393
Other expenses	17	3,92,412
Total expenses		**4,92,47,805**
(Loss) before tax		**(4,92,47,805)**
Tax expense / (credit)		
Deferred tax		618
Total Tax expense		**618**
Net Loss before tax (A)		**(4,92,48,423)**
Other Comprehensive Income		
Items that will be reclassified to profit or loss		-
Items that will not be reclassified to profit or loss		-
Total Other Comprehensive Income (B)		-
Total Comprehensive Income (A + B)		**(4,92,48,423)**
Earnings per equity share nominal value of INR 10 each (Previous Year : INR 10 each)	18	
Basic (in INR)		(197.34)
Diluted (in INR)		(197.34)

Summary of significant accounting policies
See accompanying notes to the financial statements

As per our report of even date attached
For AVK & Associates

Chartered Accountants
Firm Regn. No. 02638N

(Ashwani Kr. Relan)
Partner
M. No. 088309

Place : New Delhi
Date: 06.06.2022

For and on behalf of the Board of directors of Capital India Corp Private Limited

Sumit Kumar Narvar
Chairman & Managing Director
DIN : 02045195

Place : New Delhi
Date: 06.06.2022

Deepak Vaswan
Director
DIN : 07814811

Place : New Delhi
Date: 06.06.2022

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Statement of Cash Flow for the period from 14.03.2022 to 31.03.2022

(Amount in INR)

Particulars	For the Period ended 31.03.2022
A) CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax	(4,92,47,805)
Expenses related to conversion of LLP into private company	(5,88,526)
Adjustment for:	
Depreciation	-
Operating profit before working capital changes	(4,98,36,331)
Adjustment for :	
Incrase/(Decrease) in trade payables, other Non-financial liab.	7,89,78,793
Increase in other financial assets, other non financial assets	(49,694)
Cash used in operations	2,90,92,768
Income taxed paid (net of refund received)	(618)
Net cash generated from operating activities (A)	**2,90,92,150**
B) CASH FLOW FROM INVESTING ACTIVITIES	
Investment in other Companies	-
Net Cash used in investing activities (B)	-
C) CASH FLOW FROM FINANCE ACTIVITIES	
Repayment of Capital/Unsecured loans	(35,02,000)
Borrowings	(2,01,32,968)
Net cash generated from financing activities (C)	**(2,36,34,968)**
D) Net increase in cash and cash equivalents (A+B+C)	**54,57,182**
E) Cash and cash equivalents as at the beginning of the period	29,14,914
F) Cash and cash equivalents as at the end of the year	**83,72,096**

Cash and cash equivalents comprises:

Particulars	For the Period ended 31.03.2022
(a) Cash in hand	25,700
(b) Balances with bank	83,46,396
	83,72,096

Summary of significant accounting policies
See accompanying notes to the financial statements

As per our report of even date attached
For AVK & Associates
Chartered Accountants
Firm Regn. No. 02638N

AVK & ASSOCIATES DELHI Chartered Accountants

(Ashwani Kr. Relan)
Partner
M. No. 088309

Place : New Delhi
Dated: 06.06.2022

For and on behalf of the Board of Directors of Capital India Corp Private Limited

Capital India Corp Private Limited

Sumit Kumar Narvar	Deepak Vaswan
Chairman & Managing Director	Director
DIN : 02045195	DIN : 07814811
Place : New Delhi	Place : New Delhi
Date: 06.06.2022	Date: 06.06.2022

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Note 9 Statement of Change In Equity

A. Equity Share Capital
As at 31.03.2022

(Amount in INR)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital during the current year	Balance at the end of current reporting period
-	-	-	5,06,06,060	5,06,06,060

B. Other Equity
Current Period

(Amount in INR)

Particulars	Other Equity	
	Reserve and Surplus	Total
	Retained Earnings	
Balance as at 14.03.2022	(36,65,43,259)	(36,65,43,259)
Loss for the Period	(4,92,48,423)	(4,92,48,423)
Expenses related to conversion of LLP to private limited company	(5,88,526)	(5,88,526)
As of 31.03.2022	(41,63,80,208)	(41,63,80,208)

As per our report of even date attached
For AVK & Associates
Chartered Accountants
Firm Regn. No. 02638N

AVK & ASSOCIATES DELHI Chartered Accountants

(Ashwani Kr. Relan)
Partner
M. No. 088309

Place : New Delhi
Date: 06.06.2022

For and on behalf of the Board of Directors of Capital India Corp Private Limited

Capital India Corp Private Limited

Sumit Kumar Narvar
Chairman & Managing Director
DIN : 02045195

Place : New Delhi
Date: 06.06.2022

Deepak Vaswan
Director
DIN : 07814811

Place : New Delhi
Date: 06.06.2022

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053

Note 5 Other Intangible Asset

Particulars	As at 01.04.2021	Additions	Disposals	As at 31.03.2022
Intellectual Property Rights	-	3,56,100	-	3,56,100

AVK & ASSOCIATES DELHI Chartered Accountants

Capital India Corp Private Limited

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Notes forming part of the financial statements for the year ended 31.03.2022 (Amount in INR)

		As at 31.03.2022
5a	**Non-current financial assets- Investment**	
(a)	**Fully paid equity shares (unquoted)**	
	-Capital India Wealth Management Private Limited	3,00,000
	(30000 Equity shares having a face value of Rs 10 each)	
	-CIFL Holdings Private Limited	3,00,000
	(30000 Equity shares having a face value of Rs 10 each)	
	-Credenc Web Technologies Private Limited	20,13,00,000
	(5754000 Equity shares having a face value of Rs 10 each)	
	-Rapipay Fintech Private Limited	8,47,78,000
	(8475000 Equity shares having a face value of Rs.10 each)	
	-Kuants Wealth Private Limited	3,03,00,000
	(3030000 Equity shares having a face value of Rs 10 each)	
	-Yellow Whale Technologies LLP	2,47,50,000
		34,17,28,000
(b)	**Fully paid equity shares (quoted)**	
	-Capital India Finance Limited	3,70,94,15,257
	(56775720 Equity shares having a face value of Rs 10 each)	
	-Devyani International Ltd	19,49,85,000
	(4500000 Equity shares having a face value of Rs 10 each)	
	(All the share of Divyani International are pledge to Asix Finance Limited refer note 24)	
		3,90,44,00,257
		4,24,61,28,257
	Aggregate amount of quoted investments and market value thereof	7,88,27,51,214
	Aggregate amount of unquoted investments	34,17,28,000
6	**Cash and cash equivalents**	
	Balances with banks	
	-In current accounts	83,46,396
	-Cash in hand	25,700
		83,72,096
7	**Other current assets**	
	-Balance with GST Authorities - ITC Input	11,940
	-Balance with Income Tax Authorities -TDS/TCS Receivable	-
		11,940
8	**Equity share capital**	
	Authorised shares	
	50,60,606 equity shares having face value of INR 10 each	5,06,06,060
	Issued, Subscribed and Fully Paid-up equity shares	
	50,60,606 equity shares having face value of INR 10 each	5,06,06,060
		5,06,06,060

As on 31.03.2022, the company has only one class of equity shares having par value of INR 10 per share. Each Holder of equity share is entitled to one vote per share.
In the event of liquidation of the company, the holders of equity shares will be entitled to recieve remaining assets of the company after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

Shares held by the Promoters as on 31.03.2022

Promoter Name	No. of shares	% of total shares	% change/addition during the year
Sumit Kumar Narvar	24,04,800.00	47.52%	100.00%
Poonam Narvar	22,54,500.00	44.55%	100.00%
Deepak Vaswan	50,606.00	1.00%	100.00%

AVK & ASSOCIATES DELHI Chartered Accountants

Capital India Corp Private Limited

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Notes forming part of the financial statements for the year ended 31.03.2022 (Amount in INR)

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of INR 10 each fully paid up

Particulars	31.03.2022	
	Nos.	Amt
Shares outstanding at commencement of the year	-	-
Share issued during the year	50,60,606	5,06,06,060.00
Shares outstanding at the end of the year	50,60,606	5,06,06,060.00

Details of shareholders holding more than 5% of the aggregate shares in the Company in each class of shares

Equity Shares % holding by shareholders	31.03.2022	
	Nos of Shares held	% of Holding
Sumit Kumar Narvar	24,04,800	47.52%
Poonam Narvar	22,54,500	44.55%

10	**Non Current financial liabilities**	
	Borrowing	
	-Optional Convertible Debenture	
	(41046 Debenture of Rs.1,00,000/- each)	4,10,46,00,000
	(0.01% Unlisted unsecured redeemable optionally fully convertible debentures)	**4,10,46,00,000**
	Current financial liabilities	
11	**Borrowing**	
	Loans Repayable on demand (Unsecured)	
	-From other parties	
	-Analee Buildcon Pvt. Ltd	15,00,00,000
	-Rangoli Resorts Pvt. Ltd.	25,00,00,000
	-Trident Buildtech Pvt. Ltd.	3,70,00,000
	Current Maturities of Long term debts (Optional Convertible debentures)	-
		43,70,00,000
12	**Trade payables**	
	-Total outstanding dues of micro enterprises and small enterprises	-
	-Total outstanding dues other than micro enterprises and small enterprises	4,181
		4,181
13	**Current financial liabilities - Others**	
	-Interest Payable	7,40,51,244
		7,40,51,244
14	**Other current liabilities**	
	Statutory dues payable	48,83,515
	Audit fee payable	50,000
	Others	53,602
		49,87,117

AVK & ASSOCIATES ★ DELHI ★ Chartered Accountants

Capital India Corp Private Limited ★

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Notes forming part of the financial statements for the year ended 31.03.2022 (Amount in INR)

		For the year ended March 31, 2022
15	**Other income**	
	Other non operating income	
	Interest on FD's	-
	Other Income	-
		-
16	**Financial Cost**	
	Interest Paid	4,88,55,393
		4,88,55,393
17	**Other expenses**	
	Advertisement	4,800
	Bank Charges	7,740
	CDSL Charges	19,913
	Filing Fees	1,600
	Govt Fee	1,130
	Demat account charges	1,88,452
	Legal & Professonal Charges	90,000
	Consultancy Charges	28,777
	Audit Fee	50,000
		3,92,412
18	**Earnings per equity share**	
	Net profit after tax as per statement of profit and loss	(4,92,48,423)
	Amount available for equity shareholders	(4,92,48,423)
	Weighted average number of equity shares in calculating basic / diluted EPS	2,49,564
	Earnings per Share, basic and diluted (INR)	(197.34)
	Face value per equity share (INR)	10

AVK & ASSOCIATES DELHI Chartered Accountants

Capital India Corp Private Limited

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
Notes to financial statements for the Financial year ended 31.03.2022

Note 19: Related Party Transaction
Details Of Related Parties

Name of Company/Entity	**Description of relationship**
Capital India Home Loan Ltd	Step Down Subsidiary Company
Capital India Finance Limited	Subsidiary Company
Credenc Web Technologies Pvt Ltd	Subsidiary Company
Capital India Wealth Management Pvt Ltd.	Wholly Owned Subsidiary
CIFL Holdings Pvt Ltd.	Wholly Owned Subsidiary
Capital India Asset Management Pvt Ltd	Step Down Subsidiary Company
Rapipay Fintech Private Limited	Step Down Subsidiary Company
Kuants Wealth Private Limited	Wholly Owned Subsidiary
Yellow Whale Technologies LLP	Partner
Sitaram Niwas Private Limited	Enterprise Under which KMP has significant influence
Trident Buildtech Pvt Ltd	Enterprise Under which KMP has significant influence

Key Management Personnel	**Description of relationship**
Sumit Kumar Narvar	Chairman & Managing Director
Keshav Porwal	Non Executive Director
Deepak Vaswan	Non Executive Director

Details of related party transactions during the year ended 31 March, 2022 and outstanding balances thereof

	Enterprise under which KMP has significant Influence	**Key management personnel**	**Total**
Particulars	**Trident Buildtech Pvt Ltd**		
Loan /Advance received/(Paid)			
Loan Received	3,70,00,000.00		3,70,00,000.00
	3,70,00,000.00		3,70,00,000.00
Reimbursements/Capital Repayments			
Sumit Kumar Narvar		10,02,000.00	10,02,000.00
Keshav Porwal		9,98,000.00	9,98,000.00
Deepak Vaswan		5,88,526.00	5,88,526.00
Balances outstanding at the end of the Reporting Period			
Amt Payable	3,70,00,000.00	-	3,70,00,000.00
Amt Receivable	-	-	-

Note: Related parties have been identified by the Management.

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Capital India Corp Private Limited

20 Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

(A) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at March 31, 2022

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Cash and cash equivalents	-	-	83,72,096	83,72,096
Other financial assets	-	-	11,940	11,940
Total	-	-	**83,84,036**	**83,84,036**

Financial Liabilities	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Trade payables	-	-	4,181	4,181
Other financial liabilities	-	-	7,40,55,425	7,40,55,425
Total	-	-	**7,40,59,605**	**7,40,59,605**

Note:-Investments in equity of subsidaries,associates and joint ventures which are carried at cost are not covered under Ind AS 107 and hence not been included above.

The management assessed that fair value of financial assets such as cash and cash equivalent, other bank balances, trade receivables, loans, other financial assets etc. and all the financial liabilities significantly approximate their carrying amounts due to their short term maturity profiles.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

The following methods and assumptions of each reporting date were used to estimate the fair values:

(i) The fair value of the Company's interest bearings borrowings, which are measured at amortised cost, are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant, a level 2 technique.

(ii) The fair value of financial assets and liabilities is estimated either by reference to the net assets value as at the reporting date or by discounting future cash flows using rates using rates currently applicable for debt on similar terms, credit risk and remaining maturities, a level 3 technique.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

C. Financial risk management objective and policies

The Company's businesses are subject to several risks and uncertainties including financial risks.

Th Company's board of directors has the responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of the daily operations. The risk management policies cover areas such as liquidity risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management. Risks are identified with active involvement of senior management personnel at all levels. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include , deposits and FVTOCI investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes. Company is core investment company and for meeting their short term and long term funds requirements, the company have adequate corporate mix funding plans

As at March 31, 2022

Payments due by year	<1 year	1-3 years	> 3 Year
Trade Payables and other financial liabilities	4,180.50	-	-
Total	4,180.50	-	-

(d) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Since Company is core investment company and company has not dealing with any contractual obligation with counterparties for supplies of goods and service except royaly income from group companies, therefore the Company has not affected with credit rist of financial loss from defaults.

None of the Company's cash and cash equivalents, including time deposits with banks, investments are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current) carried in books, there were no indications that defaults in payment obligations will occur.

Particulars
Neither impaired nor past due
Past due but not impaired
Due less than 3 month
Due between 4 - 6 months
Due between 7 - 12 months
Due greater than 12 months
Total

21 Ratio Analysis

Ratio Type	Numerator	Denominator	31.03.2022
(a) Current Ratio,	Current Assets	Current Liab	0.02
(b) Debt-Equity Ratio,	Total Liab	Sharehold fund	-11.22
(d) Return on Equity Ratio,	Net profit after tax	Avg Shareholder equity	-0.97
(f) Trade Receivables turnover ratio,	Revenue	Closing debtors	-
(g) Trade payables turnover ratio,	Purchases	clsosing creditors	-
(h) Net capital turnover ratio,	Revenue	Working capital	-
(i) Net profit ratio,	Net profit after tax	Revenue	-
(j) Return on Capital employed,	EBIT	Capital Employed*	-

* Tangible net worth + deferred tax liabilities + Lease Liabilitie

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22 First time adoption of Ind AS

Transition to IND AS

These are the Company's first Financial Statements in accordance with Ind AS. Since the Company came into existence to take over assest/liabilities of Capital India Corp LLP, Hence there is no opening balances for the purpose of transition. The effective date for Company's Ind AS Opening Balance Sheet is not applicable (the date of transition to Ind AS).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2022. Since company is incorporated on 14.03.2022, therfore the comparative information presented in these financial statements for the year ended 31 March 2021 is not available. According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2022, the date of first-time preparation of Financial Statements according to Ind AS.

23 **Segment Reporting**

Company is operating in single segment i.e. Investment activities therefore no disclosures have been made for segment reporting as per Ind AS 108

24 **Contingent Liabilities**

Corporate Guarantee to Axis Finance Limited	31.03.2022
Corporate Guarantee has been provided by the Company to Axis Finanxe Limited against the term loan obtained by Sitaram Niwas Private Limited. (refer note 19)	1,04,50,00,000

25 **Capital Commitment -Others**

Commitments	31.03.2022
The Company is engaged in the business of Investments in Equity of its Groups Companys. There is no Capital Commitment at the end of financial period.	-

26 **Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006"**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues which are outstanding for more than 45 days as at March 31, 2022 . This information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

The principal amount and the interest due thereon remaining unpaid to any supplier	
- Principal amount	-
- Interest thereon	
The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
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 Micro Small and Medium Enterprise Development Act, 2006.	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-

27 **Disclosure required under Section 186(4) of the Companies Act 2013**

Included in financial assets are certain intercorporate Investments the particulars of which are disclosed below as required by Section 186(4) of Companies Act 2013.

28 **Additional regulatory information**

(i) The Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988 .

(ii) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(iii)In respect of investments, the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Company has not given any advance or loan or invested funds from share premium or any other sources with the understanding that intermediary would directly or indirectly lend or invest in other person or entity identified as ultimate beneficiaries or provide any guarantee or security on behalf of ultimate beneficiaries. The Company has not received any fund from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified as ultimate beneficiary or provide any guarantee or secuirty or the like on behalf of the ultimate beneficiary.

29 **There has been no transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.**

30 **The Company has not traded or invested in Crypto currency or Virtual Currency.**

31 **During the financial year 2021-22, the partners of the erstwhile Capital India Corp LLP have decided to convert it into a private limited company in accordance with the Companies Act, 2013. Subsequent to the said decision of the partners, Capital India Corp Private Limited has been formed by way of conversion of LLP with effect from 14-03-2022. All the assets and liabilities of the erstwhile LLP have been transferred to Capital India Corp Private Limited on as is basis and there is no change in the shareholding of the Company**

32 **Capital India Corp LLP has been converted from LLP to private limited company i.e. Capital India Corp Private Limited ("Company") and upon such conversion, the Company falls within the definition of core investment company as defined in the Master Directions issued in this regard by RBI. It is in the process of making the required application for registration as Core Investment Company with RBI within the permissible timelines of three months from the date of becoming core investment company.**

33 **The financial statements are approved for issue by the Company's Board of Directors on 06.06.2022.**

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Capital India Corp Private Limited

Capital India Corp Private Limited
CIN: U65990DL2022PTC395053
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

Capital India Corp Private Limited ('the Company') is Investment Company having its registered office at 2nd Floor, DLF Centre, Sansad Marg, New Delhi-110001, and was incorporated on 14th March 2022 as a Private limited Company under the Companies Act, 2013 ('the Act') upon conversion of LLP namely Capital India Corp LLP.

The main objective of the is to carry on the business of an Investment Company and to buy, underwrite, sub-underwrite, to invest in with or without interest or security and to engage in the business of financing and to provide venture capital, seed capital, loan capital or to give guarantees on behalf of the Company as permitted under the applicable laws.

2 Basis of preparation

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost convention and on accrual basis, modified to include Fair valuation of certain financial instruments, to the extent required or permitted in Ind AS as set out in relavant accounting policies.

2.3 Functional and presentation currency

Indian rupee is the functional and presentation currency.

2.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of Property, plant and equipment
- Valuation of financial instruments
- Provisions and contingencies
- Income tax and deferred tax

3 Significant accounting policies

3.1 Revenue Recognition

3.1.1 Revenue from operations

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Company's revenues arise from Dividend Income and Royalty Income.

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend, provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

The royalty income earned by the Company is classified as revenue on the Company's Financial statements of operations in accordance with the Ind-AS 115, Revenue from contracts with customers.

3.1.2 Other revenue

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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3.2 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment is calculated on written down value method basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013.

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.3 Intangible assets

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Intangible assets are amortized over a period of six years on straight line basis as per the useful life prescribed under Schedule II to the Companies Act, 2013. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use.

Intangible assets with an indefinite useful life are not amortised. Such intangible assets are tested for impairment.

The residual value, useful live and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4 Financial Instruments

3.4.1 Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

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Capital India Corp Private Limited

3.4.2 Subsequent measurement

Non-derivative financial instruments

i Financial assets carried at amortized cost
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

iv Financial liabilities
Financial liabilities are subsequently carried at amortized cost using the effective interest method.

v Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are carried at cost in the separate financial statements.

b Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

3.4.3 Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

3.4.4 Off-setting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.5 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.6 Income tax

Income tax expense comprises current tax and deferred tax.

3.6.1 Current Tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.6.2 Deferred Tax

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.7 Impairment

3.7.1 Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

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3.7.2 Non-financial assets

Tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are 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 asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

3.9 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the year they occur.

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.10 Employee Benefits

Short term employee benefits for salary and wages including accumulated leave that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

The company measures the expected cost of absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave is expected to be carried forward beyond 12 months from the reporting date.

3.11 Provisions

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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3.12 Contingent Liability

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

3.13 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only be occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

3.14 Foreign Currency

a Initial recognition
Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

b Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c Exchange difference
All exchange differences are recognized as income or as expenses in the year in which they arise.

3.15 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.Bank overdraft is shown within cash and cash equivalents.

3.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

3.17 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on weighted average basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.18 Segment Reporting

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the Managing Director.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

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3.19 Cash Flow Statement

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.20 Events after reporting date

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

3.22 Recent accounting pronouncements issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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