



# NETRIPPLES SOFTWARE LIMITED



**FINANCIAL STATEMENTS**  
**FINANCIAL YEAR 2021-22**

[www.netripples.com](http://www.netripples.com)

**NETRIPPLES SOFTWARE LIMITED**

1.0 BALANCE SHEET As on 31 March 2022

**netripples**

Particulars	Note No.	As on 31 March 2022	As on 31 March 2021
		Rs.	Rs.
<b>A EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	5.0	6,81,69,000	6,81,69,000
(b) Reserves and surplus	6.0	3,05,02,459	3,04,83,335
(c) Money received against share warrants			
		9,86,71,459	9,86,52,335
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings			
(b) Deferred tax liabilities (net)	21.0	23,61,065	23,61,065
(c) Other long-term liabilities			
(d) Long-term provisions			
		23,61,065	23,61,065
4 Current liabilities			
(a) Short-term borrowings			-
(b) Trade payables	7.0	5,95,600	5,73,651
(c) Other current liabilities			-
(d) Short-term provisions	8.0	20,155	23,712
<b>TOTAL</b>		10,16,48,280	10,16,10,763
<b>B ASSETS</b>			
1 Non-current assets			
(a) Property, Plant & Equipments			
(i) Tangible assets	9	41,61,816	54,48,809
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances			-
(e) Other non-current assets			-
			-
2 Current assets			
(a) Current investments			
(b) Inventories	11.0	9,35,64,871	9,12,85,470
(c) Trade receivables	12.0	30,36,833	41,23,665
(d) Cash and cash equivalents	13.0	93,704	43,542
(e) Short-term loans and advances		-	-
(f) Other current assets	14.0	7,91,055	7,09,277
<b>TOTAL</b>		9,74,86,463	9,61,61,954
<b>TOTAL</b>		10,16,48,279	10,16,10,763
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For BGS &amp; Associates

Chartered Accountants.

FRN- 0013021S

sd.-

B.Govardhana Setty

Proprietor

M No. : 224317

PLACE : Hyderabad

DATE : 01.09.2022

For and on behalf of the Board of Directors

Netripples Software Limited

sd/-

Mazhar Pasha

Managing Director

DIN: 00719970

sd/-

Sameer Sohrab

Director

DIN: 02423411

CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES			
2.0 Cash Flow Statement for the year ended As on 31 March 2022		<b>netripples</b>	
		For the Year ended 31 March 2022	For the Year ended 31 March 2021
		Rs	Rs.
A. Cash flow from operating activities			
Net Profit / (Loss) before extraordinary items and tax		39,280	1,13,406
<i>Adjustments for:</i>			
Depreciation and amortization		8,28,859	9,27,683
Provision for impairment of fixed assets and intangibles			
Other R & T and Legal Expenses		38,900	39,700
(Profit) / loss on sale / write off of assets			
Expense on employee stock option scheme			
Finance costs		-	-
Operating profit / (loss) before working capital changes		9,07,038	10,80,789
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories		9,35,64,871	9,12,85,470
Trade receivables		30,36,833	41,23,665
Short-term loans and advances			
Long-term loans and advances		-	-
Other current assets		-	-
Other non-current assets			
<i>Adjustments for increase / (decrease) in operating liabilities:</i>			
Trade payables		5,95,600	5,73,651
Other current liabilities		-	-
Other long-term liabilities			
Short-term provisions		20,155	23,712
Long-term provisions			
Cash flow from extraordinary items			
Cash generated from operations		9,68,92,987	9,58,92,561
Net income tax (paid) / refunds			
Net cash flow from / (used in) operating activities (A)		9,68,92,987	9,58,92,561

**NETRIPPLES SOFTWARE LIMITED**


3.0 PROFIT AND LOSS ACCOUNT (WITHOUT EBITDA) As on 31 March 2022

(Statement of Profit and Loss without stating EBITDA)

Particulars		Note No.	For the Year ended 31 March 2022	For the Year ended 31 March 2021
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)			
	Exports	15.0	9,28,74,525	10,91,11,485
	Indigenous		-	-
	Less: Excise duty		-	-
	Revenue from operations (net)		-	-
2	Other income			
3	Total revenue (1+2)		9,28,74,525	10,91,11,485
4	Expenses			
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16.0	-22,79,402	-21,76,012
	(d) Employee benefits expense	17.0	18,50,835	21,77,448
	(e) Finance costs		-	-
	(f) Depreciation and amortisation expense	10.0	8,28,859	9,27,683
	(g) Other expenses	18.0	9,24,34,954	10,80,68,960
	Total expenses		9,28,35,245	10,89,98,079
5	Profit / (Loss) before product Upgrade /Exceptional items and tax (3 - 4)		39,280	1,13,406
6	Product Compatibility Upgrades /Exceptional items (To be computed)			
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		39,280	1,13,406
8	Extraordinary items ( under evaluation)			
9	Profit / (Loss) before tax (7 ± 8)		39,280	1,13,406
10	Tax expense:			
	(a) Current tax expense for current year	8.0	20,155	23,712
	(b) (Less): MAT credit (where applicable)			
	(c) Current tax expense relating to prior years			
	(d) Net current tax expense		20,155	23,712
	(e) Deferred tax			
11	Profit / (Loss) from continuing operations (9 ± 10)		19,124	89,694
B	DISCONTINUING OPERATIONS			
13	Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)			
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 ± 13)		19,124	89,694

In terms of our report attached.

**FOR BGS & ASSOCIATES**

Chartered Accountants.

Firm Regn. No. 0013021S

sd/-

**B.GOVARDHAN SETTY**

Proprietor

Membership No. : 224317

PLACE : Hyderabad

DATE : 01.09.2022

For and on behalf of the Board of Directors

Netripples Software Limited

sd/-

Mazhar Pasha

Managing Director

sd/-

Sameer Sohrab

Director

NETRIPPLES SOFTWARE LIMITED  
4.0 PROFIT AND LOSS ACCOUNT (WITH EBITDA) As on 31 March 2022



(Statement of Profit and Loss stating EBITDA)

Particulars		Note No.	For the Year ended 31 March 2022	For the Year ended 31 March 2021
A	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (gross)	15.0	9,28,74,525	10,91,11,485
	Domestic Income		-	-
	Revenue from operations (net)		-	-
2	Expenses			
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16.0	-22,79,402	-21,76,012
	(d) Employee benefits expense	17.0	18,50,835	21,77,448
	(e) Other expenses		9,24,34,954	10,80,68,960
	Total		9,20,06,387	10,80,70,396
3	Earnings before exceptional items, extraordinary		39,280	1,13,406
4	Finance costs		-	-
5	Depreciation and amortization expense	10.0	8,28,859	9,27,683
6	Other income			
7	Profit / (Loss) before exceptional and		39,280	1,13,406
8	Exceptional items			
9	Profit / (Loss) before extraordinary items and tax		39,280	1,13,406
10	Extraordinary items			
11	Profit / (Loss) before tax (9 ± 10)		39,280	1,13,406
12	Tax expense:			
	(a) Current tax expense for current year	8.0	20,155	23,712
	(b) (Less): MAT credit (where applicable)			
	(c) Current tax expense relating to prior years			
	(d) Net current tax expense		20,155	23,712
	(e) Deferred tax			
			20,155	23,712
	13 Profit / (Loss) from continuing operations (11 ±		19,124	89,694
B	<b>DISCONTINUING OPERATIONS</b>			
GN 9.9.2	14.i Profit / (Loss) from discontinuing operations			
GN 9.9.3	14.ii Gain / (Loss) on disposal of assets / settlement			
GN 9.10	14.iii Add / (Less): Tax expense of discontinuing operations		-	-
AS 24.32(a)	(a) on ordinary activities attributable to the discontinuing operations		-	-
AS 24.23(a)	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
GN 6.5	15 Profit / (Loss) from discontinuing operations (14.i ± 14.ii ± 14.iii)			
GN 6.6				
GN 9.9				
C	<b>TOTAL OPERATIONS</b>		19,124	89,694
16	Profit / (Loss) for the year (13 ± 15)		19,124	89,694

In terms of our report attached.  
FOR BGS & ASSOCIATES  
Chartered Accountants.

sd/-  
Proprietor  
Membership No. : 224317  
PLACE : Hyderabad  
DATE : 01.09.2022

For and on behalf of the Board of Directors  
Netripples Software Limited

sd/-  
Mazhar Pasha  
Managing Director  
DIN: 00719970

sd/-  
Sameer Sohrab  
Director  
DIN: 02423411

**NETRIPPLES SOFTWARE LIMITED**

Notes forming part of the financial statements Financial Year As on 31 March 2021

**netripples**

## 5.0 Share capital

Particulars	As on 31 March 2022		As on 31 March 2021	
	No of Shares	Amount	No of Shares	Amount
(a) Authorised Equity shares of Rs.10 each with voting rights	78,60,000	7,86,00,000	78,60,000	7,86,00,000
(b) Issued # Equity shares of Rs.10 each with voting rights	68,16,900	6,81,69,000	68,16,900	6,81,69,000
Equity shares of ` 10/- each with differential voting rights	-	-	-	-
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	68,16,900	6,81,69,000	68,16,900	6,81,69,000
Total	6,81,69,000	6,81,69,000	68,16,900	6,81,69,000

**NETRIPPLES SOFTWARE LIMITEE** **netripples**

Notes forming part of the financial statements Financial Year As on 31 March 2022

6.0 Reserves and surplus

Closing balance	For the year ended	For the year ended 31 March 2021
(g) General reserve		
Opening balance	3,04,83,335	3,03,93,641
Add: Transferred from surplus in Statement of Profit	19,124	89,694
Less: Utilized / transferred during the year for:		
Issuing bonus shares		
Others (give details)		
Closing balance	3,05,02,459	3,04,83,335

**NETRIPPLES SOFTWARE LIMITED****netripples**

Notes forming part of the financial statements Financial Years on 31 March 2021

## 7.0 Trade payables \*

Particulars	As at 31 March 2022	As at 31 March 2022
Trade payables: Acceptances	5,95,600	5,73,651
Other than Acceptances		
Total	5,95,600	5,73,651

\* Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business.



NETRIPPLES SOFTWARE LIMITED

Notes forming part of the financial statements  
Financial Year As on 31 March 2022

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8.0 Short-term provisions

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(b) Provision - Others:		
(i) Provision for tax - Current Year	20,155	23,712
(ii) Provisions for taxes up to last year		
Total	20,155	23,712

NETRIPPLES SOFTWARE LIMITED										netripples	
Notes forming part of the financial statements As on 31 March 2022											
9.0 Property, Plant and Equipment											
On WDV Basis Description of the asset	Rate	Gross Carrying Amount				Depreciation Block				Net Carrying Amount	
		As on 01.04.21	Additions during the year	Disposals during the year	As on 31.03.2022	As on 01.04.21	For the year	Eliminated on Disposal	As on 31.03.2022	As on 31.03.2022	As on 31.03.21
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PLANT & MACHINERY	31.23%	1,76,24,183	-	9,86,866	1,66,37,317	1,59,59,507	2,11,680	5,28,732	1,56,42,455	9,94,862	16,64,676
Furniture & Fixtures	25.89%	64,86,797	-	1,02,000	63,84,797	57,58,437	1,62,164	1,02,000	58,18,602	5,66,195	7,28,360
Electrical Installations	25.89%	54,81,156	-	4,34,500	50,46,656	48,63,358	47,456	4,34,500	44,76,314	5,70,342	6,17,798
Vehicles	31.23%	22,59,860	-	-	22,59,860	13,84,847	2,73,267	-	16,58,114	6,01,746	8,75,013
Office Equipments	45.07%	69,48,985	-	12,65,000	56,83,985	53,86,023	1,34,292	12,65,000	42,55,315	14,28,671	15,62,962
<b>TOTAL</b>		<b>3,88,00,982</b>	<b>-</b>	<b>27,88,366</b>	<b>3,60,12,616</b>	<b>3,33,52,173</b>	<b>8,28,859</b>	<b>23,30,232</b>	<b>3,18,50,800</b>	<b>41,61,816</b>	<b>54,48,809</b>

**NETRIPPLES SOFTWARE LIMITED**

Notes forming part of the financial statements Financial Year As on 31 March 2022



**10.0 Depreciation**

C. Depreciation and amortization relating to continuing operations:			
Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation and amortization for the year on tangible assets as per Note		8,28,858.54	9,27,683
Depreciation and amortization for the year on intangible assets as per Note			
Less: Utilized from revaluation reserve			
Depreciation and amortization relating to discontinuing operations			
Depreciation and amortization relating to continuing operations		8,28,858.54	9,27,683
Notes:			
(I) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:			

	NETRIPPLES SOFTWARE LIMITED <b>netripples</b>		
	Notes forming part of the financial statements Financial Year As on 31 March 2022		
	11.0 Inventories		
	(At lower of cost and net realizable value)		
	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	(b) Work-in-progress @ (Refer Note below) Goods-in-transit	1,76,23,475	2,02,27,863
		1,76,23,475	2,02,27,863
	(c) Finished goods (other than those	7,59,41,396	7,10,57,607
		7,59,41,396	7,10,57,607
	Total	9,35,64,871	9,12,85,470

NETRIPPLES SOFTWARE LIMITED

**netripples**

Notes forming part of the financial statements Financial Year As on 31 March 2022

## 12.0 Trade receivables

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Other Trade receivables			
Secured, considered good	30,36,833	41,23,665	59,12,685
Doubtful			
Less: Provision for doubtful trade			
Total	30,36,833	41,23,665	59,12,685


## NETRIPPLES SOFTWARE LIMITED

**netripples**

Notes forming part of the financial statements Financial Year As on 31 March 2022

## 13.0 Cash and cash equivalents

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Cash on hand	5,600	20,500	35,450
(b) Cheques, drafts on hand			
(c) Balances with banks			
(i) In current accounts	88,104	23,042	30,022
(ii) In EEFC accounts			
(iii) In deposit accounts (Refer Note (i) below)			
(d) Others (specify nature)			
<b>Total</b>	93,704	43,542	65,472
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is			

NETRIPPLES SOFTWARE LIMITED 			
Notes forming part of the financial statements Financial Years on 31 March 2022			
14.0 Other Current Assets *			
16.00	Particulars	As at 31 March 2022	As at 31 March 2021
16.1	GST refund claim for FY 2017-18	13,931	13,931
16.2	GST refund claim for FY 2018-19	5,66,720	5,66,720
16.3	GST credits as on 31 March 2019	31,788	31,788
16.4	GST credits as on 31 March 2020	96,838	96,838
16.5	GST credits as on 31 March 2021	2,01,501	
16.4	GST credits as on 31 March 2022	2,24,335	
16.4	Total	7,91,055	7,09,277
<p>*Current Assets are dues in respect of receivables from Statutory Organizations like GST Income Tax, other Govt Agencies or Private agencies where an amount as on 31st March of that financial year is accumulated and shown here.</p>			

## NETRIPPLES SOFTWARE LIMITED

**netripples**

Notes forming part of the financial statements Financial Years on 31 March 2022

## 15.0 Revenue from operations

	Particulars	As on 31 March, 2022	As on 31 March, 2021
(a)	Sale of products @ (Refer Note (I) below)		
	Exports	9,28,74,525	10,91,11,485
	Domestic Sales		
(b)	Sale of services @ (Refer Note (ii) below)		
(c)	Other operating revenues # (Refer Note (iii) below)		
		9,28,74,525	10,91,11,485
(d)	<u>Less:</u> duties		
	Total	9,28,74,525	10,91,11,485



	NETRIPPLES SOFTWARE LIMITED		netripples
	Notes forming part of the financial statements Financial Year As on 31 March 2022		
	16.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade @		
Ref. No.	Particulars	As on 31 March, 2022	As on 31 March, 2021
	<u>Inventories at the end of the year:</u>		
	Finished goods	7,59,41,396	7,10,57,607
	Work-in-progress	1,76,23,475	2,02,27,863
	Stock-in-trade		
		9,35,64,871	9,12,85,470
	<u>Inventories at the beginning of the year:</u>		
	Finished goods	7,10,57,607	6,89,87,968
	Work-in-progress	2,02,27,863	1,97,34,500
		9,12,85,470	8,87,22,468
	Add Stock-in-trade/Milestone Under Acceptance		-386990
	Net (increase) / decrease	(22,79,402)	(21,76,012)

	<b>netripples</b>		
	<b>NETRIPPLES SOFTWARE LIMITED</b> Notes forming part of the financial statements Financial Year As on 31 March 2022  17.0 Employee benefits expense		
	Particulars	As on 31 March 2022	As on 31 March 2021
	Salaries and wages #		
	Contributions to provident and other funds (Refer Note 30.4) @	17,93,645	21,10,170
	Staff welfare expenses **	57,190.00	67,278
	Total	18,50,835	21,77,448

**18.0 OTHER EXPENSES****netripples**


Notes forming part of the financial statements Financial Year As on 31 March 2022

## 18.0 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Travelling and conveyance *	2,49,405	2,54,495
Communication *	48,560	49,555
Computer Peripherals and Consumables	1,31,159	1,21,063
Insurance A/c	31,600	32,231
Rates and Taxes	3,98,900	4,07,041
Onsite Project Infrastructure Services	2,02,80,000	2,49,95,903
Printing & Stationary and Books	80,900	72,465
Power and Fuel	62,782	1,70,187
Onsite Project Operating Software Tools and SW Services	1,99,52,900	2,44,41,704
Business Promotions	4,82,453	1,90,524
Repairs and maintenance - Others *	98,967	46,027
Office Maintenance	52,387	74,143
General Expenses	2,42,571	2,60,233
Onsite Project Miscellaneous Expenses	1,69,85,100	1,73,31,712
Directors Sitting Fee	20,000	13,496
Onsite Third party SW Integration & Config Services	1,74,28,748	2,39,06,946
R & T ,Legal and Professional Charges	38,900	39,700
Subscriptions & Seminars Membership Fees	5,36,972	37,912
Vehicle Maintenance	63,750	65,033
Onsite Medical Equipment & Device Integration Expenses	1,51,73,900	1,54,83,590
Auditors Remuneration	75,000	75,000
Total	9,24,34,954	10,80,68,960

NETRIPPLES SOFTWARE LIMITED						<b>netripples</b>			
19.0 Revenue Segment Information as on 31.03.2022									
Ref. No.	Note	For the year ended 31 March 2022				Particulars			
		Particulars	Single Segment	Eliminations	Total	Segment information			
			Application Software and Services			There is Single Segment of Application Software and Services			
						For the year ended 31 March 2021			
						Particulars	Single Segment	Eliminations	Total
							Application Software and Services		
		Revenue	9,28,74,525	-	9,28,74,525	Revenue	10,91,11,485	-	10,91,11,485

Note	Particulars	For the year ended on 31 March 2022	For the year ended on 31 March 2021	For the year ended on 31 March 2020
	Earnings per share			
	<u>Basic</u>			
	<u>Continuing operations</u>			
	Net profit / (loss) for the year from continuing operations	19,124	89,694	98,499
	Less: Preference dividend and tax thereon			
	Net profit / (loss) for the year from continuing operations attributable to	19,124	89,694	98,499
	Weighted average number of equity shares	68,16,900	68,16,900	68,16,900
	Par value per share	10	10	10
	Earnings per share from continuing operations - Basic	0.0028	0.0132	0.0144
	<u>Total operations</u>			
	Net profit / (loss) for the year	19,124	89,694	98,499
	Less: Preference dividend and tax thereon			
	Net profit / (loss) for the year attributable to the equity shareholders	19,124	89,694	98,499
	Weighted average number of equity shares	68,16,900	68,16,900	68,16,900
	Par value per share	10	10	10
	Earnings per share - Basic	0.0028	0.0132	0.0144
	<u>Continuing operations</u>	0	0	0
	Net profit / (loss) for the year from continuing operations	19,124	89,694	98,499
	Net profit / (loss) for the year from continuing operations attributable to	19,124	89,694	98,499
	Weighted average number of equity shares	68,16,900	68,16,900	68,16,900
	Par value per share	10	10	10
	Earnings per share from continuing operations, excluding extraordinary	0.0028	0.0132	0.0144
	<u>Total operations</u>			
	Net profit / (loss) for the year	19,124	89,694	98,499
	Net profit / (loss) for the year attributable to the equity shareholders,	19,124	89,694	98,499
	Weighted average number of equity shares	68,16,900	68,16,900	68,16,900
	Par value per share	10	10	10
	Earnings per share, excluding extraordinary items - Basic	0.0028	0.0132	0.0144

NETRIPPLES SOFTWARE LIMITED				
Notes forming part of the financial statements Financial Year 2021-22				
GN 6.13		21.0 Deferred Tax Liabilities		
Ref. No.	Note	Particulars	As at 31 March 2022	As at 31 March 2021
		Deferred tax (liability) / asset		
		<u>Tax effect of items constituting deferred tax liability</u>		
		On difference between book balance and tax balance of	-	
		On expenditure deferred in the books but allowable for tax	23,61,065	23,61,065
		On items included in Reserves and surplus pending		
		Others		
		Tax effect of items constituting deferred tax liability	23,61,065	23,61,065
		Net deferred tax (liability) / asset	23,61,065	23,61,065
		The Company has recognized deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.		
		The net deferred tax liability / asset should always be classified as non-current and disclosed on the face of the Balance Sheet.		



## INDEPENDENT AUDITORS' REPORT

To the Members of NETRIPPLELS SOFTWARE LIMITED  
Report on the Financial Statements

We have audited the accompanying standalone financial statements NETRIPPLELS SOFTWARE LIMITED as at March 31, 2022, the Statement of profit and loss for the year ended, the Statement of changes in the equity, the statement of changes in the cash flows and a summary of the significant accounting policies and other explanatory information.

### **Opinion:**

We conducted our audit of the Financial Statements in accordance with the 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 Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the Board report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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. We have nothing to report in this regard.



**Management's responsibility for 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 standalone financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 the financial statements that give, true and fair view and are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibility:**

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

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

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

- b. 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
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 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.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on other legal and regulatory requirements:**

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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

OR

The provisions of 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 Companies Act, 2013 is not applicable to the Company since

- (a) It is not a subsidiary or holding company of a public company;
- (b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;
- (c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
- (d) Its turnover for the year is not more than Rs.10 Crores during the year.

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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.]
- (c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.]
- (d) The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].

- (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors 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.
- (g) Since the Company's turnover as per last audited Financial Statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

OR

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 A".

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. i The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company

to or in any other person(s) or entity(ies), including foreign entities (“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 whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii The management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“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;
  - iii Based on such audit procedures which we have 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) contain any material mis-statement.
- e. The company has not declared or paid any dividend during the year is in accordance with section 123 of the Companies Act 2013”, Hence clause not applicable.

For BGS & ASSOCIATES,  
Chartered Accountants.  
FRN-0013021S

Sd/-  
B. Govardhana Setty  
Proprietor  
Membership No :224317

Place: Hyderabad  
Date: 01.09.2022.

## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

- 1)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of immovable properties are held in the name of the company.
- 2)
  - (a) The management has conducted the physical verification of inventory at reasonable intervals.
  - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.