

# SCAJ & CO.

CHARTERED ACCOUNTANTS

39/101A, Bhagwati Building, Community Centre, Wazirpur, Delhi- 110052 e-mail: scjainvat@rediffmail.com

## INDEPENDENT AUDITORS' REPORT

Ref. No. .... TO  
THE MEMBERS OF  
JAINIK ENTERPRISES PRIVATE LIMITED

Dated .....

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Jainik Enterprises Private Limited which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year, ended on 31<sup>st</sup> March, 2023 and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31<sup>st</sup> March 2023, and profit, its cash flow for the year ended on that date.

#### Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirement that are relevant to our audit of the Financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our *Opinion* on the financial statements:

#### 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 Annual 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 during the course of our 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

## **Responsibility of Management for the Financial Statements and those charged with Governance 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 financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India 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 the financial statements that give a true 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.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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.

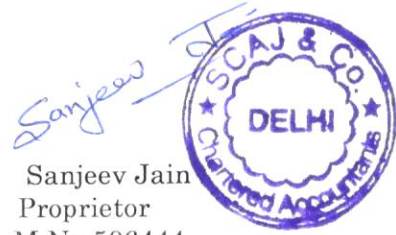
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit on the financial statements subject to non-obtaining the information stated in the **basis for qualified opinion paragraph**.

### **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 in terms of Section 143(11) of the Act, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that :
  - a) *The Company has not provided the information and explanations, as mentioned in paragraph no. 5 hereinabove under the heading "**Basis for Qualified Opinion**", which to the best of our knowledge and belief were necessary for the purposes of our audit.*
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) Provisions of section 164 of the Companies Act, 2013 are not applicable to the Government Company in terms of GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India.
  - 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- B**".
  - g) Based upon the audit procedures performed and the information and explanations given by the management, we report that as per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Government Companies.
  - h) With respect to other matters to be included in Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors) 2014, as amended in our opinion and to best of our information and explanations given to us:
    - i. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S C A J & Co.  
Chartered Accountants  
FRN :021356N



Place: New Delhi  
Date: 07-09-2022  
UDIN- 22506444AVXDCT1819

Sanjeev Jain  
Proprietor  
M.No-506444

### Annexure- A to the Auditors' Report

- i. The Annexure referred to in independent Auditors' Report to the members of the company on the financial statements for the year ended 31 March 2022, we report that:

Clause	Description of Clause	Auditor's Remarks												
(i)	<p>(a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;                      (B) whether the company is maintaining proper records showing full particulars of intangible assets;</p>	Yes												
	<p>(b) whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account</p>	Yes												
	<p>(c) whether the title deeds of all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. If not, provide the details thereof in the format below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Description of Property</th> <th style="text-align: center;">Gross Carrying value</th> <th style="text-align: center;">Held in name of</th> <th style="text-align: center;">Whether Promoter Director or their relative or employee</th> <th style="text-align: center;">Period held indicate range where appropriate</th> <th style="text-align: center;">Reason for not being held in name of company</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">NA</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Description of Property	Gross Carrying value	Held in name of	Whether Promoter Director or their relative or employee	Period held indicate range where appropriate	Reason for not being held in name of company	NA						Yes
Description of Property	Gross Carrying value	Held in name of	Whether Promoter Director or their relative or employee	Period held indicate range where appropriate	Reason for not being held in name of company									
NA														
	<p>d) Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;</p>	No												
	<p>(e) Whether any proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made</p>	No												

	thereunder; if so, whether the Company has appropriately disclosed the details in its financial statements;	
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;	Yes
	(b) whether during any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. If not, give details.	No
(iii)	whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. If so, (a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate- (A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates. (B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.	No
	(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;	
	(c) in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	
	(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	
	(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties; If so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year. [Not applicable to companies whose principal business is to give loans];	
	(f) whether the Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any	

	terms or period of repayment; if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013	
(iv)	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Yes
(v)	in respect of deposits accepted by the Company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	N.A.
(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained	N.A.
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes
	(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	N.A.
(viii)	whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961; if so, whether the previously unrecorded income has been properly recorded in the books of account during the year?	N.A.
(ix)	(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender? If yes, the period and the amount of default to be reported as per the format below:	No
	(b) Whether the company is a declared wilful defaulter by any bank or financial institution or other lender?	No



	(c) Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported	Yes
	(d) whether funds raised on short term basis have been utilised for long term purposes? If yes, the nature and amount to be indicated	N.A.
	(e) whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures? If so, details thereof with nature of such transactions and the amount in each case	N.A.
	(f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies? If so, give details thereof and also report if the company has defaulted in repayment of such loans raised.	N.A.
(x)	(a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	N.A.
	(b) whether the Company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. If not, provide details in respect of amount involved and nature of non-compliance	N.A.
(xi)	(a) whether any fraud by the company or any fraud on the Company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	N.A.
	(b) whether any report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government?	N.A.
	(c) Whether the auditor has considered whistle-blower complaints, if any, received during the year by the Company?	N.A.
(xii)	(a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability	N.A.
	(b) whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	N.A.
	(c). whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof	N.A.
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the	Yes

	details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	
(xiv)	(a) whether the company has an internal audit system commensurate with the size and nature of its business? (b) Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor?	N.A.
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;	No
(xvi)	(a) whether the company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	N.A.
	(b) whether the Company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934	N.A.
	(c) whether the Company is a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India? If so, whether it continues to fulfil the criteria of a CIC and In case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria	N.A.
	(d) Whether the Group has more than one CIC as part of the Group, If yes, indicate the number of CICs which are part of the Group.	N.A.
(xvii)	whether the Company has incurred cash losses in the Financial Year and in the immediately preceding Financial year? If so, state the amount of cash losses	No
(xviii)	whether there has been any resignation of the statutory auditors during the year? If so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors?	No
(xix)	on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that 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.	Yes
(xx)	(a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.	N.A.
(xxi)	whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements? If yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications	N.A.

	or adverse remarks	
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For S C A J & Co.  
Chartered Accountants  
FRN :021356N



Pfce: New Delhi  
Date: 07-09-2022  
UDIN- 22506444AVXDCT1819

Sanjeev Jain  
Proprietor  
M.No-506444

## ANNEXURE-B to the 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")

We have audited the internal financial controls over financial reporting of Jainik Enterprises 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 Control

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 Control 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 Companies Act, 2013.

#### Auditor's 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 companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Opinion

According to the information and explanations given to us and based on our audit, No material weakness have been identified as at March 31, 2022

*A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.*

*In our opinion, no material weaknesses have been identified in effective internal financial controls over financial reporting as of March 31, 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.*

*We have considered no material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 financial statements of the Company.*

For S C A J & Co.  
Chartered Accountants  
FRN :021356N



Sanjeev Jain  
Proprietor  
M.No-506444

Pfce: New Delhi  
Date: 07-09-2022  
UDIN- 22506444AVXDCT1819