CREDENCE FAMILY OFFICE PRIVATE LIMITED

Financial Year 2020-2021
Assessment Year 2021-2022

Financial Statements and Income Tax Return for the year ending March 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of **Credence Family Office Private Limited**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Credence Family Office Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its **Profit** for the year and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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 including Annexures to Board's Report, Business Responsibility 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 (which is the responsibility of the board of Directors) and We do not express any form of assurance conclusion thereon.

Responsibilities of Management 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, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that :
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet and the Statement of Profit and Loss 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, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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, we are of the opinion that the said clause relating to internal financial control over financial reporting is not applicable to company; and

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

   i. there are no pending litigations against the Company;

   ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   iii. there is no requirement on the part of the Company to transfer any amount to the Investor Education and Protection Fund;

For, **Piyush Chhajer & Co**

Chartered Accountants

FRN – 012814S

PIYUSH CHHAJER GOUTHAMCHAND

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Piyush Chhajer

Proprietor

Membership No: 224794

Place: Bangalore

Date : November 02, 2021

Annexure A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(i)

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

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on a regular basis. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company doesn't hold any immovable properties in its name.

(ii) Since, the company is a service company, the reporting clause relating to inventory is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3 (iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans or made investments and accordingly the provisions of Section 185 and 186 of the Act are not applicable to the Company.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause (vi) of the order are not applicable to the Company.

(vii)

a. According to the information and explanations given to us and on the basis of our examination, the company is regular in depositing undisputed statutory dues including, duty of customs, Goods and Service Tax, Provident Fund, Tax Deducted at Source, cess and any other statutory dues to the appropriate authorities, except in case of Provident Fund, where there has been instances of delay. There are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and on the basis of our examination, no outstanding dues of income tax or Goods and Service tax, sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on account of any dispute with appropriate authorities.

(viii) The company has availed borrowed money from issue of Optionally Convertible Debentures during the year. The terms and conditions are not prejudicial to the interest of the company.

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable to the company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The provisions of Section 197 read with Schedule V of the Act are not applicable to the company and accordingly paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For, **Piyush Chhajer & Co**
Chartered Accountants
FRN – 012814S

PIYUSH CHHAJER GOUTHAMCHAND

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Piyush Chhajer
Proprietor
Membership No: 224794
Place: Bangalore
Date: November 02, 2021

CREDENCE FAMILY OFFICE PRIVATE LIMITED

BALANCE SHEET AS AT

(Amount in INR)

	Note No.	March 31, 2021	March 31, 2020
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	6,00,000	6,00,000
Reserves and Surplus	4	3,89,54,072	3,65,51,270
Non-Current Liabilities			
Long Term Borrowings	5	1,50,00,000	-
Current Liabilities			
Trade Payable Dues to:	6		
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		38,39,915	2,12,03,715
Other Current Liabilities	7	2,23,02,626	53,55,578
TOTAL		**8,06,96,613**	**6,37,10,563**
ASSETS			
Non-Current Assets			
Property Plant and Equipment			
Tangible Assets	8A	13,12,614	23,58,237
Intangible Assets	8B	1,20,00,000	1,50,00,000
Long Term Loans and Advances	9	99,09,561	84,83,138
Non-Current Investments	10	73,81,168	3,15,299
Deferred Tax Asset	11	2,10,745	-
Current Assets			
Trade Receivables	12	4,40,82,847	1,12,36,053
Cash and Cash Equivalents	13	5,22,883	1,54,04,037
Other Current Assets	14	52,76,795	1,09,13,799
TOTAL		**8,06,96,613**	**6,37,10,563**
Significant accounting policies & Notes on Financial Statement	1 to 32		

As per our report of even date
for **Piyush Chhajer & Co**
Chartered Accountants
FRN – 012814S

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Piyush Chhajer
Proprietor
Membership No: 224794
Place: Bangalore
Date : November 02, 2021

For and on behalf of the Board of Directors
Credence Family Office Private Limited

Mitesh Dinesh Shah
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Date: 2021.11.02 16:34:54 +05'30'

CHANDAN KUMAR
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Mitesh Dinesh Shah
Director
DIN-05007468

Chandan Kumar
Additional Director
DIN-06587151

Place : Bangalore
Date : November 02, 2021

CREDENCE FAMILY OFFICE PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

(Amount in INR)

	Note No.	March 31, 2021	March 31, 2020
INCOME:			
Revenue from Operations	15	13,46,17,447	2,57,68,661
Other Income	16	8,01,675	1,32,638
Total Revenue		**13,54,19,122**	**2,59,01,299**
EXPENDITURE:			
Employee Benefit Expenses	17	8,71,33,252	2,54,28,882
Finance Cost	18	11,10,694	-
Other Expenses	19	4,02,07,873	45,79,193
Depreciation and Amortization	8	44,39,801	10,26,273
Total Expenses		**13,28,91,620**	**3,10,34,348**
Profit / (Loss) Before Tax		**25,27,502**	**(51,33,049)**
Tax Expense:			
Current Tax		3,35,445	-
Deferred tax		(2,10,745)	-
Profit /(Loss) For The Year		**24,02,802**	**(51,33,049)**
Weighted average number of equity shares used in computation of Basic & Diluted		60,000	60,000
Earnings per share (Equity Share par value INR 10/- each) Basic & Diluted:		40.05	(85.55)
Significant accounting policies & Notes on Financial Statement	1 to 32		

As per our report of even date
for **Piyush Chhajer & Co**
Chartered Accountants
FRN – 012814S

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Piyush Chhajer
Proprietor
Membership No: 224794
Place: Bangalore
Date : November 02, 2021

For and on behalf of the Board of Directors
Credence Family Office Private Limited

Mitesh Dinesh Shah Digitally signed by Mitesh Dinesh Shah Date: 2021.11.02 16:35:32 +05'30'

CHANDAN KUMAR Digitally signed by CHANDAN KUMAR Date: 2021.11.02 15:38:51 +05'30'

Mitesh Dinesh Shah
Director
DIN-05007468

Chandan Kumar
Additional Director
DIN-06587151

Place : Bangalore
Date : November 02, 2021

CREDENCE FAMILY OFFICE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD

Particulars	March 31, 2021	March 31, 2020
Cash Flow from Operating Activities		
Profit Before Tax from Continuing Operations	25,27,502	(51,33,049)
Adjusted for:		
Depreciation/ Amortization	44,39,801	10,26,273
Interest on Optionally Convertible Debentures	11,10,694	-
Operating Profit Before Working Capital Changes	**80,77,997**	**(41,06,776)**
Movements in Working Capital :		
Increase/ (Decrease) in Trade Payables	(1,73,63,800)	2,12,03,715
Increase/ (Decrease) in Other Current Liabilities	1,69,47,048	53,55,578
Decrease / (Increase) in Trade Receivable	(3,28,46,794)	(1,12,36,053)
Decrease / (Increase) in Long Term Loans and Advances	(14,26,423)	(84,83,138)
Decrease / (Increase) in Other Current Assets	56,37,004	(1,09,13,799)
Cash Generated from /(used in) Operations	(2,09,74,968)	(81,80,473)
Income Taxes Paid (Net of Refunds)	(3,35,445)	-
Net Cash Flow from/ (used in) Operating Activities (A)	**(2,13,10,413)**	**(81,80,473)**
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(3,94,178)	(1,83,84,510)
Decrease / (Increase) in Investments	(70,65,869)	(3,15,299)
Net Cash Flow from/ (used in) Investing Activities (B)	**(74,60,047)**	**(1,86,99,809)**
Cash Flows from Financing Activities		
Proceeds from Issue of Shares	-	6,00,000
Proceeds from Long Term Borrowings	1,50,00,000	-
Interest on Optionally Convertible Debentures	(11,10,694)	
Capital Reserves	-	4,16,84,319
Net Cash Flow from/ (used in) in Financing Activities (C)	**1,38,89,306**	**4,22,84,319**
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(1,48,81,154)	1,54,04,037
Cash and Cash Equivalent at the Beginning of the Year	1,54,04,037	-
Cash and Cash Equivalent at the End of the Year	**5,22,883**	**1,54,04,037**
Components of cash and bank balance, Refer Note - 13		
Cash on Hand	80,227	19,106
Bank Balance	4,42,656	1,53,84,931
Total Cash and Cash Equivalents	**5,22,883**	**1,54,04,037**

See accompanying notes forming part of financial statements 1 to 32

As per our report of even date
for, **Piyush Chhajer & Co**
Chartered Accountants
FRN – 012814S

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Piyush Chhajer
Proprietor
Membership No: 224794
Place: Bangalore
Date : November 02, 2021

For and on behalf of the Board of Directors
Credence Family Office Private Limited

Mitesh Dinesh Shah
Digitally signed by Mitesh Dinesh Shah
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Mitesh Dinesh Shah
Director
DIN-05007468
Place : Bangalore
Date : November 02, 2021

CHANDAN KUMAR
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Chandan Kumar
Additional Director
DIN-06587151

CREDENCE FAMILY OFFICE PRIVATE LIMITED

Notes to the accounts for the year ended March 31, 2021

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1. Nature of Operations

Credence Family Office Private Limited was incorporated on January 08, 2020. The activities of the Company is engaged in business of financial and Investment Consultants Services.

2. Statement of Significant Accounting Policies

a. **Basis of preparation of accounts**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Standards notified under the relevant provisions of Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis and the accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

b. **Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

c. **Property, Plant and Equipments**

d. Property, Plant and Equipments, except as stated below, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price less trade discounts and rebates, eligible borrowing costs and directly attributable cost of bringing the asset to its working condition for the intended use. Property, Plant and Equipments are stated at cost (net of CENVAT/Value Added Tax, rebates) less accumulated depreciation. All costs incurred till actual commencement of commercialisation are capitalised. Gains and losses on sale of fixed assets are recognized when the sale transaction is completed.

e. **Depreciation and Amortisation**

f. Depreciation on Property, Plant and Equipments is provided to the extent of depreciable amount on the Written down Value method. Depreciation is provided based on the useful life of assets as prescribed in schedule II to the Companies Act, 2013. Proportionate depreciation is charged for additions/deletions during the year.

Assets	**Rate of Depreciation**
Tangible Assets	
-Data Processing Equipment	3 Years
-Furniture and Fixtures	10 Years

- Motor Vehicles	8 Years
- Office Equipments	5 Years
-Goodwill	10 Years

Goodwill has been amortised over the useful life of 10 years. With regard to Goodwill being taken over from Credence Family Office LLP, the Goodwill is amortised only for the remaining period left in the newly constituted company.

g. **Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on the average pre-tax borrowing rate of the country where the assets are located, adjusted for risks specific to the asset. After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life. However, during the year the company has not recognised any impairment loss.

h. **Inventories**

The Company is a service company, primarily rendering information technology services.

i. **Revenue Recognition**

Revenue from Services is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Profit or Loss on Sale of Units/Bonds are recognised when the same are transferred to third party and the amount is realised. The Company has been following accrual method of accounting.

j. **Foreign Exchange Transactions**

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

Exchange differences arising on the settlement of monetary items or non monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

k. **Retirement Benefits**

Retirement benefits are not accounted since there are no eligible employees. Further, the actuarial valuation of such liability is not determined and hence the impact on profit and position of liability is not ascertained.

l. **Earnings per share**

The basic earnings per share is computed by dividing the net profit or loss after tax for the period attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

The company has issued optionally convertible debentures. However, the conversion ratio is subject to valuation report being done on or a date nearing to the date of conversion to be prepared by a registered valuer appointed by the Board of the Company. Since the valuation report is not available, the conversion ratio cannot be determined and hence the dilutive EPS has not been calculated.

m. **Taxes on income**

Current Tax:

Income taxes are calculated using the tax effect accounting method where taxes are accrued in the same period the related revenues and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

Deferred Tax:

The difference that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or liability is recorded for timing difference namely the differences that originate in one accounting period and get reversed in another based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets/liability are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

n. **Provisions and contingent liability**

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

o. **Investments**

Investments held by the company has been valued at cost.

p. **Segment Information**

As the Company's business activity primarily falls within a single line of business and hence no additional disclosures to be provided under Accounting Standard 17 – Segment Reporting, other than those already provided in the financial statements.

q. **Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

r. **Cash Flow Statement**

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

CREDENCE FAMILY OFFICE PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amounts in INR)

Note 3	**March 31, 2021**		**March 31, 2020**	
Share Capital	**Number Of Shares**	**INR**	**Number Of Shares**	**INR**
AUTHORISED				
Equity Shares of INR 10/- each, with voting rights	1,00,000	10,00,000	1,00,000	10,00,000
	1,00,000	**10,00,000**	**1,00,000**	**10,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID-UP				
Equity Shares of INR 10/- each, with voting rights	60,000	6,00,000	60,000	6,00,000
	60,000	**6,00,000**	**60,000**	**6,00,000**

Refer Notes (a) to (d) below

NOTES:

(a) Reconcilation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	**Opening Balance**	**Fresh issue**	**Buy back**	**Other**	**Closing Balance**
Equity shares with voting rights					
Year ended March 31, 2021					
- Number of shares	60,000	-	-	-	60,000
- Amount (INR 10/- Each)	6,00,000	-	-	-	6,00,000
Year ended March 31, 2020					
- Number of shares	-	60,000	-	-	60,000
- Amount (INR 10/- Each)	-	6,00,000	-	-	6,00,000

(b) Details of rights, preferences and restrictions attached to the shares issued:

The liability of the member is limited.

Right to dividend and bonus on paripassu basis.

In the event of winding up after the creditors are paid up, whatever is the remaining amount will be paid to equity share holders.

Right to receive notice of any general meeting and excersise the vote either by poll or on show-of hands.

Right to receive the annual report of the company every year.

(c) Details of shares held by the holding company, ultimate holding company , their subsidiaries & associates:

Particulars	**March 31, 2021**		**March 31, 2020**	
	Equity shares with voting rights	**Percentage of Holding**	**Equity shares with voting rights**	**Percentage of Holding**
Indusway Emerging Market Fund Series IIA	38,130	63.55%	38,130	63.55%

(d) Details of shares held by each share holder holding more than 5% Shares:

Name of Shareholder	**March 31, 2021**		**March 31, 2020**	
	No. of Shares held	**% of Holding**	**No. of Shares held**	**% of Holding**
Indusway Emerging Market Fund Series IIA	38,130	63.55%	38,130	63.55%
Mitesh Shah	15,870	26.45%	18,870	31.45%
Gaurav Dhawan	1,800	3.00%	3,000	5.00%

(e') Shares Issued Other than by way of Cash

During the Financial year 2019-2020, M/s. Credence Family Office LLP, a Limited Liability Partnership Firm was converted into Credence Family Office Private Limited and all the assets and Liabilities of the said firm were transferred to the newly established Credence Family Office Private Limited. In lieu of Fixed Capital Contribution of partners' in LLP, Shareholding in the same proportion were issued to the said partners in the new company, i.e. M/s. Credence Family Office Private Limited.

CREDENCE FAMILY OFFICE PRIVATE LIMITED

NOTES FORMIING PART OF THE FINANCIAL STATEMENTS

(Amounts in INR)

	March 31, 2021	March 31, 2020
Note 4		
Reserves and Surplus		
Capital Reserve	4,16,84,319	4,16,84,319
(Kindly refer note below)		
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last Balance Sheet	(51,33,049)	-
Add: Profit/(Loss) for the year	24,02,802	(51,33,049)
Total	**3,89,54,072**	**3,65,51,270**

Note : The Current Capital Outstanding in the Credence Family Office LLP was treated as Capital Reserve in M/s. Credence Family Office Private Limited, Since, the same is not payable to the Partners' of erstwhile Credence Family Office LLP.

Note 5
Long Term Borrowings
(Unsecured, Considered Good)

Optionally Convertible Debentures	1,50,00,000	-
Total	**1,50,00,000**	**-**

Note 5.1 : 1500000 Nos. of Optionally Convertible Debentures having a face value of Rs.10/- per Debenture has been issued to the Indusway Emerging Market Fund Series IIA. The coupon rate has been fixed at 11% p.a. to be compounded on quarterly basis.

Note 6
Trade Payables Dues to:

Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	38,39,915	2,12,03,715
Total	**38,39,915**	**2,12,03,715**

Note 7
Other Current Liabilities

Interest due but not paid	11,10,694	-
Payable to Employees	92,73,565	10,25,457
Statutory Remittances	98,76,367	43,30,121
Unearned Revenue	20,42,000	-
Total	**2,23,02,626**	**53,55,578**

CREDENCE FAMILY OFFICE PRIVATE LIMITED

Notes Forming Part of Financial Statements

Note 8 - Property Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 01, 2020	Additions during the year	Deletions/Capitalisation during the year	Balance as at March 31, 2021	Balance as at April 01, 2020	Depreciation / Amortisation charge for the year	Elimination On Disposal Of Assets	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
A. Tangible Assets										
Data Processing Equipments	21,48,415	3,25,406	-	24,73,821	2,99,432	12,50,750	-	15,50,182	9,23,639	18,48,983
Furnitures and Fixures	54,844	68,772	-	1,23,616	2,855	21,168	-	24,023	99,593	51,989
Office Equipment	2,01,896		-	2,01,896	20,692	81,669	-	1,02,361	99,535	1,81,204
Motor Vehicles	2,97,164		-	2,97,164	21,103	86,214	-	1,07,317	1,89,847	2,76,061
Sub Total - A	**27,02,319**	**3,94,178**	**-**	**30,96,497**	**3,44,082**	**14,39,801**	**-**	**17,83,883**	**13,12,614**	**23,58,237**
Previous Year	**11,28,126**	**1,19,007**	**-**	**12,47,133**	**3,97,486**	**2,70,283**	**-**	**6,67,769**	**5,79,364**	
B. Intangible Assets										
Self-Generated Goodwill	1,56,82,191	-	-	1,56,82,191	6,82,191	30,00,000	-	36,82,191	1,20,00,000	1,50,00,000
Sub Total - B	**1,56,82,191**	**-**	**-**	**1,56,82,191**	**6,82,191**	**30,00,000**	**-**	**36,82,191**	**1,20,00,000**	**1,50,00,000**
Previous Year	**3,86,48,471**	**1,65,62,790**	**-**	**5,52,11,261**	**7,22,248**	**7,22,248**	**-**	**14,44,496**	**5,37,66,765**	
Grand Total (A+B+C)	**1,83,84,510**	**3,94,178**	**-**	**1,87,78,688**	**10,26,273**	**44,39,801**	**-**	**54,66,074**	**1,33,12,614**	**1,73,58,237**
Previous Year	**-**	**1,83,84,510**	**-**	**1,83,84,510**	**-**	**10,26,273**	**-**	**10,26,273**	**1,73,58,237**	

Note : Depreciation is provided on WDV method and as per the Rates Precribed in Schedule II of the Companies Act, 2013, except in the case of Goodwill, which was acquired from M/s. Credence Family Office LLP and the same was to be amortised over a period of 10 years. The goodwill was amortised in Credence Family Office LLP upto 7th January 2020 and the for the balance period, the same will be amortized in Credence Family Office Private Limited.

CREDENCE FAMILY OFFICE PRIVATE LIMITED

NOTES FORMIING PART OF THE FINANCIAL STATEMENTS

(Amounts in INR)

	March 31, 2021	March 31, 2020
Note 9		
Long Term Loans and Advances		
(Unsecured, Considered Good)		
Balances with Government Authorities	61,20,561	47,51,138
Security Deposits	37,89,000	37,32,000
Total	**99,09,561**	**84,83,138**
Note 10		
Non-Current Investments		
(Valued at Cost)		
Investment in Mutual Funds	65,81,168	3,15,299
Investment in Subisdiary	8,00,000	-
Total	73,81,168	3,15,299

Note 10.1

Investment in subidiary represents investment in equity share capital of Cosmos Capital Private Limited. The no. of shares outstanding as at March 31, 2021 is 80,000 (Previous year - N.A.)

Note 11		
Deferred Tax Asset		
Deferred Tax Asset Relating to Fixed Assets	1,24,111	
Deferred Tax Asset Relating to Disallowance under Income Tax	86,634	-
Total	2,10,745	-
Note 12		
Trade Receivables		
(Unsecured, Considered Good)		
Outstanding for more than six months	20,934	-
Others	4,40,61,913	1,12,36,053
Total	**4,40,82,847**	**1,12,36,053**
Note 13		
Cash and Cash Equivalents		
Cash Balance	80,227	19,106
Balance with banks		
In Current Accounts	4,42,656	1,53,84,931
	5,22,883	**1,54,04,037**
Note 14		
Other Current Assets		
(Unsecured, Considered Good)		
Other Advances	21,33,620	16,57,382
Unbilled Revenue	31,43,175	92,56,417
Total	**52,76,795**	**1,09,13,799**

CREDENCE FAMILY OFFICE PRIVATE LIMITED

NOTES FORMIING PART OF THE FINANCIAL STATEMENTS

(Amounts in INR)

	March 31, 2021	March 31, 2020
Note 15		
Revenue from Operations		
Consultancy and Brokerage	8,67,92,247	1,77,68,661
Profit on Sale of Bonds/Units	4,78,25,200	80,00,000
Total	**13,46,17,447**	**2,57,68,661**
Note 16		
Other income		
Forex Gain	-	99,631
Interest Income	84,012	12,082
Other Income	3,36,333	4,943
Short Term Capital Gain	3,81,330	15,982
Total	**8,01,675**	**1,32,638**
Note 17		
Employee Benefit Expenses		
Salaries and Wages	7,89,54,850	2,45,37,573
Employer Contribution to Welfare Funds	9,31,697	2,27,341
Gratuity Expenses	1,01,537	-
Bonus	71,45,168	6,63,968
Total	**8,71,33,252**	**2,54,28,882**
Note 18		
Finance Cost		
Interest on Optionally Convertible Debentures	11,10,694	-
Total	**11,10,694**	**-**
Note 19		
Other Expenses		
Advertising and Business Promotion	15,33,177	3,02,791
Audit fees	85,000	75,000
Bad Debts	7,35,000	-
Bank Charges	3,380	100
Commission Paid	1,29,03,308	12,08,944
Communication Cost	2,36,898	39,915
Conveyance Expenses	1,46,028	9,895
Courier Charges	1,06,523	27,392
Electricity	3,59,960	41,804
Forex Loss	97,852	-
Office Expenses	11,73,818	1,34,715
Office Maintenence	3,33,272	54,517
Printing and Stationery	2,64,930	73,204
Legal & Professional Charges	1,52,95,831	10,09,185
Rates and Taxes	7,66,176	79,458
Rebate and Discount	-	6,58,000
Rent	57,18,968	5,99,529
Repairs & Maintenance	1,05,446	20,450
Travelling Expenses	3,42,306	2,44,294
Total	**4,02,07,873**	**45,79,193**

CREDENCE FAMILY OFFICE PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20 Earning Per Share

Particulars	March 31, 2021	March 31, 2020
a) Profit/ (Loss) during the year (INR)	24,02,802	(51,33,049)
b) Weighted Avge. No. of shares (Nos.)	60,000	60,000
c) Basic earnings per share (INR)	40.05	(85.55)

21 Foreign Currency Transactions

Particulars	March 31, 2021	March 31, 2020
Earnings		
Consultancy Charges	76,40,734	23,73,327
Expenditure		
Consultancy Charges	24,84,300	Nil

22 Exposure to Foreign Currency

The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2021 are given below -

Particulars	March 31, 2021		March 31, 2020	
	Amount in INR	Amount in Dollars	Amount in INR	Amount in Dollars
Trade Receivable	19,44,297	26,634	6,28,341	8,366
Trade Payables	-	-	-	-

23 During the year under audit, there were no employees in receipt of remuneration of not less than Rs. 102 lacs per annum or Rs. 8.50 lacs per month employed.

24 As per paragraph 55 of AS-26 - Intangible Assets, Recognition of an Expense : Expenditure on an Intangible item should be recognised as an expense when it is incurred . During the preceding previous year, the company's incorporation expenses has been expensed off.

25 Auditor's Remuneration

Particulars	March 31, 2021	March 31, 2020
Statutory Audit	60,000	50,000
Tax Audit	25,000	25,000
Total	**85,000**	**75,000**

26 Related Party Transactions

Holding Company	Indusway Emerging Market Fund Series IIA
Subsidiary Company	Cosmos Capital Private Limited
Directors	Mitesh Shah Gaurav Dhawan
Firm in Which Directors were Interested	Credence Family Office LLP
Firm in Which relatives are Interested	Credence Family Office

	Particulars	March 31, 2021		March 31, 2020	
		Holding Company / Firms in which Directors and their relatives are interested	Key Managerial Personnel	Firms in which Directors and their relatives are interested	Key Managerial Personnel
1	**Directors Remuneration**				
	Mitesh Shah	-	60,00,000	-	15,00,000
	Gaurav Dhawan	-	-	-	9,07,320
2	**Optionally Convertible Debentures issued**				
	Indusway Emerging Market Fund Series IIA	1,50,00,000	-	-	-
3	**Interest Expenses**				
	Indusway Emerging Market Fund Series IIA	11,10,694	-	-	-
4	**Investment in Shares**				
	Cosmos Capital Private Limited	8,00,000	-	-	-
5	**Amount Receivable**				
	Cosmos Capital Private Limited	6,23,029			
	Credence Family Office	14,72,886	-	14,72,886	-
6	**Amount Payable**				
	Indusway Emerging Market Fund Series IIA	1,50,00,000	-	-	-

Note : During the Preceding financial year 2019-2020, M/s. Credence Family Office LLP was converted into Credence Family Office Private Limited on 8th January 2020 and all the asset and liabilities of the said firm were transferred to the newly constituted company at book value. In lieu of the said transfer of assets and liabilities, Shares were issued to erstwhile partners in their Profit Sharing Ratio.

27 Balance in accounts receivables, payables and loans & advances are subject to confirmations

28 Management has initiated the process of identifying enterprises, which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) and circularised the letters for this purpose. The company has not received any claim for interest from any supplier of services under the Interest on Delayed Payments to Micro, Small and Medium Enterprises Development Act, 2006. This is based on the information available with the company.

Particulars	March 31, 2021	March 31, 2020
(i) The principal amount remaining unpaid as at year end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid as at year end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to supplier beyond the appointed day	-	-
(iv) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day) but without adding interest specified under the Act	-	-
(v) Amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(vi) Amount of further interest remaining due and payable even in the succeeding years, until such dates when interest dues are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	-	-

29 Estimation Uncertainity Relating to the Global Health Pandemic on Covid-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

In assessing the recoverability of Company's assets such as Loans, Trade receivable etc. the Company has considered internal and external information. On the analysis carried out by the the company on the basis of information avaialble, the Company expects to recover the carrying amount of the assets.

30 Operating Leases

The Company has taken office premises on operating lease. The lease rentals debited to statement of profit and loss is Rs. 57,18,968/- (Previous year Rs. 5,99,529/-)

31 Figures for the previous year has been regrouped or rearranged so as to make them comparable with the figures of the current year.

32 Figures are rounded off to the nearest rupees.

Signature to Notes to Financial Statements 1 to 32

As per our report of even date attached
for **Piyush Chhajer & Co**
Chartered Accountants
FRN – 012814S

PIYUSH CHHAJER GOUTHAMCHAND

Piyush Chhajer
Proprietor
Membership No: 224794
Place: Bangalore
Date : November 02, 2021

For and on behalf of the Board of Directors
Credence Family Office Private Limited

Mitesh Dinesh Shah — Digitally signed by Mitesh Dinesh Shah Date: 2021.11.02 16:37:40 +05'30'

CHANDAN KUMAR — Digitally signed by CHANDAN KUMAR Date: 2021.11.02 15:40:34 +05'30'

Mitesh Dinesh Shah
Director
DIN-05007468
Place : Bangalore
Date : November 02, 2021

Chandan Kumar
Additional Director
DIN-06587151