CA. Gurudas Shenoy H. B. Com., LL.B., FCA
CHARTERED ACCOUNTANT

'Gurudev', P.R. Nayak's Compound
Rabindranath Tagore Road
UDUPI - 576 102, Karnataka
Email : cliguru@gmail.com
Cell : 87622 83187

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MCT CARDS AND TECHNOLOGY PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying Financial Statements of **MCT CARDS AND TECHNOLOGY PRIVATE LIMITED (CIN:U72900KA2008PTC045316)**("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am 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 requirements that are relevant to my audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the Financial Statements.

CA. GURUDAS SHENOY H. UDUPI M. No: 029204 Chartered Accountant

05/09/2023

Emphasis of the Matter

a. I relied on the management perception as detailed in Note No. 38.08 of the Financial Statements regarding the impairment of financial assets as covered under note 38.13 read with note 11 with sub notes thereof of financial statements and accordingly considered such assets to be of value at least equal to the amount stated in the Balance Sheet. My Opinion is not modified in respect of this matter.

Other Matter

The Comparative Financial Statement for the year ended 31st March 2022 was audited by M/s NP Pai & Co Chartered Accountants, whose report for the year ended 31st March 2022 dated 09/8/2022 expressed an unmodified opinion on those financial statements, which has been considered by me while expressing opinion for the current year. The management of the Company has compiled the information for the Comparative reporting period from the aforesaid audited financial statement i.e for the year ending 31st March 2022.

Other Information (other than the Financial Statements and Auditors' Report thereon)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Financial Statements and my auditors' report thereon. The Board's Report *including Annexures to Board's Report is expected to be made available to me after the date of this* auditors' report.

My opinion on the Financial Statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the Financial Statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Board's Report including Annexures to Board's Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibility of Management 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. 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

UDUPI M. No: 020204 Chartered Accountant

05|09|2023

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

My 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 auditors' report that includes my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements 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 basis for my 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 Act, I am also responsible for expressing my 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 I conclude that a material uncertainty exists, I am required to

05/09/2023

UDUPI
M. No.
029204
Chartered Accountants

draw attention in my auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' 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. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

I 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 I identify during my audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, on the basis of examination of books of accounts and according the information and explanations given to me by the management of the Company, I give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, I report that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

   (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In my opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

05/09/2023.

(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any managerial remuneration to its directors, other than sitting fees. In my opinion and to the best of my information and according to the explanations given to me, the remuneration (i.e. sitting fees) so paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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, as amended, in my opinion and to the best of my information and according to the explanations given to me:

i. The Company has disclosed the possible impact of pending litigations on its financial position in its Financial Statements vide Note 38.01.D(a) to (m) read with Note 38.14 of Financial Statements.

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

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

iv. a) The management has represented and confirmed that, other than as disclosed in notes to accounts (if any), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

c) The management has represented and confirmed that, other than as disclosed in notes to accounts (if any), no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

05/09/2023

CA. GURUDAS SHENOY H
UDUPI
M. No: 029204
Chartered Accountant

d) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.

e) During the year, the Company has declared and distributed a sum of Rs.413.61 lakhs as Dividend on Equity Shares, which is in compliance with section 123 of the Companies Act 2013.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules 2014 is applicable for the Company only with effect from 1st April 2023, reporting under this clause is not applicable.

Place: Manipal

Date: 5th September 2023

CA GURUDAS SHENOY H
UDUPI
M. No: 029204
Chartered Accountant

Gurudas Shenoy H
Chartered Accountant
Membership No: 029204
UDIN: 23029204BGYBHC6241

'ANNEXURE A' TO INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

(Issued to MCT CARDS AND TECHNOLOGY PRIVATE LIMITED for the year ending 31 March 2023)

(Referred to in paragraph 1 of my report of even date under the heading "Report on Other Legal and Regulatory Requirements")

In my opinion and in terms of the information and explanations sought by me and given by the Company and the books of accounts and records examined by me in the normal course of audit and to the best of my knowledge and belief, I report as below:

i. a)(A)The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property and Plant and Equipment.

(B)According to the information and explanations given to me and on the basis of my examination of the records of the company, the Company does not have any intangible assets at any time during the year. Therefore, paragraph 3(i)(a)(A) of the order is not applicable to the Company.

b) According to the information and explanations given to me and the records examined by me, the Property and Plant and Equipment of the Company have been physically verified by the management. In my opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to me and as evidenced by the records produced before me, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to me and the records examined by me and based on the examination of the registered sale deeds provided to me, I report that the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements (as produced before us) are in the name of the Company, where the Company is the lessee in the agreement. The original title deeds in respect of aforesaid immovable properties of land and buildings (both free hold and lease hold) whose title deeds have been pledged as security for borrowings, are lying with the bankers, as evidenced by the records produced before me and accordingly, I have given my report as above, based on the examination of copies of the above said documents.

d) According to the information and explanation given to me and on the basis of my examination of the records of the company, the company has not revalued Property, Plant and Equipment (Including Right-of-use assets) or intangible assets if any or both during the year.

e) According to the information and explanation given to me and on the basis of my examination of the records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. a) According to the information and explanations given to me, I am of the opinion that the inventories have been physically verified by the management at reasonable intervals and no

05/09/2023

discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanation given to me and on the basis of my examination of the records of the company, I hereby report that the Company has been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from Banks and Financial Institutions, on the basis of security of Current Assets i.e Inventory and Trade Receivables. The details of such borrowings are being disclosed by the Management vide Note 19 (read with sub notes thereon) of the Standalone Financial Statement and the Company has filed the periodical returns/statements of Current Asset i.e the Information about Inventory and Trade Receivables, with the such lending Banks and Financial Institutions and as on the last date of first three quarters of the financial year the information of trade receivables are being supported/substituted by the Certificate as stated in Note 38.15.d of financial statement. In my opinion and as per the records produced before me, I report that the information as aforesaid stated in quarterly returns or statements as supported/substituted by aforesaid certificate, submitted by the company with such banks/financial institution are in agreement with the books of accounts of the company.

iii. According to the information and explanations given to me, during the year the Company has granted unsecured loans to other Companies. However, the Company has not made any other advance, which are in the nature of loans. Accordingly, I report that

a) The details Security Provided, Guarantees Given and Loans Granted:

In Lakhs

Particulars	Security Given	Guarantee provided	Loans granted
Aggregate amount granted/ provided during the current year			
- Subsidiaries	-	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	-
Balance outstanding as a balance sheet date in respect of the above			
- Subsidiaries	-	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	10,405.44

b) According to the information and explanations given to me and based on the audit procedures conducted by me, I am of the opinion that Investments made, security given if any and the terms and conditions of the grant of all loans given and guarantee provided if any are, prima facie, not prejudicial to the interest of the company.

c) I have been informed that the loans and advances granted are repayable on demand and accordingly are without any stipulation as to the repayment of principal and interest. Therefore, commenting on the regularity on the repayment does not arise.

d) I have been informed that the loans and advances granted are repayable on demand and accordingly are without any stipulation as to the repayment of principal and Interest.

CA. GURUDAS S... UDUPI M. No: 028201 Chartered Accountant

05/09/2023

Therefore, the question of taking any steps by the Company for the recovery of the principal and interest does not arise.

e) According to the information and explanations given to me and on the basis of my examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

f) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has granted loans to parties which are repayable on demand and for which the terms of repayments are not specified. The details are as below:

In Lakhs

Particulars	As on 31/3/2023	Percentage
Intercorporate loan to related Parties as defined under clause 76 of Section 2 of the Companies Act 2013	Nil	Nil
Intercorporate loan to others	10,405.44	100%

iv. According to the information and explanations given to me the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees provided if any and securities given if any as applicable.

v. In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits in terms of the provisions of Section 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposit) Rules, 2014. Therefore paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act 2013, for the Company. Therefore, the question of making any comments as required under paragraph 3(vi) of the Order does not arise.

vii. a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Good 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 other material statutory dues, applicable to it, with the appropriate authorities. According to the information and explanations given to me there were no outstanding statutory dues as on the date of Balance Sheet for a period of more than six months from the date they became payable.

b) According to the records of the company made available to me and as per the information and explanations given to me, there are no statutory dues referred to in subclause (a) above, which have not been deposited on account of any dispute except the following:

Karnataka Value added tax (under KVAT Act, 2003) demanded but not deposited for the year 2011-12 is Rs. 6.67 Lakhs and Central Sales Tax (under CST Act, 1956) is Rs.13.53 Lakhs including interest and penalty. Out of the sum demanded, Rs.14.14 Lakhs remained unpaid as on the date of Balance sheet. The matter is pending in Hon'ble High Court of Karnataka.

05/09/2023

Excise duty and penalty (under The Central Excise Act, 1944) demanded but not deposited for the period July 2010 to September 2014 is Rs.293.01 lakhs. Out of the aforesaid amount, a sum of Rs.282.02 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending in Appeal before CESTAT, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs.19.61 Lakhs demanded for the period October 2014 to August 2015 as per the demand notice issued by the Additional Commissioner of Central Excise and Service Tax, out of which a sum of Rs.16.31 Lakhs not deposited as on the date of Balance Sheet. The matter is pending in Appeal before CESTAT, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs. 10,343.45 Lakhs demanded for the period from the year ending 31st March 2012 to 31st March 2016 as per the demand notice issued by Commissioner of Central Excise, out of which Rs 9955.57 lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before CESTAT, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs. 85.53 Lakhs demanded for the period September 2015 to June 2017 as per the demand notice issued by the Additional Commissioner of Central Excise, out of which Rs.71.35 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before CESTAT, Bangalore.

Central Sales Tax (under CST Act, 1956) of Rs. 102.17 Lakhs & Karnataka Value added tax (under KVAT Act, 2003) of Rs. 3.80 Lakhs demanded for the year ending 31st March 2014 as per the demand notice issued by Deputy Commissioner of Commercial Taxes, out of which Rs. 74.18 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before the Karnataka Appellate Tribunal, Bangalore.

Central Sales Tax (under CST Act, 1956) of Rs. 47.99 Lakhs & Karnataka Value added tax (under KVAT Act, 2003) of Rs. 7.80 Lakhs demanded including interest and penalty for the year ending 31st March 2015 as per the demand notice issued by Deputy Commissioner of Commercial Taxes, out of which Rs. 39.05 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before the Karnataka Appellate Tribunal, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs. 2744.91 Lakhs demanded including penalty for the period April 2016 to June 2017 plus interest thereon, as per the demand notice issued by Commissioner of Central Excise. Out of which Rs. 2557.77 Lakhs remains unpaid as on the date of balance sheet. The company is in the process of filing appeal before CESTAT, Bangalore.

The Deputy Commissioner of Commercial Taxes has demanded Value Added Tax of Rs 6.06 lakhs for the year 2012-13. The aforesaid authority has also levied interest under section 36 & 37 of Rs 2.75 lakhs and penalty under section 72(2) of Rs 0.61 lakhs. The whole amount has been paid as on the date of Balance Sheet.The matter is pending before the Karnataka Appellate Tribunal, Bangalore.

The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2015-16 has demanded Value Added Tax of Rs 3.94 lakhs under KVAT, 2003 and Rs. 31.27 lakhs under CST Act, 1956 including interest and penalty. Out of which Rs. 24.65 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before The Joint Commissioner Appeals, Mangalore.

The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2016-17 has demanded Value Added Tax of Rs.8.08 lakhs under CST Act, 1956 including interest and penalty. Out of which Rs. 5.66 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before The Joint Commissioner Appeals, Mangalore.

05/09/2023

CA. GURUDAS SHENOY H
UDUPI
M. No: 023204
Chartered Accountant

The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2017-18 (up to June 2017) has demanded Value Added Tax of Rs. 2.24 lakhs under CST Act, 1956 including interest and penalty. Out of which Rs. 1.57 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before The Joint Commissioner Appeals, Mangalore.

Order in Original Number: BLR-CUSTM-CTY-COM-02-19-20 dated 10th May 2019 passed by the Commissioner of Customs, Bangalore demanding Custom duty of Rs 272.13 lakhs including penalty. Out of which Rs. 251.72 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before the CESTAT Bangalore.

viii. According to the information and explanations given to me and on the basis of my examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year.

ix. a) Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of loans or borrowings to any lender. Accordingly, the question of making any observations as required under paragraph 3(ix) (a) of the order does not arise.

b) According to the information and explanations given to me and on the basis of my examination of the records of the company, the company has not been declared a wilful defaulter by any bank or financial institution or government or other lender.

c)According to the information and explanations given to me and on the basis of my examination of the records of the company, term loans were applied for the purpose for which it was obtained.

d)According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that that the Company has not utilized the funds raised on short-term basis towards long term purposes.

e) According to the information and explanations given to me and on an overall examination of the financial statements of the Company, I report that the Company has not taken any funds from an entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to me and procedures performed by me, I report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. a) According to the information and explanations given to me, no moneys were raised by the Company by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the company has not made any preferential allotment or private

05/09/2023

placement of shares or convertible debentures (whether fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. a) Based on the audit procedures performed and the information and explanations given to me, I report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to me, no report under sub-section (12) of Section 143 of the Companies Act, 2013 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.

c) According to the information and explanations given to me, and as represented to me by the management, no whistle-blower complaints have been received during the year by the company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. 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 me and based on my examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act wherever applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. a) Based on information and explanations provided to me and my audit procedures, in my opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b) I have considered the reports of internal auditor issued till date for the period under audit.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. As evidenced from the records produced before me and as per information given to me, I am of the Opinion that (a) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. (b) The Company has not carried on any business of Non-Banking Financial or Housing Finance Activities. (c) The Company is not a Core Investment Company as defined under the regulations made by the Reserve Bank of India. (d) There are no Core Investment Companies in the Group.

xvii. The company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

05/09/2023

xix. According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. As evident from Note 38.07of Financial Statement, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act towards Corporate Social Responsibility, Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The paragraph 3 (xxi) the order is not applicable, since the financial Statement under report is not a consolidated financial statement.

Place: Manipal

Date: 5th September 2023

CA. GURUDAS SHENOY H
UDUPI
M. No.
029204

Gurudas Shenoy H
Chartered Accountant
Membership No: 029204
UDIN: 23029204BGYBHC6241

'ANNEXURE B' TO INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

(Issued to Members of MCT Cards and Technology Private Limited, Manipal for the year ending 31 March 2023)
(Referred to in paragraph 2(f) of my report of even date under the heading "Report on Other Legal and Regulatory Requirements")

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

I have audited the internal financial controls over financial reporting of **MCT Cards and Technology Private Limited** ("the Company") as at 31 March 2023 in conjunction with my audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include 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.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

05/09/2023

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention and timely detection of unauthorised acquisition, me e, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitation 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 became e of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, to the best of my information and according to the explanations given to me , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal controls 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.

Place: Manipal

Date: 5th September 2023

CA. GURUDAS SHENOY UDUPI M. No: 029204 CHARTERED ACCOUNTANT

Gurudas Shenoy H
Chartered Accountant
Membership No: 029204
UDIN: **23029204BGYBHC6241**