

MICL GLOBAL, Inc.

Financial Statements

March 31, 2021

KNAV P.A.

Certified Public Accountants
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America Counts on CPAs

Table of contents

Independent auditor's report	3
Financial statements	4
Balance sheet	5
Statement of loss	6
Statement of stockholder's equity	7
Statement of cash flows	8
Notes to financial statements	9

Independent auditor's report

The Board of Directors,
MICL Global, Inc.

We have audited the accompanying financial statements of MICL Global, Inc. ('the Company'), which comprise the balance sheet as of March 31, 2021, and the related statements of loss, stockholder's equity, and cash flows for the period December 9, 2020 to March 31, 2021, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as of March 31, 2021 and the results of its operations and its cash flows for the period December 9, 2020 to March 31, 2021, in accordance with the accounting principles generally accepted in the United States of America.

KNAV P.A.

Atlanta, Georgia
May 11, 2021

MICL Global, Inc.
Financial Statements
March 31, 2021

Financial statements

Balance sheet

(All amounts are stated in United States Dollars, unless otherwise stated)

ASSETS

Current assets

Cash and cash equivalents

18,700

Total current assets

18,700

Total assets

18,700

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities

Accounts payable

4,044

Total current liabilities

4,044

Stockholder's equity

Common stock

25,000

Accumulated deficit

(10,344)

Total Stockholder's equity

14,656

Total liabilities and stockholder's equity

18,700

(The accompanying notes are an integral part of these financial statements)

As at
March 31, 2021

Statement of loss

(All amounts are stated in United States Dollars, unless otherwise stated)

For the period
December 9, 2020 to
March 31, 2021

General and administrative expenses	10,344
Total expenses	10,344
Operating loss	10,344
Net loss before income tax	10,344
Current tax expense	-
Deferred tax expense	-
Net loss	10,344

(The accompanying notes are an integral part of these financial statements)

MICL Global, Inc.

Financial Statements

March 31, 2021

Statement of stockholder's equity

For the period December 9, 2020 to March 31, 2021

(All amounts are stated in United States Dollars, except number of shares, and unless otherwise stated)

Particulars	Common stock				Accumulated deficit	Total stockholder's equity
	Authorized Shares	Value	Issued & outstanding Shares	Value		
Balance as at December 9, 2020	7,500	75,000	-	-		
Common stock issued			2,500	25,000	-	25,000
Net loss for the period	-	-	-	-	(10,344)	(10,344)
Balance as of March 31, 2021	7,500	75,000	2,500	25,000	(10,344)	14,656

(The accompanying notes are an integral part of these financial statements)

Statement of cash flows

(All amounts are stated in United States Dollars unless otherwise stated)

**For the period
December 9, 2020 to
March 31, 2021**

Cash flows from operating activities

Net loss (10,344)

Adjustments to reconcile net loss to net cash used in operating activities

Changes in operating assets and liabilities

Accounts payable 4,044

Net cash used in operating activities (6,300)

Cash flow from financing activities

Proceeds from issuance of common stock 25,000

Net cash provided by financing activities 25,000

Net increase in cash and cash equivalents 18,700

Cash and cash equivalents at the beginning of the period -

Cash and cash equivalents at the end of the period 18,700

Supplementary disclosure of cash flow information

Income tax paid -

(The accompanying notes are an integral part of these financial statements)

Notes to financial statements

NOTE A - NATURE OF OPERATIONS

MICL Global, Inc. (hereinafter referred to as the “Company”) was incorporated in the State of Delaware and is a wholly owned subsidiary of Man Infraconstruction Limited, a public listed Company in India.

The Company is in the start-up phase and yet to commence revenue generating activities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Basis of preparation

- a. The accompanying financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States (“US GAAP”) to reflect the financial position, results of operation and cash flows.
- b. The financial statements are for the period December 9, 2020 to March 31, 2021.
- c. All amounts are stated in United States Dollars, except as otherwise specified.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Cash and cash equivalents

Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of \$ 250,000.

4. Revenue recognition

The Company is currently in the start-up phase. It is expected to commence operations in immediate future.

5. *Income taxes*

In accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized.

The Company has adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2015-17 Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as non-current on the statement of financial position. The guidance however does not change the existing guidance that prohibits offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another jurisdiction

6. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The estimated fair value of cash and accounts payable approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

7. *Commitment and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities, if any, are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

	As at March 31, 2021
Bank balance	8,701
Balance in money market fund	9,999
Total	18,700

NOTE D - INCOME TAXES

For the year ended March 31, 2021, the Company will file federal & state tax returns as per regulations applicable to Chapter C corporations in the United States.

The Company was incorporated on December 9, 2020 and had no operations during the period ended March 31, 2021 resulting in no provision for current tax in these financial statements.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at March 31, 2021
Deferred tax assets	
Start-up costs	1,122
Net operating losses	1,050
Total deferred tax assets	2,172
Net deferred tax assets	2,172
Less: Deferred tax valuation allowance	(2,172)
Net deferred taxes	-

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the current year loss and in the absence of future profitability projections, the management believes that it is more likely than not that the deferred tax assets may not be realized during foreseeable future and accordingly, a valuation allowance of \$2,172 has been created as at March 31, 2021.

No deferred tax assets were recognized as at March 31, 2021.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2021.

The tax year 2020 will remain open for examination by the taxing authorities.

NOTE E - RISKS AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE F - FAIR VALUE MEASUREMENT

Financial assets and liabilities held by the Company are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

NOTE G - COMMON STOCK

Common stock authorized, issued and outstanding

The authorized common stock is 7,500 shares with a par value of \$10 as of March 31, 2021 of which 2,500 shares were issued as of that date.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE H - SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 11, 2021 which is the date the financial statements were available to be issued. No material subsequent event has been noted.