



Independent Auditor's Report

To

The Members of M/s. CIPHERSQUARE DIGITAL PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s.CIPHERSQUARE DIGITAL PRIVATE LIMITED (“the Company”)** which comprises the Balance Sheet as at **March 31, 2023**, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including 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 **March 31, 2023**, and **Profit and its 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.

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Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Responsibility 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

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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.

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

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

Report on Other Legal and Regulatory Requirements

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, we 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, 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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 as required under chapter X, clause (i) of sub-section (3) of section 143 of the companies Act, 2013, is not applicable to the company.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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- The Company does not have any pending litigations which would impact its financial position.
- As informed to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- As informed to us, the company has no amount for transferring to the Investor Education and Protection Fund by the Company.
- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

For Narbariya & Associates LLP
Chartered Accountants
 Firm’s Registration Number:-N500340



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 Date: 2023.09.02 18:08:01 +05'30'

Place: New Delhi
 Date: 02-09-2023

Varun Narbariya
 Partner
 Membership Number- 546314
 UDIN: 23546314BGYOLE9007

M/s CIPHERSQUARE DIGITAL PRIVATE LIMITED

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2023. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- I) In respect of the Company's Property, Plant and Equipment and Intangible Assets.
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of time. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - 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 does not own immovable property, accordingly, the provisions of clause 3 (i)(c) of the Order are not applicable to the Company and hence not commented upon.
 - d) The Company has not revalued any of its Property, Plant and Equipment and intangible asset.

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e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II) (A) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No 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) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

III) The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

a. The Company has granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans or advances and guarantees or security to subsidiaries, joint ventures and associates. Therefore, reporting under clause 3(iii)(a)(A) of the order is not applicable.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted any loans or advances and guarantees or security to other than subsidiaries, joint ventures and associates. Details given below:

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Aggregate Amount of loan during the year	Outstanding Balance at the end of the year
1,23,00,000	62,00,000

- b. In our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d. In respect of loans granted by the Company, there is no overdue amount for more than 90 days remaining outstanding as at the balance sheet date.
- e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable

IV) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

V) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

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VI) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

VII) In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where Dispute is pending	Period to which amounts relate	Amount
-----NIL-----				

VIII) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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IX) In respect of the borrowings:

- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

X) In respect of the Funds raised

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

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XI)

- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the company during the year (and upto the date of this report), while determining the nature, timing and extent of the audit procedure.

XII) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

XIII) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV)

- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

XV) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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XVI)

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

XVII) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

XVIII) There has been no resignation of the statutory auditors of the Company during the year.

XIX) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we 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.

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XX) In respect of Contribution under Corporate Social Responsibility (CSR)

- a) Since the section 135 of the Companies Act, 2013 does not apply to the company.
Therefore, reporting under clause 3(XX) is not applicable.

XXI) Company doesn't have any subsidiary/Associates. Therefore, reporting under clause 3(XXI) is not applicable.

For Narbariya & Associates LLP

Chartered Accountants

FRN:-N500340



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Place: Delhi

Date: 02-09-2023

Varun Narbariya

Partner

M.No.546314

UDIN: 23546314BGYOLE9007

CIPHERSQUARE DIGITAL PRIVATE LIMITED
(Formerly known as RNFI CMS Services Private Limited)
CIN : U74999DL2018PTC340872

BALANCE SHEET AS ON 31ST MARCH 2023

Particulars	Note No	31/03/2023 (Rs. In "00")	31/03/2022 (Rs. In "00")
I EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	1,000.00	1,000.00
Reserves and Surplus	2	54,897.39	52,914.87
Non Current Liabilities			
Long-term borrowings	3	15,506.39	356,837.92
Deferred Tax Liability (Net)	4	204.61	-
Current Liabilities			
Short-term borrowings	5	23,349.35	44,686.68
Trade Payables	6	6,016.68	88,736.71
Other Current Liabilities	7	168,631.95	202,613.22
Short-Term Provisions	8	588.20	8,394.28
TOTAL		270,194.57	755,183.68
II ASSETS			
Non Current Assets			
Property, Plant and Equipment and Intangible assets	9		
- Property, Plant and Equipment		7,202.26	79.61
Deferred Tax Assets (Net)	4	-	10.64
Other Non-Current Assets	10	6,000.00	-
Current Assets			
Inventories	11	-	61,737.00
Trade Receivables	12	37,669.50	290,708.90
Cash & Cash Equivalents	13	19,670.75	181,738.53
Short Term Loans and Advances	14	195,608.55	215,630.72
Other Current Assets	15	4,043.51	5,278.28
TOTAL		270,194.57	755,183.68
Significant Accounting Policies & Other Explanatory	23		
Notes to Financial Statements			

In terms of our Audit Report of even date attached

For Narbariya & Associates LLP

Chartered Accountants

Registration No.: N500340

Varun Narbariya
Partner

Membership No. 546314

Place: New Delhi

Date: 2nd September 2023

UDIN: 23546314BGYOLE9007



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**Nitesh
Kumar
Sharma**

Nitesh Kumar Sharma
Director
DIN: 07290315

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Nitesh Kumar
Sharma
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**Ranveer
Khyaliya**

Ranveer Khyaliya
Director
DIN: 07290203

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Ranveer
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Date: 2023.09.02
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CIPHERSQUARE DIGITAL PRIVATE LIMITED
(Formerly known as RNFI CMS Services Private Limited)
CIN : U74999DL2018PTC340872

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	31/03/2023 (Rs. In "00")	31/03/2022 (Rs. In "00")
I Revenue From Operations	16	437,913.05	1,364,677.26
II Other Income	17	5,062.26	1,310.66
III Total Income (I + II)		442,975.31	1,365,987.92
IV Expenses			
Direct Cost of Operation	18	324,153.04	1,365,610.54
Increase/Decrease in Stock	19	61,737.00	(61,737.00)
Employee Benefit Expenses	20	1,740.62	1,500.00
Finance Cost	21	39,907.14	26,188.41
Depreciation & Amortization Expenses	9	627.35	36.37
Administrative & Other Expenses	22	11,895.46	1,179.96
Total Expenses		440,060.61	1,332,778.28
V Profit Before Tax (III - IV)		2,914.70	33,209.64
VI Tax Expense			
Current Tax		588.20	8,392.40
Earlier Year Tax		128.73	-
Deferred tax		215.25	1,340.14
VII Profit for the Period (V - VI)		1,982.52	23,477.10
VIII Earning Per Equity Share			
Basic (in Rs. In "00")		0.20	2.35
Diluted (in Rs. In "00")		0.20	2.35
Significant Accounting Policies & Other Explanatory Notes to Financial Statements	23		

In terms of our Audit Report of even date attached

For Narbariya & Associates LLP

Chartered Accountants

Registration No.: N500340

Varun Narbariya
Partner

Membership No. 546314

Place: New Delhi

Date: 2nd September 2023

UDIN: 23546314BGYOLE9007



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**Nitesh
Kumar
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Date: 2023.09.02
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Nitesh Kumar Sharma

Director

DIN: 07290315

**Ranveer
Khyaliya**

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Ranveer
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Date: 2023.09.02
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Ranveer Khyaliya

Director

DIN: 07290203

CIPHERSQUARE DIGITAL PRIVATE LIMITED
(Formerly known as RNFI CMS Services Private Limited)
CIN : U74999DL2018PTC340872

CASH FLOW STATEMENT AS ON 31ST MARCH 2023

Particulars	31/03/2023 (Rs. In "00")	31/03/2022 (Rs. In "00")
A. Cash Flow From Operating Activities		
Net Profit before tax	2,914.70	33,209.64
Adjustments for:		
Depreciation and Amortization Expenses	627.35	36.37
Interest Expense	39,907.14	26,188.41
Interest Income	(4,350.05)	(1,295.36)
Operating profit before working capital changes	39,099.14	58,139.06
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in operating assets		
Increase / Decreases in Other Non Current Assets	(6,000.00)	-
Increase / Decreases in Inventories	61,737.00	(61,737.00)
Increase / Decreases in Trade Receivables	253,039.40	(168,283.80)
Increase / Decreases in Short Term Loan and advances	20,022.17	(35,577.12)
Increase / Decreases in Other Current Assets	1,234.78	(3,904.98)
Adjustments for increase/(decrease) in operating liabilities		
Increase / Decreases in Trade Payables	(82,720.04)	57,713.07
Increase / Decreases in Other Current Liabilities	(33,981.27)	(145,019.92)
Increase / Decreases in Short Term Provision	(8,394.28)	-
Cash Generated From Operations	244,036.90	(298,670.69)
Tax Expenses	(128.73)	(31,805.86)
Net cash flow from operating activities	243,908.17	(330,476.55)
B. Cash Flow From Investing Activities		
Capital Expenditure on Fixed Assets	(7,750.00)	-
Interest received	4,350.05	1,295.36
Net Cash Flow from Investing Activities	(3,399.95)	1,295.36
C. Cash Flow From Financing Activities		
Proceeds/(payments) from Long term borrowings	(341,331.53)	356,837.92
Proceeds/(payments) from Short term borrowings	(21,337.33)	44,686.68
Interest Paid	(39,907.14)	(26,188.41)
Net Cash Flow From Financing Activities	(402,576.00)	375,336.19
Net increase/(decrease) in cash and cash equivalents	(162,067.78)	46,155.00
Cash and cash equivalents at the beginning of the year	181,738.53	135,583.53
Cash and cash equivalents at the end of the year	19,670.75	181,738.53
Cash and cash equivalents at the end of the year *		
* Comprises:		
(a) Cash on hand	13.00	13.00
(b) Balances with banks		
(i) In current accounts	19,657.75	161,725.53
(ii) In deposit accounts	-	20,000.00
	19,670.75	181,738.53

In terms of our Audit Report of even date attached

For Narbariya & Associates LLP

Chartered Accountants

Registration No.: N500340

Varun Narbariya
Partner
Membership No. 546314
Place: New Delhi
Date: 2nd September 2023
UDIN: 23546314BGYOLE9007



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Director
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Ranveer Khyaliya
Director
DIN: 07290203

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For and on behalf of the Board of Directors of
CIPHERSQUARE DIGITAL PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(Rs. In '00')

NOTE 1

Share Capital	31/03/2023	31/03/2022
Authorised		
10,000 Nos. (Previous Year - 10000) Equity Shares of Rs.10 each	1,000	1,000
Issued, Subscribed and Paid Up		
10,000 Nos. (Previous Year - 10000) Equity Shares of Rs.10 each	1,000	1,000
Total	1,000	1,000

1.1 Reconciliation of Numbers of Shares

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	Share capital	No. of Shares	Share capital
Shares outstanding as at the beginning of the year	10,000	100,000	10,000	100,000
Additions during the year	-	-	-	-
Shares outstanding as at the end of the year	10,000	100,000	10,000	100,000

1.2 RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of Par Value of Rs 10/- per share. Each holder of Equity Share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian rupees.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders.

1.3 Shares Held by Holding Company

Particulars	31/03/2023		31/03/2022	
	No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
RNFI Services Private Limited	10,000.00	100.00	10,000.00	100.00

1.4 Shareholders Holding more than 5% Shares

Particulars	31/03/2023		31/03/2022	
	No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
RNFI Services Private Limited & Nominee Shareholder	10,000.00	100.00	10,000.00	100.00

1.5 Disclosure of Shareholding of promoters

	31/03/2023			31/03/2022		
	No. of Shares Held	% of Share Holding	% Change during the year	No. of Shares Held	% of Share Holding	% Change during the year
Shares held by promoters at the end of the year						
RNFI Services Private Limited & Nominee Shareholder	10,000.00	100.00	-	10,000.00	100.00	-

NOTE 2

Reserves and Surplus	31/03/2023	31/03/2022
Surplus In Statement Of Profit & Loss		
Balance Brought Forward	52,914.87	29,437.77
Add:		
Profit as per Statement of Profit and Loss	1,982.52	23,477.10
Total	54,897.39	52,914.87

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NOTES TO THE FINANCIAL STATEMENTS

(Rs. In "00")

NOTE 3

Long-term borrowings	31/03/2023	31/03/2022
Term Loan from Other Parties		
Secured		
Loan From Aditya Birla Finance Limited	-	356,837.92
Business Loan from Banks		
Unsecured		
Loan From Unity Small Finance Bank	15,506.39	-
Total	15,506.39	356,837.92

Period of Business Loan belongs to 2 Years & Interest rate of Business Loan is 16% APR Structure during FY 22-23. The same shall be repay through Equated Monthly Installment.

NOTE 4

Deferred Tax Liabilities/(Assets)	31/03/2023	31/03/2022
Timing Difference of Depreciation	204.61	(10.64)
Unabsorbed Business Loss & Depreciation	-	-
Total	204.61	(10.64)

NOTE 5

Short-term borrowings	31/03/2023	31/03/2022
Unsecured		
Current Maturities of Long Term Borrowings	23,349.35	44,686.68
Total	23,349.35	44,686.68

NOTE 6

Trade Payables	31/03/2023	31/03/2022
(a) Total Outstanding Dues of micro enterprises, small enterprises		
-Principal Outstanding	506.14	10,915.27
-Interest Outstanding	-	-
(b) Total Outstanding Dues to creditors other than micro enterprises and small enterprises	5,510.54	77,821.44
Total	6,016.68	88,736.71

6.1 Trading Payables Ageing Schedule

Particulars	31/03/2023		31/03/2022	
	MSME	OTHERS	MSME	OTHERS
Less Than One Year	506.14	5,510.54	10,915.27	77,821.44
More than One Year	-	-	-	-
	506.14	5,510.54	10,915.27	77,821.44

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NOTES TO THE FINANCIAL STATEMENTS

(Rs. In "00")

NOTE 7

Other Current Liabilities	31/03/2023	31/03/2022
Interest Accrued & due on borrowing	1,254.45	1,904.23
Other Payable		
Audit Fees Payable	450.00	450.00
Portal Balance of Channel Partners	113,448.80	161,749.00
Payable to Merchants/Channel Partner	3,046.42	-
Payable to Statutory Authorities	-	16,881.07
Advance from customers	-	1.25
Expenses Payable	10,544.04	905.91
Other Refund Payable	39,888.24	20,721.76
Total	168,631.95	202,613.22

Portal balance of Channel Partners

This amount represents amount received from the Channel Partner against which E-Value (Virtual Credit) has been enabled on Company's Portal as on balance sheet date. This Amount is available to channel partner to settle in its Bank accounts & carry out Business Transactions i.e. Recharge, BBPS etc.

Payable to Merchants/Channel Partners

It includes amount of TDS which need to be reimburse to Channel Partner as they already deposited the same & pending for payment from Company side. This also Includes amount payable to Channel partner against Short payment of Business Transaction/Excess amount received against Business Transaction done during FY.

Other Refund Payable

This amount represents transactions for which refund is pending in respect of transactions initiated on the company's portal but the same have not been successfully completed on the portal of channel partners and vice-versa.

NOTE 8

Short-Term Provisions	31/03/2023	31/03/2022
Provision for Others		
Provision for Taxation	588.20	8,394.28
Total	588.20	8,394.28

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NOTES TO THE FINANCIAL STATEMENTS

(Rs. In "00")

NOTE 9

Property Plant and Equipment and Intangible assets

Property, Plant and Equipment and Intangible assets										
Particulars	As at 1st April 2022	Gross Block		As at 31st Mar 2023	As at 1st April 2022	Depreciation		As at 31st Mar 2023	Net Block	
		Additions	Disposals			Charged for the period	Disposals		As at 31st Mar 2023	As at 1st April 2022
Property, Plant and Equipment										
Office Equipments	191.40	-	-	191.40	111.79	36.37	-	148.16	43.24	79.61
Total Property, Plant and Equipment	191.40	-	-	191.40	111.79	36.37	-	148.16	43.24	79.61
Technology Platform/Business Portal	-	7,750.00	-	7,750.00	-	590.98	-	590.98	7,159.02	-
Total Intangible Assets	-	7,750.00	-	7,750.00	-	590.98	-	590.98	7,159.02	-
Current Year	191.40	7,750.00	-	7,941.40	111.79	627.35	-	739.14	7,202.26	79.61
Previous Year	191.40	-	-	191.40	75.42	36.37	-	111.79	79.61	115.98

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NOTES TO THE FINANCIAL STATEMENTS

(Rs. In "00")

NOTE 10

Other Non-Current Assets	31/03/2023	31/03/2022
Others		
Unsecured, considered good		
Secuirty Deposit -Others	6,000.00	-
Secuirty Deposit -Rent	-	-
Total	6,000.00	-

NOTE 11

Current Assets	31/03/2023	31/03/2022
Stock in Trade (Valued at lower of cost or NRV)		
Devices	-	61,737.00
Total	-	61,737.00

NOTE 12

Trade Receivables	31/03/2023	31/03/2022
Debts outstanding for more than six months		
Unsecured (considered good)	10,000.01	-
Outstanding for a period not exceeding six months from the due-date		
Unsecured (considered good)	27,669.49	224,675.59
Unbilled Dues (considered good)	-	66,033.31
Total	37,669.50	290,708.90

12.1 Ageing of Trade Receivable

Particulars	31/03/2023		31/03/2022	
	Trade receivables - Considered Good	Trade receivables - which have significant increase in credit risk	Trade receivables - Considered Good	Trade receivables - which have significant increase in credit risk
Less than 6 months	27,669.49	-	290,708.90	-
6 months to 1 years	10,000.01	-	-	-
	37,669.50	-	290,708.90	-

NOTE 13

Cash & Cash Equivalent	31/03/2023	31/03/2022
Balances with banks:		
In current accounts	19,657.75	161,725.53
In Deposit Accounts with Maturity of Less than 12 months	-	20,000.00
Cash in hand	13.00	13.00
Total	19,670.75	181,738.53

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NOTES TO THE FINANCIAL STATEMENTS

(Rs. In "00")

NOTE 14

Short Term Loans and Advances	31/03/2023	31/03/2022
Unsecured, considered good		
Inter-Corporate Deposits to Related Parties	62,000.00	-
Balance with Government Authorities	20,203.20	56,254.71
Balance with Channel Partner	105,436.98	111,134.95
Advance to Suppliers	7.03	18.14
Other Short Term Advances recoverable in cash or kind	7,961.34	48,222.92
Total	195,608.55	215,630.72

Balance with Channel Partner

This Represents amount maintained with company's various service provider for successful completion of all the business transaction i.e. Aadhar Enabled Payment System (AEPS), Mini-ATM (MATM), Recharge etc.

NOTE 15

Other Current Assets	31/03/2023	31/03/2022
Accrued Interest on FD	-	2,539.12
Interest Receivable on Inter Corporate Deposit	1,768.44	-
TDS Recovery	2,275.07	2,739.16
Total	4,043.51	5,278.28

NOTE 16

Revenue from Operations	31/03/2023	31/03/2022
Sale of Product		
Device Sale	64,156.00	70,523.50
Recharge Sale	59.75	529.61
Sale of Services		
Commission Income	354,872.99	1,293,624.15
SMS Service Fee Received	18,824.31	-
Total	437,913.05	1,364,677.26

NOTE 17

Other Income	31/03/2023	31/03/2022
Interest Income on FDR	2,286.96	1,295.36
Income from Debt Mutual Fund	637.28	-
Interest on Income Tax Refund	1,425.81	-
Liability No Longer Required	710.53	15.05
Short & Excess	1.68	0.25
Total	5,062.26	1,310.66

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NOTES TO THE FINANCIAL STATEMENTS

(Rs. In "00")

NOTE 18

Direct Cost of Operation	31/03/2023	31/03/2022
Device Purchases	-	130,000.00
Recharge Purchases	56.47	511.02
Commission Expenses	306,527.66	1,235,099.52
SMS Service Fee	17,568.91	-
Total	324,153.04	1,365,610.54

NOTE 19

Change in Inventory	31/03/2023	31/03/2022
Opening Stock	61,737.00	-
Less: Closing Stock	-	61,737.00
Total	61,737.00	(61,737.00)

NOTE 20

Employee Benefit Expenses	31/03/2023	31/03/2022
Staff Salary & Incentive	1,740.62	1,500.00
Total	1,740.62	1,500.00

NOTE 21

Finance Cost	31/03/2023	31/03/2022
Interest on Term Loan	29,361.25	19,831.60
Interest Paid on Unsecured Loan	2,026.60	2,115.81
Loan Processing Charges	1,036.51	4,241.00
Loan Foreclosure Charges	7,482.78	-
Total	39,907.14	26,188.41

NOTE 22

Administrative & Other Expenses	31/03/2023	31/03/2022
Bank Charges	184.59	25.67
Technology Subscription Expenses	270.16	163.64
Interest on TDS	1.50	37.65
ROC Fee	111.17	433.00
Printing & Stationery	52.50	-
Rates & Taxes	1.20	-
Server Charge	3,225.46	-
Technical Consultancy	2,540.25	-
Advances Written Off	262.88	-
Bad Debts Written Off	352.42	-
Consultancy Fee	4,333.33	-
Auditor's Remuneration		
-Audit Fee	250.00	250.00
-For Taxation & Others Matters	310.00	270.00
Total	11,895.46	1,179.96

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CIPHERSQUARE DIGITAL PRIVATE LIMITED
(Formerly known as RNFI CMS Services Private Limited)
CIN: U74999DL2018PTC340872
Notes on Financial Statements as on 31st March, 2023

Note 23 Significant Accounting Policies and Other Explanatory Notes to Financial Statements

A Corporate Information

Ciphersquare Digital Private Limited (Formerly known as (Rnfi Cms Services Private Limited) is a company registered under the Companies Act, 2013 vide registration number U74999DL2018PTC340872 on 22nd October 2018 having its registered office in Delhi. The Company is engaged in the business of Messaging Solutions, Aadhar Enabled Payment System (AEPS), Micro ATM (MATM), Cash deposit, Aadharpay transaction and other incidental business through its Channel partner network.

B Significant Accounting Policies

I Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

II Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

III Method of Accounting

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis

IV Revenue Recognition

As the Company is engaged in the business of Messaging Solutions, Aadhar Enabled Payment System (AEPS), Micro ATM (MATM), Cash deposit, Aadharpay transaction and other incidental business, the revenue of the company is commission income for various transactions, sale of recharges etc.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. The following specific recognition criteria must also be met before revenue is recognized:

Commission Income: Commission income generally determined as a percentage of transaction value executed by the channel partners of the company. The commission income from various transaction services (AEPS, MATM etc.) provided through the Company's portal is recognized when the transaction is executed and the services are rendered on real time basis and is included under the head "Revenue from Operations" in the Statement of Profit and Loss.

SMS Service Fee: Revenue from SMS service fee is recognized on an accrual basis and is included under the head "Revenue from Operations" in the Statement of Profit and Loss.

Sale of Recharges: Revenue from sale of recharges is recognized when control of the recharge coupon/goods sold, which coincides with the delivery, is transferred to the customer and it is reasonable to expect ultimate collection and is included under the head "Revenue from Operations" in the Statement of Profit and Loss.

Interest Income: Interest income is recognized on an accrual basis and is included under the head "Other Income" in the Statement of Profit and Loss.

V Taxation

Current Tax

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax

Deferred tax is recognized using the enacted / subsequently enacted tax rates and laws as on the Balance Sheet date, subject to the consideration of virtual/reasonable certainty of realization in respect of deferred tax assets, on all temporary timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

VI Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

VII Provisions and contingent liabilities

Provisions are recognized for liabilities when the Company has a present obligation as a result of past events, a probable outflow of resources is expected to settle the obligation and the amount can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Disputed liabilities and claims against the company including claims raised by authorities pending in appeals are treated amongst contingent liabilities and are not provided for in the accounts but are disclosed by way of note in Notes to Accounts.

VIII Inventories

Goods are valued at lower of cost or net realizable value. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost is determined using FIFO method of inventory valuation.

Consumables i.e., Packing material are considered as consumed as and when purchased

IX Property Plant and Equipment

Property Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises are purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment, capital work in progress shall be recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Financing costs relating to acquisition of Property Plant and Equipment are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of property, plant and equipment asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, capital work in progress, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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X Intangible Assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a Straight line value basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in the statements of profit or loss and in the period in which it is incurred.

Subsequent expenditures on the maintenance of internally-generated intangible assets are expensed as incurred.

Capital Work in Progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire property plant and equipment. Assets which are not ready for intended use are also shown under capital work-in-progress.

XI Depreciation & Amortization

Depreciation

i) Depreciation on Property Plant and Equipment is provided on straight line method (SLM) method at the life prescribed in Schedule II to the Companies Act, 2013.

Amortization

ii) Intangible assets are amortized over the period of its useful life on Straight Line Basis (SLM) basis.

XII Employee Benefit (Retirement Benefits)

i) Contributions to defined contribution schemes such as provident fund and family pension fund all charged to Profit & Loss Account as incurred;

ii) Provision for Gratuity will not be made in FY 22-23;

iii) The company does not have any policy for leave-encashment

XIII Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue in the period in which these are incurred.

XIV Events Occurring after Balance Sheet Date

Where material, events occurring after the date of Balance Sheet are considered up to the date of approval of accounts by the Board of Directors.

XV Leases

(i) Finance Lease

Assets acquired under finance lease are recognized at lower of the fair value of the leased assets at inception and the present value of minimum lease payment. Lease payment is apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating Lease

Leases other than finance lease are operating and leased assets are not recognized in the company Balance sheet. Payment under operating leases is recognized in the Statement of Profit and Loss on a straight line over the lease term.

XVI Investments

Investments are classified as Non-Current Investments and Current Investments. Non-Current investments and Current Investments are valued at cost of acquisition and related

expenses, unless, the diminution in the value of each of such investments in the opinion of the management is other than temporary

XVII Foreign Currency Transactions

Initial Recognition:

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.

Subsequent Recognition:

All monetary assets and liabilities in foreign currency are restated using the exchange rate prevailing at reporting date.

Exchange Differences:

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

XVIII Related Party Disclosure

As Per Accounting Standard -18 issued by Ministry of corporate affairs, the company's related party transactions are described below: -

Names of the related parties and related party relationship

(A) Holding Company

RNFI Services Private Limited

(B) Subsidiaries

Nil

(C) Fellow Subsidiaries/Associates

RNFI Money Private Limited

RNFI Fintech Private Limited

Paysprint Private Limited

Reliassure Insurance Brokers Private Limited

(D) Key Management Personnel

Ranveer Khyaliya	Director
Nitesh Kumar Sharma	Director

(E) Firm in which Director is a Partner

N.A.

The related parties with whom transactions have taken place during the year are given below along with nature of Transactions:

Profit & Loss Items: -

Name of Related Parties	Nature of Transaction	FY 2022-23 Amount (Rs.)	FY 2021-22 Amount (Rs.)
RNFI Services Private Limited	Commission Income	2,49,19,092/-	12,43,29,781/-
RNFI Services Private Limited	SMS Service Fee	4,81,262/-	12,43,29,781/-
RNFI Services Private Limited	Interest Expenses	1,39,383/-	2,11,581/-
RNFI Services Private Limited	Commission Expenses	Nil	33,49,971/-
RNFI Services Private Limited	Sale of Devices	53,08,200/-	46,45,350/-
Paysprint Private Limited	Commission Paid	1,65,53,236/-	4,80,947/-
Paysprint Private Limited	Sale of Devices	4,37,900/-	5,22,000/-

Balance Sheet Items: -

FY 22-23

Name of Related Parties	Nature of Transaction	Opening	Debit/Credit	Amount Payable/Receivable as on 31st Mar 2023
RNFI Services Private Limited (Loan)	Intercompany Deposit	-	899,49,40,974.73 Cr 899,49,40,974.73 Dr	-
RNFI Services Private Limited (Debtors)	Commission / Purchases	208,47,204.24 Dr	4,87,38,824 Dr 6,77,97,718.54 Cr	17,88,309.70 Dr
Paysprint Private Limited	Sales/ Commission Paid/ commission Received	5,58,068.63 Dr	5,06,78,200.66 Dr 5,00,69,518.52 Cr	50,613.51 Cr

FY 21-22

Name of Related Parties	Nature of Transaction	Opening	Debit/Credit	Amount Payable/Receivable as on 31st Mar 2022
RNFI Services Private Limited (Loan)	Intercompany Deposit	-	412,43,04,290 Cr 412,43,04,290 Dr	-
RNFI Services Private Limited (Debtors)	Commission / Purchases	48,67,320.30 Dr	15,10,00,131.88 Dr 13,50,20,247.94 Cr	2,08,47,204.24 Dr
Paysprint Private Limited	Sales/ Commission Paid/ commission Received	-	7,08,303.53 Dr 1,50,234.90 Cr	5,58,068.63 Dr

XIX Earning in Foreign exchange earnings and outgo:

Value of imports calculated on C.I.F. basis: Nil

Expenditure in Foreign Currency: Nil

Remittance in foreign currency on account of Dividend: Nil

Earning in Foreign Currency: Nil

Contingent Liabilities: Nil

XX The Management has identified enterprises which have provided goods and services to the Company which qualify under the definition of micro and small enterprise as defined under the Micro, Small and Medium enterprises Development Act, 2006. Accordingly the disclosure in respect of amounts payable to such enterprises as at March 31, 2023 has been made based on the information available with the Company further in view of the management the impact of interest, if any that may be payable in accordance with the Act is not expected to be material. The company has not received any claim for interest from any supplier under this Act. The information has been determined to the extent such parties have been identified on the basis of information available with the company. Auditors have placed reliance on such information provided by the management.

XXI Contingent Liabilities not provided for in respect of:

S. No.	Particulars	As on 31/03/2023	As on 31/03/2022
1	Legal Suits	Nil	Nil
2	Capital Commitment	Nil	Nil

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C Additional Information

- i. Previous year figures have been reworked/regrouped/ reclassified/rearranged wherever necessary to correspond with the current year's classification/disclosure.
- ii in the opinion of the board of directors, current assets, loans & advances will be realized in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known liabilities have been made.
- iii Balance in the accounts of creditors and other liabilities are subject to confirmation.
- iv There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the income tax Act, 1961.
- v The Company has not entered into any transaction with struck-off companies.
- vi There are no significant subsequent events that would require adjustments or disclosure in the financial statements as on the balance sheet date.
- vii The company has not availed any borrowings from banks and financial institutions on the basis of security of current assets.
- viii The company has not entered into any scheme of arrangement during the year.
- ix The company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- x The Company has not received funds from any person or entities including foreign entities to further lend or invest or provide any guarantee, security to third party.
- xi The company does not hold any Benami property and no proceeding is pending under the Benami Transactions (Prohibition) Act, 1988.
- xii The company has not revalued any assets during the year.
- xiii The Company has complied with number of layers of companies.
- xiv **Analytical Ratios**

<u>Ratio</u>	<u>Numerator</u>	<u>Denominator</u>	<u>31/03/2023</u>	<u>31/03/2022</u>	<u>Variance</u>
Current ratio (in times)	Total Currents Assets	Total Current Liabilities	1.29	2.19	-40.97%
Debt-Equity Ratio (in times)	Long Term Borrowings + Short Term	Total equity	0.70	7.45	-90.67%

	Borrowings				
Debt service coverage ratio (in times)	Earnings before Interest, Depreciation and Tax (EBIDTA)	Interest + Principal repayments	1.09	2.27	-52.03%
Return on equity ratio (in %)	Net Profit/(Loss) After Tax	Average total equity	3.61	55.66	-93.51%
Inventory Turnover Ratio (In times)	Revenue from operations	Average Inventory	14.19	44.21	-67.91%
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade Receivables	2.67	6.61	-59.63%
Trade payables turnover ratio (in times)	Purchase of Services	Average trade payables	6.84	22.81	-70.00%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.87	6.21	-69.92%
Net profit/(loss) ratio (in %)	Profit/(loss) for the year	Revenue from operations	0.45	1.72	-73.68%
Return on capital employed (in %)	Profit/(loss) before tax and finance costs	Total Assets less Current liability	59.80	14.46	313.53%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	N.A.	N.A.	N.A.

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Explanation to Variance

- i. Decrease in Current Ratio is on account of decrease in Current Assets.
- ii. Decrease in Debt Equity Ratio is on account of decrease in Borrowings.
- iii. Decrease in Debt Service Coverage Ratio is on account of decrease in EBIDTA.
- iv. Decrease in Return on Equity Ratio is on account of decrease in Net profit after tax.
- v. Decrease in Inventory Turnover Ratio is on account of decrease in Revenue from Operation.
- vi. Decrease in Trade Receivable Turnover Ratio is on account of decrease in Revenue from Operation.
- vii. Decrease in Trade Payable Turnover Ratio is on account of decrease in direct cost of operation.
- viii. Decrease in Net Capital Turnover Ratio is on account of decrease in Revenue from Operation.
- ix. Decrease in Net Profit Ratio is on account of decrease in Net Profit after Tax during the year comparative to previous financial year.
- x. Increase in Return on capital employed is on account Decrease in borrowings during current year.

e	Payment to Statutory Auditor	2022-23	2021-22
	Statutory Audit Fee	Rs, 25,000	Rs. 25,000
	Tax Audit Fee	Rs, 25,000	Rs. 25,000
	Others	Rs, 6,000	Rs. 2,000

f Earning Per shares (EPS): -

Particulars	2022-23	2021-22
Net profit After tax	1,98,252/-	23,47,710/-
Weighted Average number of equity shares outstanding at the end of the year	10,000	10,000
Diluted & Basic EPS	19.83	234.77

For Narbariya & Associates LLP
Chartered Accountants
Registration No.: N500340

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Varun Narbariya
Partner
Mem. No. 546314
Date: 2nd September 2023
UDIN: 23546314BGYOLE9007

For and on behalf of the Board of Directors of
Ciphersquare Digital Private Limited



Nitesh
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Sharma

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Nitesh Kumar Sharma
Director
DIN: 07290315

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Ranveer Khyaliya
Director
DIN: 07290203