

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. RNIT Solutions and Services Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of RNIT Solutions and Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to 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 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, its profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

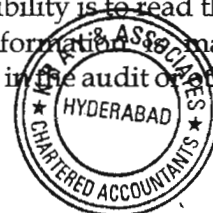
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section 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 Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management report and chairman's statement included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise



procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



K R A Y & ASSOCIATES

CHARTERED ACCOUNTANTS

Flat No.508, Fifth Floor
Maheshwari Chambers
Somajiguda
Hyderabad-500082
+91 80748 85844
+91 96422 03419

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;
- (g) In our opinion, the Company is in compliance with the provisions of section 197 read with Schedule V of the Act for the year ended March 31, 2023;
- (h) 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:
- The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **K R A Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 018331S



per **Raghavendra Rahul Korlam**
Partner

Membership Number: 237820



Place: Hyderabad

Date: Sep 05, 2023

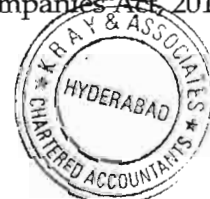
UDIN: 23237820BGXBFP5636

Annexure 1 to the Independent Auditors' Report
Re: RNIT Solutions and Services Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, 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 by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities with minor delays in certain cases which have been thereafter rectified along with the penal interest.
- (b) According to the information and explanations given to us, no undisputed dues payable in respect of provident fund, income-tax, service tax, duty of customs, value added tax, goods and service tax, cess and other statutory dues which were

outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales tax, excise duty and cess are not applicable to the Company.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans were applied for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



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- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For K R A Y & Associates

Chartered Accountants

ICAI Firm Registration Number: 018331S



per Raghavendra Rahul Korlam

Partner

Membership Number: 237820



Place: Hyderabad

Date: Sep 05, 2023

UDIN: 23237820BGXBFP5636

Annexure 1 to the Independent Auditors' Report

Re: RNIT Solutions and Services Limited ('the Company')

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, 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 by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) The company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

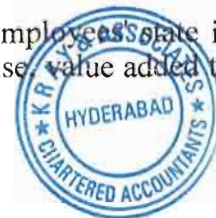
(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/ services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employee state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods



and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities with minor delays in certain cases which have been thereafter rectified along with the penal interest.

- (b) According to the information and explanations given to us, no undisputed dues payable in respect of provident fund, income-tax, service tax, duty of customs, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales tax, excise duty and cess are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans were applied for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are applicable to the Company and hence reporting under clause 3(xi) are applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has made preferential allotment of private



placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are applicable to the Company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act 2013
- (xvi) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (xvii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditors during the year.

For **K R A Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 018331S



Per Raghavendra Rahul Korlam

Partner

Membership Number:237820



Place: Hyderabad

Date: Sep 05,2023

UDIN: 23237820BGXBFP5636

RNIT SOLUTIONS AND SERVICES LIMITED

CIN: U72900TG2019PLC132226

Profit & Loss for the year ended March 31, 2023

(All amounts in INR Lakhs except for share data or as otherwise stated)

	Notes	March 31, 2023	March 31, 2022
I INCOME			
Revenue from operations (Net)	16	1,222.00	1,720.00
Other Income	17	1.26	1.64
Total Income (I)		1,223.26	1,721.64
II Expenses			
Operating expenses	18	86.09	618.93
Employee benefits expense	19	510.49	464.08
Finance costs	20	5.33	3.40
Depreciation & Amortization expense	9&10	41.51	41.09
Other expenses	21	332.07	350.60
Total Expenses (II)		975.49	1,478.09
III Profit/(Loss) before tax (I - II)		247.77	243.54
IV Tax expenses			
Deferred Tax		(1.31)	(0.46)
Current tax		74.31	68.49
V Profit/(Loss) for the year		174.77	175.51
VI Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2022: Rs. 10/- each fully paid)			
Basic		7.91	7.95
Diluted			

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For K R A Y & Associates

Chartered Accountants

Firm Reg. No. 018331S


Korlam Raghavendra Rahul

Partner

Membership No: 237820

**For and on behalf of the Board of Directors****RNIT SOLUTIONS AND SERVICES LIMITED**

N. Raja Srinivas

Whole time Director

Din: 08430111


N. Neelima

Director

DIN: 08430112

Place : Hyderabad

Date: Sep 05, 2023

Place : Hyderabad

Date: Sep 05, 2023

RNIT SOLUTIONS AND SERVICES LIMITED

CIN: U72900TG2019PLC132226

Balance sheet as at March 31, 2023

(All amounts in INR Lakhs except for share data or as otherwise stated)

	Notes	March 31, 2023	March 31, 2022
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	400.83	1.00
Reserves and surplus	4	261.72	206.78
		662.55	207.78
Non-current Liabilities			
Long Term Borrowings	5	283.99	55.99
Deferred tax liability	6	0.47	1.78
		284.46	57.77
Current Liabilities			
Trade Payables	7		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		113.34	63.81
Other current liabilities	8	215.92	64.36
Short-term provisions		45.97	7.04
		375.23	135.21
TOTAL		1,322.24	400.76
ASSETS			
Non-Current Assets			
Fixed Asset			
Property, plant and equipment	9	50.09	4.57
Intangible Asset	10	107.73	121.34
Long term loans & advances	11A	10.31	1.88
Other non current assets	12	29.66	21.61
		197.79	149.40
Current Assets			
Trade receivables	13	436.81	108.37
Cash and cash equivalents	14	52.73	25.53
Short term loans & advances	11B	589.67	39.73
Other Current Asset	15	45.24	77.73
		1,124.45	251.36
TOTAL		1,322.24	400.76

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For K R A Y & Associates

Chartered Accountants

Firm Reg. No. 018331S

Korlam Raghavendra Rahu

Partner

Membership No: 237820



For and on behalf of the Board of Directors

RNIT SOLUTIONS AND SERVICES LIMITED

N.Raja Srinivas

Whole time Director

DIN: 08430111

N.Neelima

Director

DIN: 08430112

Place : Hyderabad

Date: Sep 05, 2023

Place : Hyderabad

Date: Sep 05, 2023

RNIT SOLUTIONS AND SERVICES LIMITED

CIN: U72900TG2019PLC132226

Statement of Cash Flows for year ended March 31, 2023

(All amounts are in Indian Rupees Lakhs except as otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	247.77	243.54
Adjustments for:		
Depreciation and amortisation	41.51	41.09
Interest income	(1.26)	(1.54)
Operating profit before working capital changes	288.02	283.09
Movement in working capital:		
Increase in trade payables	49.52	(25.56)
Increase/(decrease) in other current liabilities	151.57	25.23
Increase in trade receivables	(328.44)	(97.07)
Increase in Short term provisions	38.93	-
Decrease/(increase) in long term loans & advances (excluding tax paid)	(8.43)	109.04
Decrease/(increase) in Short term loans & advances (excluding tax paid)	(549.94)	-
Decrease in other current assets	32.48	(35.82)
(Increase) in other Non current assets	(8.05)	-
Cash generated from operations	(334.34)	258.91
Income tax paid	(74.31)	(68.49)
Net cash flows from operating activities (A)	(408.65)	190.42
Cash Flow from investing activities		
Purchase of property, plant and equipment	(46.58)	(0.51)
Purchase of product development software	(26.83)	-
Interest received	1.26	1.54
Net cash used in investing activities (B)	(72.15)	1.03
Cash flows from financing activities		
Proceeds from issue of shares	100.00	-
Proceeds from borrowings	408.00	-
Repayment of borrowings	-	(218.95)
Net cash used in financing activities (C)	408.00	(218.95)
Net increase in cash and cash equivalents (A+B+C+D)	27.20	(27.50)
Cash and cash equivalents at the beginning of the year	25.53	53.04
Cash and cash equivalents at the year end	52.73	25.54
Components of cash and cash equivalents:		
Balances with banks		
On current accounts	52.43	25.44
Cash in Hand	0.30	0.10
Total cash and cash equivalents	52.73	25.54

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For **K R A Y & Associates**
Chartered Accountants
Firm Reg. No. 018331S



Korlam Raghavendra Rahul
Partner
Membership No: 237820



For and on behalf of the Board of Directors
RNIT SOLUTIONS AND SERVICES LIMITED



N. Raja Srinivas
Whole time Director
DIN: 08430111



N. Neelima
Director
DIN: 08430112

Place : Hyderabad
Date: Sep 05, 2023

Place : Hyderabad
Date: Sep 05, 2023

RNIT SOLUTIONS AND SERVICES LIMITED

CIN: U72900TG2019PLC132226

Notes to financial statements for the year ended March 31, 2023

(All amounts in INR Lakhs except for share data or as otherwise stated)

1. Corporate information

RNIT Solutions and Services Limited is a software development company incorporated under the provisions of Companies Act, 2013. Its registered office is located at Plot No. 92,93 & 94, Sy No. 40 & 41, 1st Floor, Guttala Bagumpet, Kavuri Hills, Madhapur Hyderabad, 500034. The company is engaged in the business activities of Internet of Things (IoT), Artificial Intelligence, Mobile Solutions, Application Development.

The Company has been converted from Private Limited Company to Public Limited Company after obtaining necessary approval(s) from members of the Company and Registrar of Companies, Hyderabad.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amount of assets including advances, trade receivables etc in developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company, as at the date of approval of these financial statements has used internal and external source of information. The Company expects that the carrying amount of the assets will be recovered. The impact of COVID 19 on the Company's financial statements may differ from that estimated as at the date of these financial statements.

(b) Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold improvements are amortised using straight line method over the estimated useful life of asset or lease term, whichever is shorter.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.



(c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on written down value basis using the rates arrived at based on the useful lives estimated by the management which is based on technical evaluation and past experience. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation on additions to assets or on sale/disposal of asset is calculated pro-rata from the month of such addition, or up to the month of such sale/disposal as the case may be.

(d) Intangible Assets

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.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the company's intangible assets is as below:

	Rates (SLM)
Product Development Expense	5 years
Software and Databases	3 years

The estimated useful life of the Intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

(e) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease payments under operating lease are recognised as an expense in the statement of profit and loss on straight line basis over the lease term.

(f) Impairment

The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

(h) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

(i) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes benefits payable towards provident fund as an expenditure, when an employee renders the related service. If the contribution payable for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.



(j) Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(k) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

(l) Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



3. Share Capital

	March 31, 2023	March 31, 2022
Authorised Share Capital		
15,000,000 Equity shares of Rs.10/- each	1,500.00	10.00
Total	1,500.00	10.00
Issued, Subscribed and Paid Up		
22,08,332 Equity shares of Rs.10/- each	220.83	1.00
Issued, Subscribed but not fully paid		
90,00,000 Equity shares of Rs.10/- each, Rs.2/- Paid up	180.00	-
Total	400.83	1.00

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year/period

Issued, Subscribed and Paid Up

	March 31, 2023		March 31, 2022	
	No.	Amount	No.	Amount
Equity shares of Rs. 10/- each fully paid up				
At the beginning of the year/ period	10,000	1.00	10,000	1.00
Issued during the year/ period	21,98,332	219.83	-	-
Outstanding at the end of the year/period	22,08,332	221	10,000	1.00

Issued, Subscribed but not fully paid

	March 31, 2023		March 31, 2022	
	No.	Amount	No.	Amount
Equity shares of Rs. 2/- each partly paid up				
At the beginning of the year/ period	-	-	-	-
Issued during the year/ period	90,00,000	180.00	-	-
Outstanding at the end of the year/period	90,00,000	180.00	-	-

3.2 Rights attached to Equity Shares

The Company has only one class of equity share having a par value of Rs.10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of Shareholders holding more than 5% shares of the Company:

	March 31, 2023		March 31, 2022	
	% Holding	No.	% Holding	No.
Raja Srinivas Nandigam	79%	88,66,700	80%	8,000
Neelima Nandigam	9%	9,62,500	10%	1,000
Sumithra Devi Lanka	4%	4,00,000	10%	1,000
Total	91%	1,02,29,200	100%	10,000

3.4 Details of Promoters Shareholders holding of the Company

	March 31, 2023		March 31, 2022		% Change during the year
Promoter name	% Holding	No.	% Holding	No.	
Raja Srinivas Nandigam	79%	88,66,700	80%	8,000	110734%
Neelima Nandigam	9%	9,62,500	10%	1,000	9%150%
Sumithra Devi Lanka	4%	4,00,000	10%	1,000	39900%
Total	91%	1,02,29,200	100%	10,000	246784%

4. Reserves and surplus

	March 31, 2023	March 31, 2022
Securities Premium	79.17	-
Surplus/(Deficit) in the Statement of profit and loss		
Balance as per last financial statements	206.78	31.27
Add: Profit for the year	174.77	175.51
Less: Issue of Bonus shares	(199.00)	-
Net Surplus/(Deficit) in the Statement of profit and loss	182.55	206.78
Total Reserves and Surplus	261.72	206.78

5. Long Term Borrowings

	March 31, 2023	March 31, 2022
Loan from Directors (Unsecured)	239.99	55.99
Vehicle Loan*	44.00	-
Total	283.99	55.99

*During the FY 2022-23, the Company has availed vehicle loan of 44 Lakhs from ICICI Bank. Loan was sanctioned on Feb 23, 2023 for an fixed interest rate of 8.55%

6. Deferred tax liability

	March 31, 2023	March 31, 2022
Deferred tax liability/(asset)		
Difference between tax depreciation and depreciation/amortisation charged for the financial reporting	0.47	1.73
	0.47	1.73



7. Trade Payables

	March 31, 2023	March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	113.34	63.81
Total	113.34	63.81

As at March 31, 2023

	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	59.81	34.50	18.65	0.21	0.16	113.34
	59.81	34.50	18.65	0.21	0.16	113.34

As at March 31, 2022

	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	40.32	23.11	(0.30)	0.69	-	63.81
	40.32	23.11	(0.30)	0.69	-	63.81

8. Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues payable	90.36	11.42
Rent payable	0.73	1.68
Employee Payables	58.00	39.94
Other Liability	66.84	11.32
	215.92	64.36

9. Short term provisions

	March 31, 2023	March 31, 2022
Provision for Income tax (net)	45.97	7.04
	45.97	7.04



11. Loans & Advances

	March 31, 2023	March 31, 2022
A. Long term loans & advances		
Advances to suppliers	9.44	1.01
Preliminary Expenses not written off	0.16	0.16
MAT Credit Entitlement	0.70	0.70
Total	10.31	1.88
B. Short term loans & advances		
Employee Loans	-	0.64
Advances to suppliers		
Advance rent	0.34	-
Unbilled revenue	589.33	39.09
Total	589.67	39.73

12. Other Non current Assets

	March 31, 2023	March 31, 2022
Security Deposit	29.66	21.61
	29.66	21.61

13. Trade receivables

	March 31, 2023	March 31, 2022
Other Receivables		
Unsecured, considered good		
Trade Receivables outstanding for more than six months from the date they became due for payment	99.64	67.44
Less than Six Months	337.17	40.92
Total	436.81	108.37

Trade receivables Ageing Schedule#

As at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	257.97	79.20	31.68	63.45	3.61	0.90	436.81
	257.97	79.20	31.68	63.45	3.61	0.90	436.81

Trade receivables Ageing Schedule#

As at 31 March 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	31.67	9.26	66.22	0.33	0.90	-	108.37
	31.67	9.26	66.22	0.33	0.90	-	108.37

14. Cash and Bank Balances

	March 31, 2023	March 31, 2022
Cash and Cash Equivalents		
Balance with Bank	52.43	25.44
Cash in Hand	0.30	0.10
Total	52.73	25.53

15. Other Current Asset

	March 31, 2023	March 31, 2022
Balance with statutory authorities	16.25	39.58
TDS Receivable	-	11.42
Other Current Asset	29.00	26.72
Total	45.24	77.73



10. Property plant and equipment

	Computers & networking equipment	Furniture and fixtures	Vehicles	Plant & Machinery	Total assets
Gross block					
As at April 01, 2021	0.88	0.09	-	5.39	6.36
Additions	-	0.03	-	0.48	0.51
Disposals	-	-	-	-	-
As at March 31, 2022	0.88	0.11	-	5.87	6.87
Additions	0.13	-	45.40	1.05	46.58
Disposals	-	-	-	-	-
As at March 31, 2023	1.01	0.11	45.40	6.92	53.45
Depreciation and amortisation					
As at April 01, 2021	0.82	0.03	-	1.00	1.85
Charge for the year	0.06	0.01	-	0.38	0.45
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2022	0.88	0.04	-	1.38	2.30
Charge for the year	0.03	0.01	0.58	0.44	1.05
Disposals / Adjustments	-	-	-	-	-
As at March 31, 2023	0.91	0.05	0.58	1.82	3.36
Net Block					
As at March 31, 2022	(0.00)	0.07	-	4.49	4.57
As at March 31, 2023	0.10	0.06	44.82	5.10	50.09

11. Intangible Assets

	Software	Product Development	Total
Gross Block			
As at April 01, 2021	2.80	202.25	205.05
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2022	2.80	202.25	205.05
Additions	-	26.83	26.83
Disposals	-	-	-
As at March 31, 2023	2.80	229.09	231.89
Depreciation and amortisation			
As at April 01, 2021	2.61	40.45	43.06
Charge for the year	0.19	40.45	40.64
Disposals / Adjustments	-	-	-
As at March 31, 2022	2.80	80.90	83.70
Charge for the year	-	40.45	40.45
Disposals / Adjustments	-	-	-
As at March 31, 2023	2.80	121.35	124.15
Net Block			
As at March 31, 2022	-	121.35	121.35
As at March 31, 2023	-	107.73	107.73



RNIT SOLUTIONS AND SERVICES LIMITED
CIN: U72900TG2019PLC132226
Notes to financial statements for the year ended March 31, 2023
(All amounts are expressed in INR unless otherwise stated)

16. Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Services	1,222.00	1,720.00
Total	1,222.00	1,720.00

17. Other Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Laptop Damage recovery	-	0.10
Interest on Fixed deposit	1.26	1.54
Total	1.26	1.64

18. Operating expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consultancy Charges	58.57	265.48
Product development charges	27.51	353.45
Total	86.09	618.93

19. Employee benefit expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & wages	501.61	421.10
Staff Welfare Expenses	8.88	42.98
Total	510.49	464.08

20. Finance Costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Finance Charges	5.33	0.11
Interest On Statutory Dues	-	2.82
Bank Charges	-	0.48
Total	5.33	3.40

21. Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	51.88	46.05
Directors Remuneration	129.79	100.46
Memberships & Subscriptions	33.27	34.98
Travel & Lodging	14.65	51.43
Server Maintenance	33.40	43.21
Marketing Expense	41.31	28.75
Power & Fuel	4.51	5.81
Repairs & Maintenance	3.18	12.44
Repairs & Maintenance - Others	-	-
Rates & Taxes	2.24	0.58
Internet expense	1.68	1.37
Office Maintenance	2.72	7.34
Audit Fee	1.50	1.50
Legal & Professional Charges	10.79	-
Printing & Stationery	0.60	0.31
Other Expenses	0.54	16.36
Total	332.07	350.60



RNIT SOLUTIONS AND SERVICES LIMITED

CIN: U72900TG2019PLC132226

Notes to financial statements for the year ended March 31, 2023

(All amounts are expressed in INR Lakhs unless otherwise stated)

22. Related Party Disclosures
i) Names of related parties and related party relationship

Name of the related party	Relationship
Key Management Personnel	
Raja Srinivas Nandigam	Director
Neelima Nandigam	Director
Sumithradevi Lanka	Director

ii) Transactions during the year

Name of the related party	March 31, 2023	March 31, 2022
Key Management Personnel		
Raja Srinivas Nandigam		
- Repayment of loan	-	100.00
- Repayment of loan by shares (other than cash)	160.75	-
- Loans received	236.00	32.60
- Managerial Remuneration	99.79	70.45
Neelima Nandigam		
- Repayment of loan	-	68.95
- Repayment of loan by shares (other than cash)	4.00	-
- Loans received	88.00	-
- Managerial Remuneration	30.00	30.00
Sumithradevi Lanka		
- Repayment of loan	-	82.00
- Repayment of loan by shares (other than cash)	15.25	-
- Loans received	40.00	-

iii) Balances as at year end

Name of the related party	March 31, 2023	March 31, 2022
Key Management Personnel		
Raja Srinivas Nandigam		
- Loans from Directors	131.24	55.99
- Managerial Remuneration	99.79	7.13
Neelima Nandigam		
- Loans from Directors	84.00	-
- Managerial Remuneration	30.00	-

23. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")

Based on the information available with the Company there are no suppliers who are registered as micro, small or medium enterprise under the MSMED Act, 2006 as at March 31, 2023 and March 31, 2022

24. Ratio Analysis and its elements**

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	3.00	1.86	61.20%	There is Increase in Trade Receivables in 22-23
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.43	0.27	59.07%	Company acquired Loans in the FY 22-23
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	NA	NA		
Return on Equity ratio	Net Profits after taxes + Preference Dividend	Average Shareholder's Equity	0.57	175.51	-79.50%	There is increase in net profit in 2022-23
Inventory Turnover ratio	Cost of goods sold	Average Inventory	NA	NA		
Trade Receivable Turnover Ratio	Net credit sales + Gross credit sales + sales return	Average Trade Receivable	4.48	28.75	-84.41%	% increase in Revenue in 22-23 is less than Avg. trade receivables
Trade Payable Turnover Ratio	Net credit purchases + Gross credit purchases + purchase return	Average Trade Payables	NA	NA		
Net Capital Turnover Ratio	Net sales + Total sales + sales return	Working capital = Current assets - Current liabilities	1.63	14.31	-88.99%	Decrease in Working capital in 2022-23
Net Profit ratio	Net Profit	Net sales + Total sales + sales return	14%	10%	40.17%	Increase in net profit in 2022-23
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt - Deferred Tax Liability	0.41	1.48	-72.03%	Decrease in EBIT in 2022-23

