



SANJEEV JIWAN GUPTA & CO.
CHARTERED ACCOUNTANTS
PH: 0161- 2304057
6-E, KITCHLU NAGAR, LUDHIANA

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors,

Spice Digital Nigeria Limited

Special Purpose Audit Report on the Audit of the Financial Statements for the Consolidation purpose

Opinion

We have audited the accompanying financial statements of Spice Digital Nigeria Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the and Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("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, 2022 and its loss 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 an unmodified opinion on the financial statements.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) as applicable on the parent company. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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.
- 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.





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1. We report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet and the Statement of Profit and Loss 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 Indian Accounting Standards;
- (e) The Company does not have any pending litigation which would impact its financial position;
- (f) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

DATED: 23.05.2022
PLACE: NOIDA

For SANJEEV JIWAN GUPTA & CO.
CHARTERED ACCOUNTANTS.

(CA SANJEEV GUPTA)
(M.NO. 500090)
(FRN 018541N)

UDIN: 22500090AJMUGS2420



DigiSpice Nigeria Limited
Management Account
for the period 1st Apr-21 to 31st Mar-2022

Particulars	Notes#	Amount in Naira		Amount in INR	
		As at Mar-2021	As at Mar-2022	As at Mar-2021	As at Mar-2022
Assets					
Non-current assets					
Property, plant and equipment	2	1,615,101	318,259	311,400	57,863
Intangible Assets(Software)	2	-	-	-	-
Capital Work in Progress	4	-	-	-	-
Loans	5	-	-	-	-
Deferred Tax Assets	-	-	-	-	-
Other Non Current Assets	6	-	-	-	-
		<u>1,615,101</u>	<u>318,259</u>	<u>311,400</u>	<u>57,863</u>
Current assets					
Inventories	7	-	-	-	-
Trade Receivable	8	181,127,866	15,729,616	34,922,416	2,859,839
Cash and cash equivalents	9	2,685,459	24,491,807	517,771	4,452,913
Other Bank Balances	10	-	-	-	-
Other Financial Assets	11	6,808,201	1,906,983	1,312,657	346,713
Loans	12	-	-	-	-
Current Tax Assets	13	225,006,321	249,681,863	43,382,415	45,395,248
Other Current Assets	14	10,556,999	8,078,254	2,035,446	1,468,726
		<u>426,184,846</u>	<u>299,888,523</u>	<u>82,170,704</u>	<u>54,523,439</u>
		<u>427,799,947</u>	<u>300,206,782</u>	<u>82,482,104</u>	<u>54,581,303</u>
Equity and liabilities					
Equity					
Equity Share capital	15	10,000,000	10,000,000	2,021,166	2,021,166
Other Equity	16	-466,188,293	-404,421,080	-89,976,694	-73,731,792
		<u>-456,188,293</u>	<u>-394,421,080</u>	<u>-87,955,528</u>	<u>-71,710,626</u>
Liabilities					
Non-current Liabilities					
Borrowing	-	-	-	-	-
Deferred tax liabilities	-	950,714	950,714	183,303	172,852
		<u>950,714</u>	<u>950,714</u>	<u>183,303</u>	<u>172,852</u>
Current Liabilities					
Trade payables	17	736,871,931	416,989,908	142,072,826	75,813,918
Other financial liabilities	18	-	-	-	-
Other Current Liabilities	19	66,116,254	37,148,988	12,747,565	6,754,145
Current Tax Liabilities	20	80,049,341	239,538,252	15,433,939	43,551,014
		<u>883,037,526</u>	<u>693,677,148</u>	<u>170,254,330</u>	<u>126,119,077</u>
		<u>427,799,947</u>	<u>300,206,782</u>	<u>82,482,104</u>	<u>54,581,303</u>
				0	0

For DigiSpice Nigeria Limited

(Authorised Signatory-Holding Co.)

Date: 23.05.2022

Place : Noida

For Sanjeev Jiwan Gupta & Co.
Chartered Accountants

CA Sanjeev Gupta (Partner)

M. No. 500090

FRN: 018541N

UDIN: 22500090AJMUGS2420

DigiSpice Nigeria Limited
Profit and Loss
for the period 1st Apr-21 to 31st Mar-2022

Particulars	Notes#	Amount in Naira		Amount in INR	
		For the Period Ended Mar-2021	For the Period Ended Mar-2022	For the Period Ended Mar-2021	For the Period Ended Mar-2022
Revenue					
Revenue From Operations	21	25,809,525	263,484	5,011,395	48,181
Other Income	22	-	1,174	-	215
		<u>25,809,525</u>	<u>264,658</u>	<u>5,011,395</u>	<u>48,396</u>
Expenses					
Purchases of Stock In Trade	23	23%	50%	-	-
Changes in Inventories of finished goods, Stock	24	-	-	-	-
Connectivity and Content Cost	25	5,921,010	131,832	1,149,673	24,107
Employee Benefits Expense	26	11,385,066	6,189,993	2,210,620	1,131,909
Finance costs	27	-	-	-	-
Depreciation and amortization expense	25	4,542,507	1,215,086	882,011	222,192
Other Expenses	26	145,384,897	-228,528,374	28,229,158	-41,788,955
		<u>167,233,480</u>	<u>-220,991,463</u>	<u>32,471,463</u>	<u>-40,410,747</u>
Profit(loss) before exceptional items and tax		-141,423,955	221,256,121	-27,460,068	40,459,143
Profit(loss) before tax		-141,423,955	221,256,121	-27,460,068	40,459,143
Current Tax	27	3,702,523	159,488,911	718,913	29,164,322
Profit(Loss) for the period from continuing operations		<u>-145,126,478</u>	<u>61,767,210</u>	<u>-28,178,981</u>	<u>11,294,821</u>

For DigiSpice Nigeria Limited

(Authorised Signatory-Holding Co.)

Date: 23.05.2022

Place : Noida

For Sanjeev Jiwan Gupta & Co
Chartered Accountants

CA Sanjeev Gupta (Partner)
M. No. 500090
FRN: 018541H
UDIN: 22500090AIMUGS2420



DigiSpice Nigeria Limited
Balance Sheet Notes for the period 1st Apr-21 to 31st Mar-2022

Notes#	Particulars	Amount in Naira		Amount in INR	
		As at Mar-2021	As at Mar-2022	As at Mar-2021	As at Mar-2022
2	Property, plant and equipment				
	Gross Block				
	Furniture and fittings				
	Office equipments				
	Computers	1,615,101	318,259	311,400	57,863
		<u>1,615,101</u>	<u>318,259</u>	<u>311,400</u>	<u>57,863</u>
	Accumulated Depreciation				
	a. Furniture and fittings				
	a. Office equipments				
	a. Computers				
		<u>1,615,101</u>	<u>318,259</u>	<u>311,400</u>	<u>57,863</u>
3	Intangible Assets (Software)				
	Intangible Assets (Software)	6,120,000		1,179,969	
	Amortization on Intangible Asset	-6,120,000		-1,179,969	
4	Capital Work in Progress				
	IT- Hardware				
	IT- Software				
5	Loans				
	Loans				
6	Other Non Current Assets				
	Capital Advances				
7	Inventories				
	Traded Goods				
8	Trade Receivable				
	Other Trade Receivables				
	Unsecured, considered good	494,848,864	222,362,609	95,409,492	40,428,270
	Doubtful	-313,720,998	-206,632,993	-60,487,076	-37,568,432
	Unsecured				
	Outside parties				
		<u>181,127,866</u>	<u>15,729,616</u>	<u>34,922,416</u>	<u>2,859,839</u>
9	Cash and cash equivalents				
	Balances with Banks	2,685,459	24,491,807	517,771	4,452,913
	Cash in Hand				
		<u>2,685,459</u>	<u>24,491,807</u>	<u>517,771</u>	<u>4,452,913</u>
10	Other Bank Balances				
	Others				
11	Other Financial Assets				
	Receivable against Ticketing				
	Interest accrued on fixed dep.				
	Security Deposit				
	Unbilled Revenue	6,808,201	1,906,983	1,312,657	346,713
		<u>6,808,201</u>	<u>1,906,983</u>	<u>1,312,657</u>	<u>346,713</u>

12	Loans				
	Security Deposit	-	-	-	-
13	Current Tax Assets				
	Advance Income Tax	225,006,321	249,681,863	43,382,415	45,395,248
	Less: Provision for Tax	-	-	-	-
	Dividend Tax	-	-	-	-
		<u>225,006,321</u>	<u>249,681,863</u>	<u>43,382,415</u>	<u>45,395,248</u>
14	Other Current Assets				
	Capital Advances	-	-	-	-
	Other assets	-	-	-	-
	Advances recoverable in cash	10,509,818	8,078,254	2,026,349	1,468,726
	Prepaid Expenses	47,181	-	9,097	-
		<u>10,556,999</u>	<u>8,078,254</u>	<u>2,035,446</u>	<u>1,468,726</u>
15	Equity Share capital				
	Equity Share capital	10,000,000	10,000,000	2,021,166	2,021,166
		<u>10,000,000</u>	<u>10,000,000</u>	<u>2,021,166</u>	<u>2,021,166</u>
16	Other Equity				
	Share Application Money	-	-	-	-
	Foreign Currency Translation Reserve				
	Balance as per last financial statements	-	-	-	3,094,219
	- Addition during the year	-	-	3,094,219	1,855,862
	Closing	-	-	3,094,219	4,950,081
	Retained Earnings				
	Balance as per last financial statements	-321,061,815	-466,188,290	-64,891,932	-93,070,913
	Addition				
	Profit/Loss during the period	-145,126,478	61,767,210	-28,178,981	11,294,821
	Other Comprehensive income reclassified				
	Share based payment Reserve				
	Less:				
	Provision for Tax	-	-	-	-
	Bonus Share issued	-	-	-	-
	Proposed Dividend	-	-	-	-
		<u>-466,188,293</u>	<u>-404,421,080</u>	<u>-89,976,694</u>	<u>-73,731,792</u>
17	Trade payables				
	Trade Payables	108,875,007	58,868,109	20,991,680	10,702,950
	related party Payables	627,996,922	358,121,798	121,081,146	65,110,968
	Other Payables	-	-	-	-
		<u>736,871,929</u>	<u>416,989,907</u>	<u>142,072,826</u>	<u>75,813,918</u>
18	Other financial liabilities				
	Unpaid dividend	-	-	-	-
	Unaccrued Income	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
19	Other Current Liabilities				
	Indirect Taxes and Duties Payable	-	-	-	-
	TDS Payable	18,661,232	58,472	3,597,985	10,631
	VAT Payable	43,365,055	32,921,328	8,361,013	5,985,504
	Deffered Revenue	-	-	-	-
	Employee related payable	4,089,967	4,169,188	788,567	758,010
	Dividend Tax	-	-	-	-
	Other Payable	-	-	-	-
		<u>66,116,254</u>	<u>37,148,988</u>	<u>12,747,565</u>	<u>6,754,145</u>
20	Current Tax Liabilities				
	Provision for Tax	80,049,341	239,538,252	15,433,939	43,551,014
		<u>80,049,341</u>	<u>239,538,252</u>	<u>15,433,939</u>	<u>43,551,014</u>

Notes#	Particulars	Amount in Naira	Amount in Naira	Amount in INR	Amount in INR
		For the Period Ended Mar-2021	For the Period Ended Mar-2022	For the Period Ended Mar-2021	For the Period Ended Mar-2022
21	Revenue From Operations				
	Value Added Service Revenue	25,809,525	263,484	5,011,395	48,181
	Sale of Goods	-	-	-	-
		<u>25,809,525</u>	<u>263,484</u>	<u>5,011,395</u>	<u>48,181</u>
22	Other Income				
	Interest Income				
	Bank Deposits	-	1,174	-	215
	Other Non Operating Income				
	provisions and unclaimed balances written back (N)	-	-	-	-
		<u>-</u>	<u>1,174</u>	<u>-</u>	<u>215</u>
23	Purchases of Stock In Trade				
	Purchases of Stock in Trade	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
24	Changes in Inventories of finished goods, Stock in Trade and Work In Progress				
	Inventories at beginning of year	-	-	-	-
	Traded Goods	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
25	Connectivity and Content Cost				
	Value Added Service Charges	5,921,010	131,832	1,149,673	24,107
		<u>5,921,010</u>	<u>131,832</u>	<u>1,149,673</u>	<u>24,107</u>
26	Employee Benefits Expense				
	Salary, Wages & Bonus	11,385,066	6,189,993	2,210,620	1,131,909
		<u>11,385,066</u>	<u>6,189,993</u>	<u>2,210,620</u>	<u>1,131,909</u>
27	Finance costs				
	Interest Cost				
	Interest	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
25	Depreciation and amortization expense				
	Depreciation of property plant and equipment	4,542,507	1,215,086	882,011	222,192
		<u>4,542,507</u>	<u>1,215,086</u>	<u>882,011</u>	<u>222,192</u>
26	Other Expenses				
	Electricity & Water Charges	208,000	-	40,387	-
	Rent	3,822,713	2,188,627	742,250	400,215
	Rates & Taxes	-62,367	409,468	-12,110	74,876
	Repairs and maintenance	-	-	-	-
	a. Others	739,558	-	143,599	-
	Advertisement Expense	161,071	13,190	31,275	2,412
	Travelling expenses	1,242,015	239,000	241,160	43,704
	Communication Exp.	15,065,700	2,435,089	2,925,283	445,283
	Legal and Professional Expenses	-30,744,205	-184,731,242	-5,969,554	-33,780,163
	Sundry balances written off	-5,519,316	-76,416,716	-1,071,677	-13,973,647
	Provision for doubtful debts and advances	152,265,212	-107,088,005	29,565,098	-19,582,233
	Audit fees	5,252,200	5,528,463	1,019,811	1,010,941
	Freight & Forwarding Charges	-	-	-	-
	General expenses	-	-	-	-
	Printing and stationary	819,792	653,445	159,178	119,490
	a. Exchange Rate Fluctuation Gain/Loss	2,272,237	5,618,092	441,197	1,027,331
	Employee Compensation	-	-	-	-
	Bad Debts	-	122,549,460	-	22,409,532
	Profit/(Loss) on Sales of Assets	-137,713	72,755	-26,740	13,304
	Miscellaneous Expenses	-	-	-	-
		<u>145,384,897</u>	<u>-228,528,374</u>	<u>28,229,158</u>	<u>-41,788,955</u>
27	Current Tax				
	Current period	3,702,523	159,488,911	718,913	29,164,322
		<u>3,702,523</u>	<u>159,488,911</u>	<u>718,913</u>	<u>29,164,322</u>