## Independent Auditor's Report

**To the Members of Rapipay Fintech Private Limited**

### Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Rapipay Fintech Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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 opinion.

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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's 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 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

7. 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 Standards on Auditing 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.

8. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Board of Directors' 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;

9. 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.

**Report on Other Legal and Regulatory Requirements**

10. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

11. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

    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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company does not have any pending litigation(s) which would impact its financial position as at 31 March 2023;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(xiii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(xiii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Vikram Dhanania**
Partner
Membership No.: 060568
UDIN: 23060568BGWIEC3730

**Place**: Pune
**Date**: 25 April 2023

**Annexure A referred to in Paragraph 11 of the Independent Auditor's Report of even date to the members of Rapipay Fintech Private Limited on the financial statements for the year ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has made investments in and provided loans or advances in the nature of loans and guarantee, to subsidiaries and others during the year as per details given below:

| **Particulars** | **Guarantees (₹ in Lakhs)** | **Loans (₹ in Lakhs)** |
|---|---|---|
| Aggregate amount provided during the year:<br>- Others | 139.20 | 4,000.00 |
| Balance outstanding as at balance sheet date in respect of above cases:<br>- Others | 25.00 | Nil |

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loans or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/ advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees provided by it, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix)(a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and 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) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 3,225.97 Lakhs and ₹ 2,689.99 Lakhs respectively.

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management 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.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Vikram Dhanania**
Partner
Membership No.: 060568
UDIN: 23060568BGWIEC3730

**Place**: Pune
**Date**: 25 April 2023

**Annexure B**

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Rapipay fintech Private Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements .

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Vikram Dhanania**
Partner
Membership No.: 060568
UDIN: 23060568BGWIEC3730

**Place**: Pune
**Date**: 25 April 2023

**Rapipay Fintech Private Limited**
**(Company Identification No: U72200DL2009PTC189149)**
**Balance Sheet as at 31 March 2023**
*(Amount in ₹ lakhs, except otherwise stated)*

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment | 3 | 885.69 | 937.62 |
| (b) Right-of-use assets | 4 | 1,407.73 | 1,493.42 |
| (c) Other intangible assets | 5 | 1,491.28 | 1,241.93 |
| (d) Intangible assets under development | 6 | 3,004.34 | 1,137.99 |
| (e) Financial assets | | | |
| (i) Investments | 7 | 2,133.29 | - |
| (ii) Other financial assets | 8 | 134.21 | 1,301.29 |
| (f) Deferred tax assets (net) | 9 | 11.06 | 11.06 |
| (g) Other non-current assets | 10 | 2.70 | - |
| **Total Non-Current Assets** | | **9,070.30** | **6,123.31** |
| **(2) Current assets** | | | |
| (a) Inventories | 11 | 56.95 | 105.16 |
| (b) Financial assets | | | |
| (i) Trade receivables | 12 | 1,489.20 | 950.89 |
| (ii) Cash and cash equivalents | 13 | 15,808.86 | 11,194.88 |
| (iii) Other bank balances | 14 | 1,048.37 | 11,666.00 |
| (iv) Other financial assets | 8 | 693.05 | 725.69 |
| (c) Current tax assets (net) | 15 | 547.96 | 288.74 |
| (d) Other current assets | 10 | 503.87 | 303.21 |
| | | **20,148.26** | **25,234.57** |
| **TOTAL ASSETS** | | **29,218.56** | **31,357.88** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 16 | 3,970.72 | 3,970.72 |
| (b) Other equity | 17 | 7,027.34 | 11,404.19 |
| **Total Equity** | | **10,998.06** | **15,374.91** |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 4 | 1,184.46 | 1,310.50 |
| (b) Provisions | 18 | 221.23 | 105.96 |
| **Total non-current liabilities** | | **1,405.69** | **1,416.46** |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 4 | 355.82 | 277.24 |
| (ii) Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; | 19 | 46.63 | 2.08 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 19 | 429.33 | 357.14 |
| (iii) Other financial liabilities | 20 | 15,307.49 | 13,334.94 |
| (b) Other current liabilities | 21 | 629.02 | 576.14 |
| (c) Provisions | 18 | 46.52 | 18.97 |
| **Total current liabilities** | | **16,814.81** | **14,566.51** |
| **Total liabilities** | | **18,220.50** | **15,982.97** |
| **TOTAL EQUITY AND LIABILITIES** | | **29,218.56** | **31,357.88** |

The accompanying notes are an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date.

**For Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm Registration Number: 001076N/N500013

**Vikram Dhanania**
Partner
Membership Number: 060568

**Place:** Pune
**Date:** 25 April 2023

For and on behalf of the Board of Directors of
**Rapipay Fintech Private limited**

**Nipun Jain**
Whole Time Director and Chief Executive Officer
DIN NO : 09493589

**Place:** New Delhi
**Date:** 25 April 2023

**Yogendra Singh Kashyap**
Managing Director
DIN NO : 00755017

**Place:** New Delhi
**Date:** 25 April 2023

**Sumit Kumar Choudhary**
Chief Financial Officer
PAN No. : ACVPC3264D

**Place:** New Delhi
**Date:** 25 April 2023

**Tushar Goel**
Company Secretary
Membership No.: A29374

**Place:** New Delhi
**Date:** 25 April 2023

**Rapipay Fintech Private Limited**
**(Company Identification No: U72200DL2009PTC189149)**
**Statement of Profit and Loss for the period ended 31 March 2023**
*(Amount in ₹ lakhs, except otherwise stated)*

| | Particulars | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|---|
| I | **Income** | | | |
| | Revenue from operations | 22 | 43,920.81 | 37,140.65 |
| | Other income | 23 | 552.56 | 273.15 |
| | **Total income (I)** | | **44,473.37** | **37,413.80** |
| II | **Expenses:** | | | |
| | Service and commission charges | 24 | 36,079.58 | 32,217.56 |
| | Purchases of Stock-in-Trade | 25 | 265.17 | 127.50 |
| | Changes in inventories of Stock-in-Trade | 26 | 45.63 | 156.52 |
| | Employee benefits expense | 27 | 11,417.08 | 4,242.56 |
| | Finance costs | 28 | 123.89 | 78.51 |
| | Depreciation and amortisation expenses | 29 | 1,281.63 | 640.36 |
| | Other expenses | 30 | 4,586.64 | 3,232.60 |
| | **Total expenses (II)** | | **53,799.62** | **40,695.61** |
| III | **Loss before tax (III=I-II)** | | (9,326.25) | (3,281.81) |
| IV | **Tax expenses** | | | |
| | Current tax | | - | - |
| | Deferred tax | 31 | - | 716.91 |
| | **Total tax expenses (IV)** | | **-** | **716.91** |
| V | **Loss for the year (V=III - IV)** | | **(9,326.25)** | **(3,998.72)** |
| VI | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit or loss:** | | | |
| | (a) Remeasurement loss of defined benefit plans | | (12.68) | (17.85) |
| | (b) Income-tax relating to items that will not be reclassified to profit or loss | | - | 4.49 |
| | **Other Comprehensive loss for the year (VI)** | | **(12.68)** | **(13.36)** |
| VII | **Total comprehensive loss for the year (V + VI)** | | **(9,338.93)** | **(4,012.08)** |
| VIII | **Loss per equity share** | | | |
| | Basic loss per share (Nominal value ₹ 10) | 32 | (23.49) | (10.58) |
| | Diluted loss per share | 32 | (23.49) | (10.58) |

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

**For Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of
**Rapipay Fintech Private limited**

**Vikram Dhanania**
Partner
Membership Number: 060568

**Nipun Jain**
Whole Time Director and
Chief Executive Officer
DIN NO : 09493589

**Place:** New Delhi
**Date:** 25 April 2023

**Yogendra Singh Kashyap**
Managing Director
DIN NO : 00755017

**Place:** New Delhi
**Date:** 25 April 2023

**Sumit Kumar Choudhary**
Chief Financial Officer
PAN No. : ACVPC3264D

**Place:** New Delhi
**Date:** 25 April 2023

**Tushar Goel**
Company Secretary
Membership No.: A29374

**Place:** New Delhi
**Date:** 25 April 2023

**Place:** Pune
**Date:** 25 April 2023

**Rapipay Fintech Private Limited**
**(Company Identification No: U72200DL2009PTC189149)**
**Statement of Cash Flows for the year ended 31 March 2023**
(Amount in ₹ lakhs, except otherwise stated)

| | Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **A** | **Cash flows from operating activities** | | |
| | Net loss before tax | (9,326.25) | (3,281.81) |
| | Adjustments for: | | |
| | Depreciation and amortisation expenses | 1,281.63 | 640.36 |
| | Finance costs | 123.89 | 78.51 |
| | Interest income on bank deposits and inter corporate loans | (492.18) | (260.98) |
| | Interest on income tax refund | (16.82) | - |
| | Unwinding of discount on financial assets | (6.29) | (2.51) |
| | Loss on account of bad debts/ transaction loss | 12.06 | - |
| | Advances written off | - | 2.09 |
| | Allowance for expected credit loss | 7.77 | 23.02 |
| | Loss on scrap of fixed assets | 4.27 | - |
| | Share based payments to employees | 4,810.32 | 808.51 |
| | Provision for obsolete inventory | 2.58 | - |
| | **Operating loss before working capital changes** | **(3,599.02)** | **(1,992.81)** |
| | **(Increase) / decrease in assets:** | | |
| | Inventories | 45.63 | 156.52 |
| | Trade receivables | (546.08) | (223.72) |
| | Other current and non-current financial assets | (90.17) | 2,919.68 |
| | Other current and non-current assets | (200.66) | (221.07) |
| | **Increase / (decrease) in liabilities:** | | |
| | Trade payables | 116.74 | 154.15 |
| | Other financial liabilities | 1,896.41 | 3,515.75 |
| | Provisions | 130.14 | 89.21 |
| | Other current liabilities | 52.88 | 116.86 |
| | **Cash (used in)/ generated from operating activities** | **(2,194.13)** | **4,514.57** |
| | Income taxes paid ( net of refunds) | (259.22) | (328.02) |
| | Interest on income tax refund | 16.82 | - |
| | **Net cash (used in)/ generated from operating activities (A)** | **(2,436.53)** | **4,186.55** |
| **B** | **Cash flows from investing activities** | | |
| | Purchase / development of property, plant and equipment and intangible assets | (2,907.13) | (2,664.35) |
| | Interest received | 572.42 | 257.93 |
| | Investments in subsidiaries | (1,981.53) | - |
| | Redemption/(Investment) in bank deposits (net of redemption/investment) | 11,814.08 | (7,589.00) |
| | **Net cash (used in)/ generated from investing activities (B)** | **7,497.84** | **(9,995.42)** |
| **C** | **Cash flows from financing activities** | | |
| | Proceeds from issue of equity shares (including premium) | - | 10,970.02 |
| | Repayment of lease liabilities | (323.44) | (147.57) |
| | Interest paid | (123.89) | (78.51) |
| | **Net cash (used in)/ generated from financing activities (C)** | **(447.33)** | **10,743.94** |
| | **Net increase in cash and cash equivalents (A+B+C)** | **4,613.98** | **4,935.07** |
| | **Cash and cash equivalents as at the beginning of the year** | 11,194.88 | 6,259.81 |
| | **Cash and cash equivalents as at the end of the year** | **15,808.86** | **11,194.88** |
| | **Cash and cash equivalent (as per note 13 to the financial statements)** | | |
| | (a) Balances with banks | 15,808.86 | 11,194.88 |
| | | **15,808.86** | **11,194.88** |

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows'.
Refer note 4 for lease liability reconciliation with respect to reconciliation of financial liabilities arising from activities pursuant to IND AS-7.

This is the Statement of Cash Flows referred to in our report of even date.

**For Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm Registration Number: 001076N/N500013

**Vikram Dhanania**
Partner
Membership Number: 060568

**Place:** Pune
**Date:** 25 April 2023

For and on behalf of the Board of Directors of
**Rapipay Fintech Private limited**

**Nipun Jain**
Whole Time Director and Chief Executive Officer
DIN NO : 09493589

**Place:** New Delhi
**Date:** 25 April 2023

**Yogendra Singh Kashyap**
Managing Director
DIN NO : 00755017

**Place:** New Delhi
**Date:** 25 April 2023

**Sumit Kumar Choudhary**
Chief Financial Officer
PAN No. : ACVPC3264D

**Place:** New Delhi
**Date:** 25 April 2023

**Tushar Goel**
Company Secretary
Membership No.: A29374

**Place:** New Delhi
**Date:** 25 April 2023

**Rapipay Fintech Private Limited**
**(Company Identification No: U72200DL2009PTC189149)**
**Statement of Changes in Equity for the year ended 31 March 2023**
*(Amount in ₹ lakhs, except otherwise stated)*

| | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **A.** | **Equity share capital** | | |
| | Balance at the beginning of the year | 3,970.72 | 3,749.55 |
| | Changes in equity share capital during the year | - | 221.17 |
| | Balance at the end of the year | **3,970.72** | **3,970.72** |

**B. Other equity**

| Particulars | Other Equity | | | | | |
|---|---|---|---|---|---|---|
| | **Securities premium** | **Employee stock options outstanding** | **Capital reserve** | **Contribution from holding company** | **Retained earnings** | **Total** |
| **Balance as at 01 April 2021** | **5,932.85** | **113.84** | **(883.63)** | **935.51** | **(2,239.66)** | **3,858.91** |
| Equity share capital issued during the year | 10,748.85 | - | - | - | - | 10,748.85 |
| Loss for the year | - | - | - | - | (3,998.72) | (3,998.72) |
| Employee stock option expenses (Refer Note 36) | - | 808.51 | - | - | - | 808.51 |
| Other comprehensive loss for the year | - | - | - | - | (13.36) | (13.36) |
| **Balance as at 31 March 2022** | **16,681.70** | **922.35** | **(883.63)** | **935.51** | **(6,251.74)** | **11,404.19** |
| Loss for the year | - | - | - | - | (9,326.25) | (9,326.25) |
| Employee stock option expenses (Refer Note 36) | - | 4,962.08 | - | - | - | 4,962.08 |
| ESOP reserve transferred to retained earnings on account of lapse of vested options | - | (115.24) | - | - | 115.24 | - |
| Other comprehensive loss for the year | - | - | - | - | (12.68) | (12.68) |
| **Balance as at 31 March 2023** | **16,681.70** | **5,769.19** | **(883.63)** | **935.51** | **(15,475.43)** | **7,027.34** |

This is the Statement of Changes in Equity referred to in our report of even date.

**For Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm Registration Number: 001076N/N500013

**Vikram Dhanania**
Partner
Membership Number: 060568

**Place:** Pune
**Date:** 25 April 2023

For and on behalf of the Board of Directors of
**Rapipay Fintech Private limited**

**Nipun Jain**
Whole Time Director and
Chief Executive Officer
DIN NO : 09493589

**Place:** New Delhi
**Date:** 25 April 2023

**Yogendra Singh Kashyap**
Managing Director
DIN NO : 00755017

**Place:** New Delhi
**Date:** 25 April 2023

**Sumit Kumar Choudhary**
Chief Financial Officer
PAN No. : ACVPC3264D

**Place:** New Delhi
**Date:** 25 April 2023

**Tushar Goel**
Company Secretary
Membership No.: A29374

**Place:** New Delhi
**Date:** 25 April 2023

## 1 Corporate Information

Rapipay Fintech Private Limited ('the Company') is a private company domiciled in India and incorporated on 6th April 2009 under the provisions of Companies Act, 1956. The Company had received a Certificate of Registration number 126/2017 dated 25th January 2018 from the Reserve Bank of India ('RBI') to carry on the business to setup & operate Semi Closed Prepaid Instrument Services. The Company operates on a B2B2C model, where it partners with it's "Direct Business Outlet (DBO)" to offer assisted digital services such as Aadhaar Enabled Payment Systems (AEPS), Domestic Money Transfer (DMT), Micro- ATM, sale of recharges etc. The Company also provides its digital platform to Non-Banking Finance Companies for the purposes of providing digital loans. The Company is a subsidiary of Capital India Finance Limited ('CIFL').

The Company's registered office is situated at New Delhi, India, while its corporate office is located in Noida, India. During the year, the Company has acquired a subsidiary 'Kuants Wealth Private Limited' and incorporated 'NYE Insurance Broking Private Limited' as a wholly owned subsidiary.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting dated 25 April 2023.

## 2 Significant accounting policies

### 2.1 Basis of preparation of financial statements

#### A) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

#### B) Functional and presentation currency

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupee rounded off to nearest lakhs, unless otherwise indicated.

#### C) Basis of preparation, presentation and disclosure in financial statements

The financial statements have been prepared under historical cost convention on accrual basis, modified to include the fair valuation of certain financial instruments and share based payments, to the extent required or permitted under Ind AS as set out in the relevant accounting policies. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act. The Company has opted for the exemption provide under Ind AS 110 "Consolidated Financial Statements" for non- presentation of the Consolidated Financial Statement as CIFL prepares and presents the consolidated financial statement for the group which are available for public use.

#### D) Recent accounting pronouncements

**Amendment to Ind AS 16, Property, Plant and Equipment**
The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2023, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

**Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**
The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2023, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

**Amendment to Ind AS 103, Business Combinations**
The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2023, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

**Amendment to Ind AS 109, Financial Instruments**
The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2023, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**Amendment to Ind AS 116, Leases**
The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2023, has issued an amendment to Ind AS 116, The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

The Company will evaluate the above amendments and will give effect as required by law.

**E) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income , expenses and disclosures of contingent liabilities at the end of the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected and if material their effects are disclosed in notes to the financial statements

Critical accounting estimates and assumptions:
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes and deferred taxes
The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Recognition of deferred tax assets on unabsorbed losses and allowances is based on management estimate of availability of future taxable profit against which carry-forward tax losses can be used.

b. Property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation and amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as

changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset. The evaluation of indicators of impairment of property, plant and equipment, intangible assets and those under development requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c. Defined benefit obligation:
The costs of post-employment benefits are charged to the Statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

d. Fair value measurement of financial instruments
When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

e. Share based payments
The fair value of the options granted under the equity settled transactions is measured using valuation techniques, i.e. Black Scholes model, which involve various judgements and assumptions.

**F) Current Versus Non-Current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.
An asset is treated as current when it is:

- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The Company have identified twelve months as their operating cycle for classification of their current assets and liabilities.

## 2.2 Financial Instruments

### a) Initial recognition–

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instruments.

### b) Classification and initial measurement of financial assets –

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – debt instruments
- FVOCI – equity instruments
- FVTPL

**Amortised cost -** The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures bank balances, loans, trade receivables and other financial instruments at amortised cost.

**FVOCI - debt instruments** - The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

**FVOCI - equity instruments** - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI or at cost, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**c) Subsequent measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

d) **Financial liabilities and equity instruments**:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

*Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**e) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

**f) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**g) Investment in Subsidiaries**

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal and the carrying amounts are recognised in the Statement of Profit and Loss.

**2.3 Fair value measurement**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in statement of profit and loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

- Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 2.4 Effective interest Rate (EIR) method

Effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or other income received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest Income is recognised on EIR basis for debt instruments other than those classified as at FVTPL and credit impaired assets.

### 2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other balances with bank includes balances and deposits with banks and others that are restricted for withdrawal and usage.

### 2.6 Statement of cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

## 2.7 Property, plant and equipment

### a) Recognition and measurement

Property plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment, if any. The cost of PPE comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

### b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of profit and loss during the period in which they are incurred.

### c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Act. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

| Type of Assets | Estimated useful life as assessed by the Company | Estimated useful life under Schedule II of the Act |
|---|---|---|
| Computers and servers | 3 years | 3 years |
| Computer softwares | 2-4 years | 3 years |
| Office equipments | 3 years | 5 years |
| Vehicles | 5 years | 5 years |
| Furniture and fixtures | 6 years | 10 years |
| Leasehold improvements | Tenure of lease agreements | Tenure of lease agreements |

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of profit and loss up to the month prior to the month in which the assets have been disposed off.

Individual items of property, plant and equipment costing up to ₹ 5,000 each are fully depreciated in the year of purchase.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

## 2.8 Intangible assets

Intangible assets comprises of computer softwares, technology platforms (apps) which are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The useful life of these intangible assets is estimated at 2-4 years with zero residual value. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

Internally generated computer software
Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use or sell it.
- There is an ability to use or sell the software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Cost of internally generated computer software not ready for use as at reporting period date are disclosed as intangible asset under development and are carried at cost comprising the aforementioned development and related cost, less impairment loss , if any.

Capitalised development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

Intangible assets are amortised on straight-line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each financial year with the effect of any changes in the estimate being accounted for on a prospective basis.

## 2.9 Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in statement of profit and loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

## 2.10 Provisions, contingent liabilities and contingent assets

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current market assessments of the time value of money and the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that may arises from past events but probably will not require an outflow of resource to settle the obligation.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

**2.11 Foreign exchange transactions and translations**

**a)** **Initial recognition:** Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

**b)** **Conversion:** Transactions in currencies other than Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in Statement of profit and loss.

Non-monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions and are not retranslated at the reporting date.

**2.12 Revenue recognition**

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated by the Company to each performance obligation (or distinct goods or services) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue, net of discount, commission to DBO, from sale of electronic recharge vouchers/pins is recognized on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.

Fees from money remittance services, AEPS, Micro- ATM and other E-services is recognized on accrual basis after completion of service delivery.

Service fees and commission from loan facilitation is recognized on accrual basis after completion of service delivery.

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised costs and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains on fair value changes” under income and if there is net loss in aggregate, the same is recognised in "Net loss on fair value changes" under expense in the statement of profit and loss.

**2.13 Employee benefits**

**Short term employee benefits**

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**Long Term employee benefits**

Company’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the statement of profit and loss

**Post-employment benefits**

**a) Defined contribution Plans**

**Provident fund**: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the statement of profit and loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

**ESIC**: The Company's contribution paid/payable during the year to Employee state insurance scheme are recognised in the statement of Profit and Loss.

**b) Defined benefit Plans**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
ii) Net interest expense or income
iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

c) **Share based payments**

The Company operates equity settled employee share-based compensation plan, under which the Company receives services from employees as consideration for stock options towards shares of the Company. The fair value of stock options (at grant date) is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses over the vesting period, and in case of options granted to the employees of the group the same is recognised as investment in subsidiaries with a corresponding increase in share-based payment reserve (a component of equity).

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non vesting condition. These are treated as vested irrespective of whether or not the market /non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised Immediately. In case of cancellation of cash-settled award, change in the value of the liability, if any, is recognised in statement of profit and loss.
In case of lapse or cancellation of the option after the expiry of the vesting period, expense recorded share based payment reserve will transfer to the retained earnings.

**2.14 Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalized as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**2.15 Leases**

The Company's lease asset classes primarily consist of leases of buildings and leasehold premises. The Company, at the inception of a contract, assesses whether the contract is, or contains, a lease A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company’s incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

**2.16 Income Tax**

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax:

Current tax comprises of the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax reflects the best estimate of the tax amount to be paid, measured in accordance with the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. Current tax items are recognised in correlation to the underlying transaction either in the statement of profit and loss, other comprehensive income or directly in equity.

Income tax assets and liabilities are measured at the amount expected to be recovered from or payable to the taxation authorities.

b) Deferred Tax:

Deferred tax is recognised using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax items are recognised in correlation to the underlying transaction either in the statement of profit and loss, other comprehensive income or directly in equity.

Any change in the deferred taxes due to a change in tax rates is recognised in the statement of profit and loss in the period of enactment of the change.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**2.17 Earnings per equity share**

Basic earnings per equity share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per equity, 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.

**2.18 Segment reporting**

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the financial statements.

**2.19 Inventories**

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realizable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.20 Common Control Transactions**

Transactions arising from transfers of assets/ liabilities, interest in entities or businesses between entities that are under the common control, are accounted at historical carrying amounts. The difference, between any consideration paid / received and the aggregate historical carrying amounts of assets/ liabilities and interests in entities acquired /disposed (other than impairment, if any), is recorded in capital reserve / retained earnings, as applicable.

**2.21 Impairment of financial assets**

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.
ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original

effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses the Expected Credit Loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The Company defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

**2.22 Events occurring after the balance sheet date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

*(Amount in ₹ lakhs, except otherwise stated)*

**3 Property, Plant and Equipment**

| | Furniture and fixtures | Vehicles | Office equipments | Leasehold improvements | Computer and Server | Total |
|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | |
| **Balance as at 1 April 2021** | 47.27 | - | 45.88 | 204.49 | 125.12 | 422.76 |
| Additions for the year | 85.78 | 168.62 | 93.87 | 311.17 | 179.88 | 839.32 |
| Disposals during the year | - | - | - | - | - | - |
| **Balance as at 31 March 2022** | **133.05** | **168.62** | **139.75** | **515.66** | **305.00** | **1,262.08** |
| Additions for the year | 0.76 | - | 41.43 | 1.79 | 230.16 | 274.14 |
| Disposals during the year | 1.86 | - | 6.90 | - | 7.59 | 16.35 |
| **Balance as at 31 March 2023** | **131.95** | **168.62** | **174.28** | **517.45** | **527.57** | **1,519.87** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at 1 April 2021** | 13.21 | - | 22.00 | 51.18 | 31.34 | 117.73 |
| Depreciation charge for the year | 20.58 | 10.53 | 35.06 | 69.93 | 70.63 | 206.73 |
| Disposals during the year | - | - | - | - | - | - |
| **Balance as at 31 March 2022** | **33.79** | **10.53** | **57.06** | **121.11** | **101.97** | **324.46** |
| Depreciation charge for the year | 22.21 | 33.72 | 45.94 | 86.22 | 133.71 | 321.80 |
| Disposals during the year | 0.89 | - | 6.86 | - | 4.33 | 12.08 |
| **Balance as at 31 March 2023** | **55.11** | **44.25** | **96.14** | **207.33** | **231.35** | **634.18** |
| **Net block** | | | | | | |
| **As at 31 March 2022** | **99.26** | **158.09** | **82.69** | **394.55** | **203.03** | **937.62** |
| **As at 31 March 2023** | **76.84** | **124.37** | **78.14** | **310.12** | **296.22** | **885.69** |

*(Amount in ₹ lakhs, except otherwise stated)*

## 4 Right-of-use assets

| | Building | Lease deposits | Total |
|---|---|---|---|
| **Gross Block** | | | |
| **Balance as at 1 April 2021** | **861.60** | **15.64** | **877.24** |
| Additions/adjustments during the year | 991.76 | 16.78 | 1,008.54 |
| **Balance as at 31 March 2022** | **1,853.36** | **32.42** | **1,885.78** |
| Additions/adjustments during the year | 275.97 | 7.43 | 283.40 |
| **Balance as at 31 March 2023** | **2,129.33** | **39.85** | **2,169.18** |
| **Accumulated depreciation** | | | |
| **Balance as at 1 April 2021** | 188.42 | 3.53 | **191.95** |
| Depreciation for the year | 197.57 | 2.84 | 200.41 |
| **Balance as at 31 March 2022** | **385.99** | **6.37** | **392.36** |
| Depreciation for the year | 362.02 | 7.07 | 369.09 |
| **Balance as at 31 March 2023** | **748.01** | **13.44** | **761.45** |
| **Net block** | | | |
| **As at 31 March 2022** | **1,467.37** | **26.05** | **1,493.42** |
| **As at 31 March 2023** | **1,381.32** | **26.41** | **1,407.73** |

**Notes:**

(a) The Company as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of offices. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. The Company has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Company to sub-lease the asset to another party, the right-of-use asset can only be used by the Company. Some lease contain an option to extend the lease for a further term.

(b) There are no leases which are yet to commence as on 31 March 2023.

**(c) Lease payments, not recognised as a liability**

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Short-term leases | 12.64 | 22.97 |
| | **12.64** | **22.97** |
| **(d) Amount recognised in the Balance Sheet:** | | |
| **(i) Right-of-use assets** | | |
| Buildings | 1,381.32 | 1,467.37 |
| Lease deposits | 26.41 | 26.05 |
| | **1,407.73** | **1,493.42** |
| **(ii) Lease liabilities** | | |
| Non-current | 1,184.46 | 1,310.50 |
| Current | 355.82 | 277.24 |
| | **1,540.28** | **1,587.74** |
| **(e) Amount recognised in the Statement of Profit and Loss:** | | |
| **(i) Depreciation and amortisation expense:** | | |
| Building | 362.02 | 197.57 |
| Lease deposits | 7.07 | 2.84 |
| | **369.09** | **200.41** |
| **(ii) Interest expense (included in finance cost)** | **123.89** | **76.43** |
| **(f) The following is the movement in lease liabilities:** | | |
| **Opening Balance** | **1,587.74** | **726.78** |
| Additions/adjustments | 275.98 | 1,010.61 |
| Finance cost accrued during the year | 123.89 | 76.43 |
| Payment of lease liabilities | (447.33) | (226.08) |
| **Closing Balance** | **1,540.28** | **1,587.74** |

**(g) Refer note 38 for details of contractual maturities of lease liabilities on an undiscounted basis.**

## 5 Other intangible assets

| | Computer Software | Total |
|---|---|---|
| **Gross Block** | | |
| **Balance as at 1 April 2021** | 589.60 | 589.60 |
| Additions during the year | 1,026.67 | 1,026.67 |
| **Balance as at 31 March 2022** | **1,616.27** | **1,616.27** |
| Additions during the year | 840.09 | 840.09 |
| **Balance as at 31 March 2023** | **2,456.36** | **2,456.36** |
| **Accumulated amortisation** | | |
| **Balance as at 1 April 2021** | 141.12 | 141.12 |
| Amortisation for the year | 233.22 | 233.22 |
| **Balance as at 31 March 2022** | **374.34** | **374.34** |
| Amortisation for the year | 590.74 | 590.74 |
| **Balance as at 31 March 2023** | **965.08** | **965.08** |
| **Net block** | | |
| **As at 31 March 2022** | **1,241.93** | **1,241.93** |
| **As at 31 March 2023** | **1,491.28** | **1,491.28** |

## 6 Intangible assets under development

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Balance as at the beginning of the year** | 1,137.99 | 159.34 |
| Additions for the year | 2,703.85 | 2,001.37 |
| Capitalised during the year | (837.50) | (1,022.72) |
| **Balance as at the end of the year** | **3,004.34** | **1,137.99** |

**Notes:**

**(a) Intangible assets under development ageing schedule :**

| Particulars | Amount of Intangible assets under development for a period of | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | More than 2 years | Total |
| **As at 31 March 2023:** | | | | |
| (i) Projects in progress | | | | |
| Neo Banking | 2,418.76 | 466.02 | - | 2,884.78 |
| Others | 94.23 | 25.33 | - | 119.56 |
| | **2,512.99** | **491.35** | **-** | **3,004.34** |
| **As at 31 March 2022:** | | | | |
| (i) Projects in progress | | | | |
| Neo Banking | 466.02 | - | - | 466.02 |
| Point of Sale | 75.62 | 541.77 | - | 617.39 |
| Others | 19.03 | 35.55 | - | 54.58 |
| | **560.67** | **577.32** | **-** | **1,137.99** |

**Note:**

There are no projects which are either overdue or have exceeded their cost compared to their original plan as at 31 March 2023 and 31 March 2022. Generally in case of other projects, no specific budget has been prepared being regular running projects basis business needs. There is one project of ₹ 25.33 lakhs (31 March 2022: Nil) which is on hold as on 31 March 2023.

*(This space has been intentionally left blank)*

*(Amount in ₹ lakhs, except otherwise stated)*

## 7 Non-current Investments

| **Investments carried at cost** | | |
|---|---|---|
| **Investments in equity shares of subsidiaries** | **As at** | **As at** |
| **Fully paid equity shares (Unquoted)** | **31 March 2023** | **31 March 2022** |
| -Kuants Wealth Private Limited* | 2,058.29 | |
| ( 41,07,125 Equity shares (31 March 2022: Nil) having face value of ₹ 10 each) | | |
| -NYE Insurance Broking Private Limited | 75.00 | - |
| ( 750,000 Equity shares (31 March 2022: Nil) having face value of ₹ 10 each) | | |
| | **2,133.29** | **-** |

* Includes cost of ₹ 151.76 lakhs (31 March 2022 : Nil) share options of the Company granted to employees of Kuants Wealth Private Limited.

| | | |
|---|---|---|
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments** | 1,981.53 | - |
| Aggregate amount of impairment in value of investment | - | - |

** Excluding cost of share options issued to employees of Kuants Wealth Private Limited.

## 8 Other financial assets

*(Unsecured, considered good)*

| **Particulars** | **As at 31 March 2023** | | **As at 31 March 2022** | |
|---|---|---|---|---|
| | **Non- current** | **Current** | **Non- current** | **Current** |
| Security deposits | 103.66 | 3.29 | 74.29 | - |
| Bank deposits with remaining maturity of more than 12 months* | 30.55 | - | 1,227.00 | - |
| Unbilled revenue | - | 175.28 | - | 39.66 |
| Interest accrued but not due on bank deposits | - | 20.60 | - | 100.84 |
| Other receivables from service providers | - | 493.88 | - | 585.19 |
| | **134.21** | **693.05** | **1,301.29** | **725.69** |

(*)Bank deposits of ₹ 25.00 lakhs (31 March 2022: ₹ 1.00 lakhs against overdraft facilities) is pledged as security against bank guarantee at the end of financial year.

(a) Unbilled revenue ageing as at 31 March 2023:

| **Particulars** | **Outstanding from the date of transactions** | | | | |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | | **More than 2 years** | **Total** |
| Unbilled revenue | 175.28 | - | | - | 175.28 |
| **Total** | **175.28** | **-** | **-** | **-** | **175.28** |

(b) Unbilled revenue ageing as at 31 March 2022:

| **Particulars** | **Outstanding from the date of transactions** | | | | |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | | **More than 2 years** | **Total** |
| Unbilled revenue | 39.66 | - | | - | 39.66 |
| **Total** | **39.66** | **-** | **-** | **-** | **39.66** |

*(This space has been intentionally left blank)*

**9 Deferred tax assets (net)**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred tax assets arising on account of** | | |
| Finance lease obligations | - | 23.74 |
| Minimum Alternate Tax (MAT) credit entitlement | 11.06 | 11.06 |
| Others | - | 14.42 |
| **Total deferred tax assets** | **11.06** | **49.22** |
| | | |
| **Deferred tax liabilities arising on account of** | | |
| Property, plant and equipment and other intangible assets | - | (38.16) |
| **Total deferred tax liabilities** | **-** | **(38.16)** |
| | | |
| **Deferred tax assets (net) (refer note 31)** | **11.06** | **11.06** |

**(a) Movement in deferred tax assets/(liabilities)**

| Particulars | Balance as at 01 April 2022 | Recognised in profit and loss | Recognised in other comprehensive income | Balance as at 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax assets arising on account of** | | | | |
| Finance lease obligations | 23.74 | (23.74) | - | - |
| MAT credit entitlement | 11.06 | - | - | 11.06 |
| Others | 14.42 | (14.42) | - | - |
| | | | | |
| **Deferred tax liabilities arising on account of:** | | | | |
| Property, plant and equipment and other intangible assets | (38.16) | 38.16 | - | - |
| | **11.06** | **-** | **-** | **11.06** |

| Particulars | Balance as at 01 April 2021 | Recognised in profit and loss | Recognised in other comprehensive income | Balance as at 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax assets arising on account of** | | | | |
| Carry forward losses | 735.67 | (735.67) | - | - |
| Finance lease obligations | 0.46 | 23.29 | - | 23.74 |
| MAT credit entitlement | 11.06 | - | - | 11.06 |
| Others | 21.83 | (7.41) | - | 14.42 |
| | | | | |
| **Deferred tax liabilities arising on account of:** | | | | |
| Property, plant and equipment and other intangible assets | (41.04) | 2.88 | - | (38.16) |
| | **727.98** | **(716.91)** | **-** | **11.06** |

The Company has assessed and not recognised the deferred tax assets on carried forward losses and unabsorbed depreciation amounting to ₹ 2,306.51 lakhs (31 March 2022: ₹ 1,274.78 lakhs) as future taxable profit against which such loss can be adjusted is not probable. Refer note 31 for year wise lapses of losses.

**10 Other assets**

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non- current | Current | Non- current | Current |
| Capital advances | 2.70 | - | - | - |
| Advances to suppliers | - | 411.23 | - | 176.33 |
| Less: Provision for doubtful advances | - | (23.02) | - | (23.02) |
| Balance with statutory authorities | - | 21.59 | - | 87.40 |
| Prepaid expenses | - | 92.57 | - | 58.95 |
| Others | - | 1.50 | - | 3.55 |
| | **2.70** | **503.87** | **-** | **303.21** |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **11 Inventories** | | |
| *(Valued at lower of cost and net realizable value)* | | |
| Stock-in-trade | 59.53 | 105.16 |
| Less: Provision for obsolete inventory | (2.58) | - |
| | **56.95** | **105.16** |

| | | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| **12 Trade receivables** | | | | |
| Unsecured, considered doubtful from other parties; | - | - | 7.77 | - |
| Unsecured, considered good from related parties; (Refer note 37) | | | 114.17 | 16.42 |
| Unsecured, considered good from other parties | | | 1,375.03 | 934.47 |
| | | | 1,496.97 | 950.89 |
| Less: Allowances for expected credit loss | | | (7.77) | - |
| | | | **1,489.20** | **950.89** |

(a) Trade receivables ageing as at 31 March 2023:

| Particulars | Outstanding for following periods from due date of invoice | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | | More than 2 years | Total |
| Undisputed trade receivables-considered good | 1,479.70 | 9.50 | | - | 1,489.20 |
| Undisputed trade receivables which have significant increase in credit risk | - | 7.77 | | - | 7.77 |
| **Gross carrying amount as at 31 March 2023** | **1,479.70** | **17.27** | | **-** | **1,496.97** |
| Less: Allowances for expected credit loss | - | (7.77) | | - | (7.77) |
| **Net carrying amount as at 31 March 2023** | **1,479.70** | **9.50** | **-** | **-** | **1,489.20** |

(b) Trade receivables ageing as at 31 March 2022:

| Particulars | Outstanding for following periods from due date of invoice | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | More than 2 years | Total |
| Undisputed trade receivables-considered good | 948.34 | 2.55 | - | 950.89 |
| Undisputed trade receivables which have significant increase in credit risk | - | - | - | - |
| **Gross carrying amount as at 31 March 2022** | **948.34** | **2.55** | **-** | **950.89** |
| Less: Allowances for expected credit loss | - | - | - | - |
| **Net carrying amount as at 31 March 2022** | **948.34** | **2.55** | **-** | **950.89** |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **13 Cash and cash equivalents** | | |
| Balances with banks | 15,785.48 | 11,170.65 |
| Others | | |
| - Escrow account* | 23.38 | 24.23 |
| | **15,808.86** | **11,194.88** |

(*) The balance in Escrow account is maintained with as per the guidelines of Reserve Bank of India for operating of semi closed Prepaid Payment Instrument and can be used only for the specified purposes.

| | | |
|---|---|---|
| **14 Other bank balances** | | |
| Earmarked balance with banks* | 1.52 | - |
| Bank deposits with remaining maturity of more than three months but less than 12 months** | 1,046.85 | 11,666.00 |
| | **1,048.37** | **11,666.00** |

(*)The Company has entered into agreements with certain banks whereby it acts as aggregator by providing services to various merchants in relation to facilitating electronic payments by their customers using debit cards and credit cards. The Company settles these transactions through nodal bank accounts where applicable as per local regulations. Amount received in these accounts, which are payable to merchants for settlement are restricted and cannot be used for general purpose.
(**)Bank Deposit of ₹ 438.80 lakhs (31 March 2022: ₹ Nil) are marked under lien by banks and a few service providers as per the contracutal agreement.

| | | |
|---|---|---|
| **15 Current tax assets (net)** | | |
| Advance tax and tax deducted at source | 547.96 | 288.74 |
| | **547.96** | **288.74** |

*(This space has been intentionally left blank)*

## 16 Equity share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised** | | |
| 65,000,000 equity shares of ₹ 10 each (31 March 2022: 65,000,000 equity shares) | 6,500.00 | 6,500.00 |
| | **6,500.00** | **6,500.00** |
| **Issued subscribed & fully paid up** | | |
| 39,707,139 equity shares of ₹ 10 each (31 March 2022: 39,707,139 equity shares) | 3,970.72 | 3,970.72 |
| | **3,970.72** | **3,970.72** |

**(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:**

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Equity shares** | | | | |
| Balance at the beginning of the year | 3,97,07,139 | 3,970.72 | 3,74,95,443 | 3,749.55 |
| Issued during the year | - | - | 22,11,696 | 221.17 |
| Outstanding at the end of year | **3,97,07,139** | **3,970.72** | **3,97,07,139** | **3,970.72** |

**(b) Terms and rights attached to shares**

**Rights, preferences and restrictions attached to equity shares**

The Company has single class of equity shares having face value of ₹ 10 each. They entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**Share Based Payments**

Terms attached to stock options granted to employees are described in Note 36 on 'Share-based payment plans'.

**Private placement**

During the previous year, the Company made private placement of 2,211,696 equity shares of face value of ₹ 10 each to various shareholders, aggregating to ₹ 10,970.02 lakhs, including premium of ₹ 486 per share. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respects.

**(c) Particulars of shareholders holding more than 5% shares of a class of shares and shares held by holding and ultimate holding company**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number of shares | % of shareholding | Number of shares | % of shareholding |
| Capital India Finance Limited (Holding Company) | 2,08,46,273 | 52.50% | 2,08,46,273 | 52.50% |
| Capital India Corp Private Limited (Ultimate Holding Company -erstwhile Capital India Corp LLP) | 84,75,000 | 21.34% | 84,75,000 | 21.34% |
| Ms. Rekha Kashyap | 23,50,000 | 5.92% | 23,50,000 | 5.92% |
| | **3,16,71,273** | | **3,16,71,273** | |

**(d) Shareholding of promoters are as follows:**

| Promoter Name | Number of shares | % of shareholding | % change during the year |
|---|---|---|---|
| **As at 31 March 2023** | | | |
| Capital India Finance Limited (Holding Company) | 2,08,46,273 | 52.50% | - |
| Capital India Corp Private Limited (Ultimate Holding Company -erstwhile Capital India Corp LLP) | 84,75,000 | 21.34% | - |
| **As at 31 March 2022** | | | |
| Capital India Finance Limited (Holding Company) | 2,08,46,273 | 52.50% | - |
| Capital India Corp Private Limited (Ultimate Holding Company -erstwhile Capital India Corp LLP) | 84,75,000 | 21.34% | - |

e) No bonus shares or shares issued for consideration other than cash or shares bought back by the company in the period of five years immediately preceeding the reporting year.

*(This space has been intentionally left blank)*

*(Amount in ₹ lakhs, except otherwise stated)*

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **17 Other equity** | | |
| Securities premium | 16,681.70 | 16,681.70 |
| Employee stock options outstanding | 5,769.19 | 922.35 |
| Capital Reserve | (883.63) | (883.63) |
| Contribution from Holding Company | 935.51 | 935.51 |
| Retained earnings | (15,475.43) | (6,251.74) |
| | **7,027.34** | **11,404.19** |

**The description, nature and purpose of each reserve within other equity are as follows:**

**(a) Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(b) Employee stock options outstanding**

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company in pursuance of the Employee Stock Option Plan.

**(c) Capital reserve**

Capital reserve represents reserve created on acquisition of entire business of Rapipay Fintech Holding Private Limited (RFHPL).

**(d) Contribution from Holding Company**

The effective date of merger has been taken as 30 June 2019 as per Ind AS 103. Post merger date against conversion of optional convertible debentures including interest on those debentures, equity shares of RFHPL were issued to Capital India Finance Limited (CIFL) (the Debenture Holder). To take effect of this transaction 'Contribution from Holding Company' has been credited in the books of RFPL to be part of other equity.

**(e) Retained earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company’s inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(This space has been intentionally left blank)

*(Amount in ₹ lakhs, except otherwise stated)*

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non- current | Current | Non- current | Current |
| **18 Provisions** | | | | |
| **Provision for employee benefits** | | | | |
| Gratuity (refer note 34) | 124.37 | 3.69 | 59.04 | 2.18 |
| Compensated absences | 96.86 | 42.83 | 46.92 | 16.79 |
| | **221.23** | **46.52** | **105.96** | **18.97** |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **19 Trade payables** | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 41) | 46.63 | 2.08 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 429.33 | 357.14 |
| | **475.96** | **359.22** |

**(a) Trade payables ageing as at 31 March 2023:**

| Particulars | Less than 1 year | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| **Trade payables:** | | | | |
| (i) MSME | 46.63 | - | - | **46.63** |
| (ii) Others | 429.33 | - | - | **429.33** |
| | **475.96** | - | - | **475.96** |

**(b) Trade payables ageing as at 31 March 2022:**

| Particulars | Less than 1 year | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| **Trade payables:** | | | | |
| (i) MSME | 2.08 | - | - | **2.08** |
| (ii) Others | 357.14 | - | - | **357.14** |
| | **359.22** | - | - | **359.22** |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **20 Other financial liabilities** | | |
| Direct business outlets' (DBO) balances | 11,659.95 | 10,484.52 |
| Employee benefits payable | 19.55 | 35.13 |
| Others | 3,627.99 | 2,815.29 |
| | **15,307.49** | **13,334.94** |
| **21 Other current liabilities** | | |
| Advances received from customers | 0.79 | 1.49 |
| Statutory dues payable | 628.23 | 574.65 |
| | **629.02** | **576.14** |

*(This space has been intentionally left blank)*

*(Amount in ₹ lakhs, except otherwise stated)*

| | For the year ended | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| **22 Revenue from operations** | | |
| Commission income | 29,613.86 | 23,506.91 |
| Sale of digital products/ services | 13,670.14 | 13,069.16 |
| Sale of devices | 356.63 | 312.64 |
| **Other operating revenue** | | |
| Service activation income | 45.70 | 43.83 |
| Income from other ancillary services | 234.48 | 208.11 |
| | **43,920.81** | **37,140.65** |

**Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:**

**(a) Revenue streams**

The Company generates revenue primarily from providing services in digital payment solution space.

**(b) Disaggregation of revenue from contracts with customers**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by service lines, timing of revenue recognition and geography:

**A. Revenue by service lines and others:**

| | **31 March 2023** | **31 March 2022** |
|---|---|---|
| Commission income | 29,613.86 | 23,506.91 |
| Sale of digital products/ services | 13,670.14 | 13,069.16 |
| Sale of devices | 356.63 | 312.64 |
| Service activation income | 45.70 | 43.83 |
| Income from other ancillary services | 234.48 | 208.11 |
| | **43,920.81** | **37,140.65** |
| **Revenue by timing of revenue recognition:** | | |
| Services provided at point in time | 43,920.81 | 37,140.65 |
| | **43,920.81** | **37,140.65** |
| **Revenue by geography:** | | |
| Domestic | 43,920.81 | 37,140.65 |
| | **43,920.81** | **37,140.65** |

**B: Contract Balances**

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers

| **Particulars** | **Note** | **As at** | |
|---|---|---|---|
| | | **31 March 2023** | **31 March 2022** |
| Receivables, which are included in 'trade receivables' (net of allowance for expected credit loss) | **12** | 1,489.20 | 950.89 |
| Unbilled revenue | **8** | 175.28 | 39.66 |
| Contract liabilities (includes advances received from customers) | **21** | 0.79 | 1.49 |

The contract assets primarily relate to the Company's right to consideration for services rendered but not billed at the reporting date. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. The contract assets are transferred to receivables when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance received from customers. Revenue is recognized against the same as or when the performance obligation is satisfied.

| | For the year ended | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| **23 Other income** | | |
| Interest on bank deposits | 182.51 | 260.98 |
| Interest on Inter corporate loans | 309.67 | - |
| Interest on Income tax refund | 16.82 | - |
| Unwinding of discount on financial assets | 6.29 | 2.51 |
| Other income | 37.27 | 9.66 |
| | **552.56** | **273.15** |
| **24 Service and commission charges** | | |
| Commission distributed to Direct Business Outlets | 23,299.79 | 19,882.98 |
| Service charges | 12,779.79 | 12,334.58 |
| | **36,079.58** | **32,217.56** |

*(Amount in ₹ lakhs, except otherwise stated)*

| | | For the year ended | |
|---|---|---|---|
| | | **31 March 2023** | **31 March 2022** |
| **25** | **Purchases of Stock-in-Trade** | | |
| | Purchases of Stock-in-Trade | 265.17 | 127.50 |
| | | **265.17** | **127.50** |
| **26** | **Changes in inventories of Stock-in-Trade** | | |
| | Opening Stock-in-Trade | 105.16 | 261.68 |
| | Less: Closing Stock-in-Trade | 59.53 | 105.16 |
| | | **45.63** | **156.52** |
| **27** | **Employee benefits expense** | | |
| | Salaries and wages | 6,245.07 | 3,249.11 |
| | Contribution to provident and other funds (refer note 34) | 255.14 | 108.72 |
| | Share based payments to employees (refer note 36) | 4,810.32 | 808.51 |
| | Staff welfare expenses | 106.55 | 76.22 |
| | | **11,417.08** | **4,242.56** |
| **28** | **Finance cost** | | |
| | Interest expense on financial liabilities: | | |
| | - on overdraft facilities taken against bank deposits | - | 2.08 |
| | - on lease liabilities (refer note 4) | 123.89 | 76.43 |
| | | **123.89** | **78.51** |
| **29** | **Depreciation and amortisation expense** | | |
| | Depreciation of property, plant and equipment (refer note 3) | 321.80 | 206.73 |
| | Depreciation of right-of-use assets (refer note 4) | 369.09 | 200.41 |
| | Amortisation of intangible assets (refer note 5) | 590.74 | 233.22 |
| | | **1,281.63** | **640.36** |
| **30** | **Other expenses** | | |
| | Rent (refer note 4) | 12.64 | 22.97 |
| | Rates and taxes | 0.05 | 4.10 |
| | Repairs and maintenance | 73.25 | 28.82 |
| | Office expenses | 68.16 | 31.06 |
| | Electricity charges | 41.82 | 25.76 |
| | Communication expenses/ postage | 76.51 | 28.91 |
| | Bank charges | 361.73 | 194.00 |
| | Insurance | 83.21 | 52.67 |
| | Travelling & conveyance | 643.55 | 433.26 |
| | Advertisement, marketing and business promotion expenses | 640.02 | 518.38 |
| | Commission and brokerage | - | 0.41 |
| | Payment to auditors [refer note (a) below] | 32.92 | 24.68 |
| | Legal and professional charges | 1,438.39 | 1,292.22 |
| | Transaction loss | 228.96 | 52.75 |
| | SMS usage charges | 55.00 | 73.32 |
| | Advances written off | - | 2.09 |
| | Provision for doubtful advances | - | 23.02 |
| | Directors sitting fees | 10.50 | 8.50 |
| | Provision for obsolete inventory | 2.58 | - |
| | Allowance for expected credit loss (refer note 12) | 7.77 | - |
| | Loss on account of bad debts/transaction loss | 12.06 | - |
| | Server usage charges | 422.86 | 239.12 |
| | Miscellaneous expenses | 374.66 | 176.56 |
| | | **4,586.64** | **3,232.60** |
| | **Note:** | | |
| | **(a) Payments to auditors (exclusive of goods and services tax)** | | |
| | Statutory audit | 14.00 | 14.00 |
| | Tax audit | 2.00 | 1.50 |
| | Limited review | 9.50 | 4.50 |
| | Certification and other services | 4.00 | 3.50 |
| | Reimbursement | 3.42 | 1.18 |
| | | **32.92** | **24.68** |

| | For the year ended | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| **31 Tax expenses** | | |
| **A. Tax expenses recognised in the Statement of Profit and Loss** | | |
| Deferred tax | - | 716.91 |
| **Total tax expenses as per the Statement of Profit and Loss** | **-** | **716.91** |

B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in the Statement of Profit and Loss are as follows:

| **Particulars** | **For the year ended** | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Loss before tax | (9,326.25) | (3,281.81) |
| Enacted tax rate in India (%) | 25.17% | 25.17% |
| **Computed expected tax expenses** | **(2,347.23)** | **(825.97)** |
| | | |
| **Tax effect due to non-taxable income for Indian tax purposes** | | |
| Effect of unrecognised business loss and other deductible temporary difference including reversal of previously recognised deferred tax assets on business losses (*) | (2,347.74) | (1,538.51) |
| Effect of non-deductible expenses | (0.51) | 4.37 |
| **Income Tax expense recognised in profit and loss** | **0.00** | **716.91** |

**Note:**

(*) The Company, after considering its current business plans, likely adoption of lower income tax rate permitted under Section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019, future projections and timing of taxable income, has re-assessed the carrying amounts of its deferred tax balances. Accordingly, the Company has recognised deferred tax assets only to the extent of its deferred tax liabilities, and has accordingly de-recognised the deferred tax assets of Nil (31 March 2022: ₹ 716.91 lakhs). Additionally, the Company has not recognised deferred tax assets in respect of carried forward tax losses and unabsorbed depreciation. The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows:

| **Particulars** | **For the year ended** | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Within 0-5 years | 1,637.19 | 107.68 |
| From 5 - 10 years | 6,018.48 | 4,138.67 |
| Unlimited | 1,508.78 | 818.74 |
| | **9,164.45** | **5,065.09** |

*(This space has been intentionally left blank)*

*(Amount in ₹ lakhs, except otherwise stated)*

| | | | For the year ended | |
|---|---|---|---|---|
| | | | 31 March 2023 | 31 March 2022 |
| **32** | **Loss per equity share** | | | |
| **i.** | **Net loss for the year** | **(A)** | **(9,326.25)** | **(3,998.72)** |
| **ii.** | **Weighted average number of equity shares of ₹ 10 each for basic earnings per share:** | | | |
| | Weighted average number of equity shares for basis EPS | **(B)** | 3,97,07,139 | 3,78,10,534 |
| **iii.** | **Weighted average number of equity shares of ₹ 10 each for diluted earnings per share:** | | | |
| | Effect of employee stock options | **(C)** | 23,44,041 | 14,46,604 |
| | Weighted average number of equity shares for diluted EPS | **(D = B+C)** | 4,20,51,180 | 3,92,57,138 |
| **iv.** | **Basic loss per share (₹)** | **(A) / (B)** | **(23.49)** | **(10.58)** |
| **v.** | **Diluted loss per share (₹) (refer note ii below)** | **(A) / (B)** | **(23.49)** | **(10.58)** |

**Note:**

(i) The basic earnings per share have been computed by dividing the net loss after tax attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year.

(ii) As the Company has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

**33 Contingent labilities and commitments**

**Corporate guarantee:** Pursuant to the Business Associate Agreement entered into with Capital India Finance Limited (CIFL), the Company is facilitating the lending business of CIFL through its loan management platform in return for an agreed coupon rate on such loans disbursed. The Company has provided a corporate guarantee to CIFL to the extent of 5% of total loan balances of customers (disbursed through the Company's loan management platform) which are 90 days past due.

**34 Employee benefits**

**Defined contribution plans - Provident Fund (PF) and Employee State Insurance (ESI) Contribution**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense are as under.

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Employer’s contribution to provident fund | 254.36 | 108.10 |
| Employer’s contribution to Employee State Insurance | 0.78 | 0.62 |

**Defined Benefit Plan - Gratuity**

The company operates defined benefit gratuity plan. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service. The present value of defined obligations and the related current service cost and past service cost were measured using the projected unit credit method.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 “Employee Benefits” is as under.

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **I.** | **Reconciliation of present value of defined benefit obligation** | | |
| (a) | Balance at the beginning of the year | 61.22 | 14.60 |
| (b) | Interest cost | 3.52 | 0.84 |
| (c) | Current service cost | 50.64 | 27.93 |
| (d) | Actuarial (gains) / loss recognised in Other Comprehensive Income: | | |
| | - change in financial assumptions | (12.31) | 10.51 |
| | - experience adjustments | 24.99 | 7.34 |
| (e) | **Balance at the end of the year** | **128.06** | **61.22** |
| **II.** | **Expenses recognised in profit and loss account under** | | |
| (a) | Current service cost | 50.64 | 27.93 |
| (b) | Net interest expense | 3.52 | 0.84 |
| | **Expenses recognised in profit and loss account** | **54.16** | **28.77** |
| **III.** | **Remeasurements recognised in Other Comprehensive Income** | | |
| | Net actuarial loss on obligation | 12.68 | 17.85 |
| | **Total actuarial loss recognised in OCI** | **12.68** | **17.85** |
| **IV.** | **Others** | | |
| | Weighted average duration of defined benefit obligation | 21.00 | 22.00 |
| | Projected Service Cost | 123.76 | 73.07 |

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **V.** | **Actuarial assumptions** | | |
| | Principal actuarial assumptions at the reporting date | | |
| (a) | Discount rate (%) | 7.50% | 5.75% |
| (b) | Future salary growth (%) | 7.00% | 10.00% |
| (c) | Attrition rate (%) | 30.00% | 30.00% |
| (d) | Retirement age | 60 | 60 |
| (e) | Expected average remaining service | 27.2 Years | 26.2 Years |
| (f) | Mortality rate | IALM 2012-14 | IALM 2012-14 |

**VI. Sensitivity analysis :**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

| | | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | Increase | Decrease | Increase | Decrease |
| (a) | Discount rate (1% movement) | 124.35 | 132.00 | 59.21 | 63.38 |
| (b) | Future salary growth (1% movement) | 131.99 | 124.30 | 63.27 | 59.27 |

**VII. The expected payout as at 31 March 2023 are as under:**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Year 1 | 3.69 | 2.18 |
| Year 2 | 6.05 | 1.27 |
| Year 3 | 6.96 | 1.69 |
| Year 4 | 7.01 | 1.82 |
| Year 5 | 6.63 | 1.74 |
| Year 6 to 10 | 97.72 | 52.53 |
| | **128.06** | **61.22** |

**VIII. Risk exposure**

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Company is exposed to follow risks -

a) Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.

b) Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

c) Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation

d) Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

**Notes:**

(i) Since the gratuity plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

(ii) The Company has recognised ₹ 75.97 lakhs (31st March 2022: ₹ 42.60 lakhs ) for compensated absences in Statement of Profit and Loss for current year. Total provision for compensated absences is ₹ 139.69 lakhs as at 31 March 2023 (31 March 2022: ₹ 63.71 lakhs).

**35 Disclosure pursuant to Ind AS 108 “Operating Segment”**

The chief operating decision maker (CODM) examines the Company's performance from a service perspective and has identified the 'business of providing services in digital payment solution space' as a single business segment. As part of reporting for geographical segments, the Company operates in India only. The aforesaid is in line with review of operating results by the CODM. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) 'Operating Segments'. There are 3 (31 March 2022: 4) major external customers with whom the company has earned revenue of more than 10% during the year amounting to ₹ 30,810.49 lakhs (31 March 2022: ₹ 32,479.58 lakhs).

*(This space has been intentionally left blank)*

*(Amount in ₹ lakhs, except otherwise stated)*

**36 Share-based payment plans**

The Company has in place an employee stock option scheme (ESOP scheme) under the name Rapipay Employee Stock Option Plan 2020 duly approved by the shareholders of the Company. Under the scheme, eligible employee(s) are granted an option to purchase the shares of the Company, in accordance with the terms and conditions of the scheme. The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under ESOP scheme on or before 31 March 2022 vests on expiry of 12 months, 24 months, 36 months, 48 months from the date of grant whereas Options granted after 31 March 2022 vests on expiry of 12 months, 24 months, 36 months from the date of grant. The options are exercisable after a minimum period of 1 year from the date of grant subject to vesting. Such ESOP expense in respect of employees of the Company is charged over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge is recognised as share based payment expenses under Employee Benefit Expenses. The Company has also granted options to the employees of wholly owned subsidiary "Kuants Wealth Private Limited" without any recovery from the subsidiary. The fair value with respect to such grant is recognised as investment with corresponding increase in Employee stock options outstanding reserve.

**(i) Employee stock option schemes:**

| Particulars | For the year ended | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Date of grant | 01 May 2022<br>04 July 2022<br>01 August 2022<br>05 August 2022<br>20 September<br>01 October 2022<br>16 January 2023<br>13 February 2023<br>03 March 2023 | 12 May 2021<br>09 August 2021<br>20 August 2021<br>12 October 2021<br>28 October 2021<br>08 January 2022<br>04 March 2022 |
| Vesting requirements | Stock options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting. | Stock options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting. |
| Vesting conditions | - 33.33% on expiry of 12 months from the date of grant<br>- 33.33% on expiry of 24 months from the date of grant<br>- 33.34% on expiry of 36 months from the date of grant | - 40% on expiry of 12 months from the date of grant<br>- 30% on expiry of 24 months from the date of grant<br>- 20% on expiry of 36 months from the date of grant<br>- 10% on expiry of 48 months from the date of grant |
| Method of settlement | Equity | Equity |
| Maximum term of options granted | 3 years | 4 years |

| Particulars | For the year ended | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Date of grant | - | 04 March 2022 |
| Vesting requirements | - | Stock options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting. |
| Vesting conditions | - | 12 months from the date of grant |
| Method of settlement | - | Equity |
| Maximum term of options granted | - | 1 year |

**The fair value of options, based on the valuation of the independent valuer as on the date of grant are:**

| | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| **Grant date** | **No. of years vesting** | **Fair Value (₹) per share** | **Exercise Price (₹)** | **No. of years vesting** | **Fair Value (₹) per share** | **Exercise Price (₹)** |
| 12 November 2020 to 10 February 2021 | - | - | - | 4 years | 148 | 100 |
| 12 May 2021 to 28 October 2021 | - | - | - | 4 years | 159 | 100 |
| 8 January 2022 to 04 March 2022 | - | - | - | 4 years | 496 | 100 |
| 04 March 2022 to 31 March 2023 | - | - | - | 1 year | 496 | 100 |
| 01 May 2022 to 30 June 2022 | 3 years | 496 | 300 | - | - | - |
| 01 July 2022 to 20 September 2022 | 3 years | 496 | 300 | | | |
| 01 October 2022 to 03 March 2023 | 3 years | 506 | 300 | - | - | - |

*(This space has been intentionally left blank)*

**36 Share-based payment plans (cont'd)**

**(ii) Details of grant and exercise of such options are as follows:**

| | For the year ended | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Number of options granted | 11,54,170 | 18,96,908 |
| Outstanding number of options* | 10,32,812 | 18,11,908 |

*It includes 126,300 options (31 March 2022: Nil) issued to the employees of Kuants Wealth Private Limited.

**(iii) The weighted average exercise price and remaining contractual life of the ESOP Scheme are as follows:**

| **Grant Dates** | **Exercise Price (₹)** | **For the year ended 31 March 2023** | | **For the year ended 31 March 2022** | |
|---|---|---|---|---|---|
| | | **No. of Options outsatanding** | **Weighted average remaining contractual life (in years)** | **No. of Options outsatanding** | **Weighted average remaining contractual life (in years)** |
| 12 November 2020 | 100 | 6,18,184 | 1.62 | 6,18,184 | 2.62 |
| 10 February 2021 | 100 | - | 1.87 | 2,79,545 | 2.87 |
| 12 May 2021 | 100 | 54,545 | 2.12 | 54,545 | 3.12 |
| 09 August 2021 | 100 | 25,000 | 2.36 | 25,000 | 3.36 |
| 20 August 2021 | 100 | 5,00,000 | 2.39 | 5,00,000 | 3.39 |
| 12 October 2021 | 100 | 91,363 | 2.53 | 1,01,363 | 3.53 |
| 28 October 2021 | 100 | 50,000 | 2.58 | 50,000 | 3.58 |
| 08 January 2022 | 100 | 55,000 | 2.78 | 55,000 | 3.78 |
| 04 March 2022 | 100 | 20,000 | 2.93 | 26,000 | 3.93 |
| 04 March 2022 | 100 | 10,00,000 | - | 10,00,000 | 0.93 |
| 01 May 2022 | 300 | 1,28,000 | 2.08 | - | - |
| 04 July 2022 | 300 | 8,300 | 2.26 | - | - |
| 01 August 2022 | 300 | 1,68,600 | 2.34 | - | - |
| 05 August 2022 | 300 | 4,000 | 2.35 | - | - |
| 20 September 2022 | 300 | 10,000 | 2.47 | - | - |
| 01 October 2022 | 300 | 6,92,912 | 2.50 | - | - |
| 16 January 2023 | 300 | 11,000 | 2.80 | - | - |
| 13 February 2023 | 300 | 10,000 | 2.87 | - | - |
| **Total** | | **34,46,904** | | **27,09,637** | |

**(iv) Reconciliation of stock options:**

| **Particulars** | **Number of Options** |
|---|---|
| **Outstanding as at 31 March 2021** | **12,34,093** |
| Stock option issued during the year | 18,96,908 |
| Exercised and vested | - |
| Forfeited/ lapsed | 4,21,364 |
| **Outstanding as at 31 March 2022** | **27,09,637** |
| Stock option issued during the year | 11,54,170 |
| Exercised and vested | - |
| Forfeited/ lapsed | 4,16,903 |
| **Outstanding as at 31 March 2023** | **34,46,904** |
| **Exercisable at the end of the period** | |
| **- 31 March 2023** | **17,51,092** |
| **- 31 March 2022** | **3,59,092** |

(v) The Company has recognised share based payment expense of ₹ 4810.32 Lakhs (31 March 2022: ₹ 808.51 Lakhs) during the year as proportionate cost. The company has also recognised expense with respect to options granted to employees of subsidiary amounting to INR 151.76 lakhs (31 March 2022: Nil) under investments in subisidary (refer note 7) and correspondingly carry forward of stock reserve amount to INR 5,769.19 lakhs (31 March 2022: INR 922.35 lakhs) (refer note 17).

(vi) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer.

| **Particulars** | **31 March 2023** | **31 March 2022** |
|---|---|---|
| Expected volatility (%) | 20.93 to 27.80 | 20.32 to 31.27 |
| Expected option life (weighted average) | 3 Years and 1 year | 4 Years and 1 year |
| Expected dividends yield (%) | - | - |
| Risk free interest rate (%) | 6.70 to 7.22 | 4.03 to 4.43 |

Note: The expected volatility was determined based on historical volatility data of the other comparable Company's shares listed on the Stock Exchange.

*(This space has been intentionally left blank)*

*(Amount in ₹ lakhs, except otherwise stated)*

## 37 Related party disclosures (as per Ind AS 24)

In accordance with the requirement of Ind AS 24 " Related party disclosures", the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions and year end balance with them in ordinary course of business and on arms length basis are given below:

### A. List of related parties and their relationship

| Nature of relationship | Name of the related party |
|---|---|
| (i) Ultimate Holding Company | Capital India Corp Private Limited (erstwhile Capital India Corp LLP) |
| (ii) Holding Company | Capital India Finance Limited |
| (iii) Subsidiary Companies | Kuants Wealth Private Limited<br>NYE Insurance Broking Private Limited |
| (iv) Fellow Subsidiary | Credenc Web Technologies Private Limited<br>Trident InfraHomes Private Limited<br>Capital India Home Loans Limited |
| (v) Key Management Personnel | Mr. Yogendra Singh Kashyap, Managing Director<br>Mr. Nipun Jain, Whole Time Director and Chief Executive Officer (Appointed as CEO w.e.f. 20 August 2021 and Whole-time Director w.e.f. 04 February 2022)<br>Mr. Deepak Vaswan, Non-Executive Director<br>Mr. Yogendra Pal Singh, Independent Director<br>Mr. Vinod Somani, Independent Director<br>Mr. Keshav Porwal, Non-Executive Director (w.e.f 25 June 2021)<br>Mrs. Rashmi Fauzdar, Independent Director (w.e.f. 25 April 2023)<br>Mr. Sumit Choudhary, Chief Financial Officer<br>Mr. Mrutyunjay Mahapatra, Independent Director (w.e.f 25 June 2021 until 17 August 2021)<br>Mr. Tushar Goel, Company Secretary (w.e.f. 04 February 2022)<br>Miss. Sheetal Khemani, Company Secretary ( until 06 September 2021) |
| (vi) Enterprise over which KMP have significant influence or control | Tries Solutions LLP |

### B. Transactions with Key management personnel including Directors:

| | Transaction Value | | Balance Outstanding | |
|---|---|---|---|---|
| **Nature of transaction** | **31 March 2023** | **31 March 2022** | **31 March 2023** | **31 March 2022** |
| Salary and remuneration (*) | 542.00 | 308.78 | - | - |
| Consulting fees | 76.00 | - | | |
| Reimbursement of expenses | 14.37 | 9.17 | - | - |
| Siting fees | 10.50 | 8.50 | - | - |
| **Total** | **642.87** | **326.44** | **-** | **-** |

(*) Excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the company level. This also excludes share based payment cost.

### C. Transactions with related enterprises*:

| | Transaction Value | | Balance Outstanding | |
|---|---|---|---|---|
| **Nature of transaction** | **31 March 2023** | **31 March 2022** | **31 March 2023** | **31 March 2022** |
| **Capital India Finance Limited** | | | | |
| - Rendering of services | 499.77 | 71.13 | - | - |
| - Reimbursement of expenses | 144.07 | 11.90 | - | - |
| - Net recoverable including unbilled revenue and provision for expense | - | - | 103.27 | 53.34 |
| **Total** | **643.84** | **83.03** | **103.27** | **53.34** |
| | | | | |
| **Credenc Web Technologies Private Limited** | | | | |
| - Inter corporate loans given | 2,000.00 | - | - | - |
| - Inter corporate loans received back | (2,000.00) | - | - | - |
| - Interest income | 154.60 | - | - | - |
| - Rendering of services | - | 0.07 | - | - |
| - Office rent and related expenses | - | 16.19 | - | - |
| - Advance against security deposit given | - | 12.14 | - | - |
| - Refund of advance against security deposit given | - | (12.14) | - | - |
| - Net recoverable | - | - | - | 0.01 |
| **Total** | **154.60** | **16.26** | **-** | **0.01** |

| | Transaction Value | | Balance Outstanding | |
|---|---|---|---|---|
| **Nature of transaction** | **31 March 2023** | **31 March 2022** | **31 March 2023** | **31 March 2022** |
| **Capital India Corp Private Limited** | | | | |
| - Purchase of shares | 1,406.53 | - | - | - |
| **Total** | **1,406.53** | **-** | **-** | **-** |
| **Kuants Wealth Private Limited** | | | | |
| - Investment in Equity shares** | 500.00 | - | - | - |
| - Infrastructure sharing service | 33.51 | - | - | - |
| - Net recoverable including unbilled revenue | - | - | 13.55 | - |
| **Total** | **533.51** | **-** | **13.55** | **-** |
| **NYE Insurance broking Private Limited** | | | | |
| - Investment in Equity shares | 75.00 | - | - | - |
| **Total** | **75.00** | **-** | **-** | **-** |
| **Capital India Home Loans Limited** | | | | |
| - Rendering of services | - | 0.37 | - | - |
| **Total** | **-** | **0.37** | **-** | **-** |
| **Trident InfraHomes Private Limited** | | | | |
| - Purchase of car | - | 71.18 | - | - |
| **Total** | **-** | **71.18** | **-** | **-** |
| **Tries Solutions LLP** | | | | |
| - Reimbursement of expenses | - | 0.30 | - | - |
| **Total** | **-** | **0.30** | **-** | **-** |

*Transactions disclosed are excluding Goods and Service tax and tax deducted at source.
** Excludes cost of ₹ 151.76 lakhs (31 March 2022 : Nil) share options of the Company granted to employees of Kuants Wealth Private Limited.

*(Amount in ₹ lakhs, except otherwise stated)*

## 38 Financial risk management

The Company's activities expose it to a variety of financial risks such as credit risk, liquidity risk, market risk and other risks as applicable. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

### (i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

**Exposure to credit risk**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of its customers.

The maximum exposure to credit risk at the reporting date was:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Gross Trade receivables | 1,496.97 | 950.89 |
| Less: Allowances for expected credit loss | (7.77) | - |
| Unbilled revenue | 175.28 | 39.66 |
| Other current and non-current financial assets | 651.98 | 1,987.32 |
| **Total** | **2,316.46** | **2,977.87** |

**Movement of allowances for expected credit loss**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | - | - |
| Chanes in allowances for expected credit loss | 7.77 | - |
| **Closing balance** | **7.77** | - |

**Credit risk related to financial instruments**

Credit risk from balances with banks and financial institutions is managed by Treasury in accordance with the Company's policy. Investments of surplus funds are only made in bank deposits. Hence the Company is not exposed to any significant credit risk in this respect.

### (ii) Liquidity Risk

(a) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecasted and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

| Particulars | Carrying amount | Contractual cash flows | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|---|
| **Non-derivative financial Liabilities** | | | | | | |
| **As at 31 March 2023** | | | | | | |
| Trade payables | 475.96 | 475.96 | 475.96 | - | - | - |
| Lease liabilities | 1,540.28 | 1,793.36 | 458.94 | 471.76 | 376.75 | 485.91 |
| Other current financial liabilities | 15,307.49 | 15,307.49 | 15,307.49 | - | - | - |
| **Total** | **17,323.73** | **17,576.81** | **16,242.39** | **471.76** | **376.75** | **485.91** |

Investment in equity shares of wholly owned subsidiaries have been carried at cost as per Ind AS 27 " Separate financial statements" and hence are not presented here.

*(Amount in ₹ lakhs, except otherwise stated)*

**38 Financial risk management (cont'd)**

**(ii) Liquidity Risk (cont'd)**

| Particulars | Carrying amount | Contractual cash flows | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|---|
| **As at 31 March 2022** | | | | | | |
| Trade payables | 359.22 | 359.22 | 359.22 | - | - | - |
| Lease liabilities | 1,587.74 | 1,914.94 | 386.42 | 386.77 | 396.05 | 745.70 |
| Other current financial liabilities | 13,334.94 | 13,334.94 | 13,334.94 | - | - | - |
| **Total** | **15,281.90** | **15,609.10** | **14,080.58** | **386.77** | **396.05** | **745.70** |

**(iii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

**Currency risk**

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchnage fluctuations.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long-term debt and short-term obligation and hence no risk exists.

**Price risk**

The company's exposure to equity securities price risk arises from investment held by the company in equity securities and classified in the balance sheet at cost (refer note 7). However, the company does not have a practice of investing in equity securties with a view to earn gain from change in fair value. As per the company's policies, whenever any investment is made by the company in equity securities, the same is with some strategic objective or as a part of contracutal arrangements.

**(iv) Capital management**

**Risk management**

The Company's objectives when managing it's capital are to safeguard it's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders and maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders. Consistent with others in the industry, the Company monitors capital based on the following gearing ratio:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Equity share capital | 3,970.72 | 3,970.72 |
| Other equity | 7,027.34 | 11,404.19 |
| **Equity (A)** | **10,998.06** | **15,374.91** |
| Cash and cash equivalents | 15,808.86 | 11,194.88 |
| Other bank balances | 1,048.37 | 11,666.00 |
| **Total fund (B)** | **16,857.23** | **22,860.88** |
| Borrowings | - | - |
| Lease liabilities | 1,540.28 | 1,587.74 |
| **Total debt (C)** | 1,540.28 | 1,587.74 |
| **Net debt (D=C-B)** | **(15,316.95)** | **(21,273.14)** |
| **Net debt to equity ratio (E=D/A)** | * | * |

* Net debt is negative and hence not applicable

*(Amount in ₹ lakhs, except otherwise stated)*

**39 Ratios disclosed as per requirement of Schedule III to the Act**

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **(a)** | **Return on equity ratio** | | |
| | Loss for the year (Numerator) | (9,326.25) | (3,998.72) |
| | Average shareholder's equity (Denominator) | 13,186.49 | 11,491.69 |
| | **Return on equity (%)** | **(70.73%)** | **(34.80%)** |
| | **% Change as compared to the preceding year** | **103.25%** | |
| | | Refer note (i) below | |

**Notes:**
(i) The expenses have increased due to growth in operation of the Company compared to previous year.

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **(b)** | **Return on capital employed** [Capital Employed = Total equity + borrowings (including accrued interest)] | | |
| | Earning before interest and taxes (Numerator) | (9,202.36) | (3,203.30) |
| | Capital employed (Denominator) | 10,998.06 | 15,374.91 |
| | **Return on capital employed (%)** | **(83.67%)** | **(20.83%)** |
| | **% Change as compared to the preceding year** | **301.60%** | |
| | | Refer note (i) below | |

**Notes:**
(i) The expenses have increased due to growth in operation of the Company compared to previous year.

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **(c)** | **Current ratio** **[Current assets / Current liabilities]** | | |
| | Current assets (Numerator) | 20,148.26 | 25,234.57 |
| | Current liabilities (Denominator) | 16,814.81 | 14,566.51 |
| | **Current ratio (times)** | **1.20** | **1.73** |
| | **% Change as compared to the preceding year** | **(30.83%)** | |

**Notes:**
(i) The current assets have decereased as the Company has invested its funds in development of products and acquisition of subsidiaries.

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **(d)** | **Inventory turnover ratio** **[Average Inventory = (Opening balance + Closing balance) / 2]** | | |
| | Sales for the year (Numerator) | 356.63 | 312.64 |
| | Average inventory (Denominator) | 81.06 | 183.42 |
| | **Inventory turnover ratio (times)** | **4.40** | **1.70** |
| | **% Change as compared to the preceding year** | **158.13%** | |

**Notes:**
(i) The Company is continuously monitoring the inventory turnover cycle and accordingly maintains the inventory.

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **(e)** | **Trade receivables turnover ratio** **[Average trade receivables = (Opening balance + Closing balance) / 2]** | | |
| | Revenue from operations (Numerator) | 43,920.81 | 37,140.65 |
| | Average trade receivable (Denominator) | 1,220.05 | 768.44 |
| | **Trade receivables turnover ratio (times)** | **36.00** | **48.33** |
| | **% Change as compared to the preceding year** | **(25.52%)** | |

**Notes:**
(i) Due to growth in business of the Company, the revenue has increased.

| | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **(f)** | **Trade payables turnover ratio** [Average trade payables = (Opening balance + Closing balance) / 2] | | |
| | Other expenses (Numerator) | 4,586.64 | 3,232.60 |
| | Average trade payables (Denominator) | 417.59 | 282.15 |
| | **Trade payables turnover ratio (times)** | **10.98** | **11.46** |
| | **% Change as compared to the preceding year** | **(4.13%)** | |

*(Amount in ₹ lakhs, except otherwise stated)*

**39 Ratios disclosed as per requirement of Schedule III to the Act (cont'd)**

| | | As at | |
|---|---|---|---|
| | | **31 March 2023** | **31 March 2022** |
| **(g)** | **Net capital turnover ratio** | | |
| | [Working capital is calculated as current assets (-) current liabilities] | | |
| | Revenue from operations (Numerator) | 43,920.81 | 37,140.65 |
| | Working capital (Denominator) | 3,333.45 | 10,668.06 |
| | **Net capital turnover ratio (times)** | **13.18** | **3.48** |
| | **% Change as compared to the preceding year** | **278.45%** | |
| | | Refer note (i) below | |

**Notes:**
(i) Due to growth in business of the company, the revenue has increased.

| | | | |
|---|---|---|---|
| **(h)** | **Net profit ratio** | | |
| | Loss for the year (Numerator) | (9,326.25) | (3,998.72) |
| | Revenue from operations (Denominator) | 43,920.81 | 37,140.65 |
| | **Net profit ratio** | **-21.23%** | **-10.77%** |
| | **% Change as compared to the preceding year** | **97.23%** | |
| | | Refer note (i) below | |

**Notes:**
(i) Due to growth in operation of the Company, the expenses have increased as compared to previous year.

| | | | |
|---|---|---|---|
| **(i)** | **Return on investment ratio** | | |
| | Return (Numerator) | - | - |
| | Investment (Denominator) | 2,133.29 | - |
| | **Net profit ratio** | **0.00%** | **NA** |
| | **% Change as compared to the preceding year** | **NA** | |

**Notes:**
The ratio for previous year is not applicable as there was no investment.

**Note:**

(i) Explanations have been furnished for change in ratio by more than 25% as compared to the preceeding year as stipulated in Schedule III to the Act.
(ii) Debt-equity ratio and Debt service coverage ratio have not been disclosed since the Company does not have any borrowings.

*(This space has been intentionally left blank)*

## 40 Fair value measurement

### Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. The Company has disclosed financial instruments, not measured at fair value, at carrying values because their carrying amounts are a reasonable approximation of the fair values.

| Particulars | Note | Carrying amount | | |
|---|---|---|---|---|
| | | **Fair value through profit or loss (FVTPL)** | **Fair value through Other Comprehensive Income (FVOCI)** | **Amortised cost** |
| **As at 31 March 2023** | | | | |
| **Financial assets*** | | | | |
| Trade receivables | 12 | - | - | 1,489.20 |
| Cash and cash equivalents | 13 | - | - | 15,808.86 |
| Other bank balances | 14 | - | - | 1,048.37 |
| Other current and non-current financial assets | 8 | - | - | 827.26 |
| | | **-** | **-** | **19,173.69** |
| **Financial liabilities** | | | | |
| Current and non-current Lease liabilities | 4 | - | - | 1,540.28 |
| Trade payables | 19 | - | - | 475.96 |
| Other current financial liabilities | 20 | - | - | 15,307.49 |
| | | **-** | **-** | **17,323.73** |
| **As at 31 March 2022** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 12 | - | - | 950.89 |
| Cash and cash equivalents | 13 | - | - | 11,194.88 |
| Other bank balances | 14 | - | - | 11,666.00 |
| Other current and non-current financial assets | 8 | - | - | 2,026.98 |
| **Total** | | **-** | **-** | **25,838.75** |
| **Financial liabilities** | | | | |
| Current and non-current Lease liabilities | 4 | - | - | 1,587.74 |
| Trade payables | 19 | - | - | 359.22 |
| Other current financial liabilities | 20 | - | - | 13,334.94 |
| **Total** | | **-** | **-** | **15,281.90** |

* Financial assets excludes investment in subsidiaries of ₹ 1,981.53 lakhs (31 March 2022: Nil) which are shown at cost in Balance sheet as per Ind AS-27 " Separate financial statements" and remaining amount of ₹ 151.76 lakhs (31 March 2022: Nil) for the options granted to the employees of Kuants Wealth Private Limited

**ii) Measurement of fair values**

The fair values of current trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities are the same as their carrying amount, due to their short-term nature.

The fair value of lease liabilities were calculated based on cash flows discounted using the lending rate.

The fair value of non -current security deposit was calculated based on cash flows discounted using the fixed deposit interest rate.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

| Fair value hierarchy | Description |
|---|---|
| Level 1 | Quoted (unadjusted) market prices in active markets for identical assets or liabilities. |
| Level 2 | Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable inputs. |
| Level 3 | Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. |

**41 Details of dues to micro, small and medium enterprises (MSME)**

In terms of notification no. G.S.R 719(E) dated November 16, 2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at 31 March 2023 are as follows.

| | As at | |
|---|---|---|
| **Particulars** | **31 March 2023** | **31 March 2022** |
| **Balance of sundry creditors as at the end of the year** | | |
| - Principal amount due to micro, small and medium enterprises | 46.63 | 2.08 |
| - Principal amount due to others | 429.33 | 357.14 |
| | **475.96** | **359.22** |
| **Interest accrued and due as at the end of the year** | | |
| - Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises for the purpose of disallowance as a deductible expenditure under section 23 | 0.08 | 0.09 |
| **Paid during the year** | | |
| Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date | 23.23 | 6.16 |
| the amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |

The management has identified micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, dues towards micro, small and medium enterprises that are reportable under the MSMED Act, 2006 have been disclosed above.

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

**42** Details of inter corporate loans given, investments made and guarantees given under section 186(4) of Companies Act 2013

| **Particulars** | **As at 31 March 2022** | **Loans given during the year** | **Loans received back during the year** | **As at 31 March 2023** |
|---|---|---|---|---|
| Credenc Web Technologies Private Limited | - | 2,000.00 | (2,000.00) | - |
| Romano Infrastructure Private Limited | - | 2,000.00 | (2,000.00) | - |
| **Total** | **-** | **4,000.00** | **(4,000.00)** | **-** |

Also refer note 7 for investments made during the year.
(i) Inter corporate loans are given at the interest rate of 9% to Credenc Web Technologies Private Limited and 10.5% to Romano Infrastructure Private Limited and no debt was given in the previous year.
(ii) Inter corporate debt provided and investment made are for business purposes.

The Company has given guarantee of ₹ 139.25 Lakhs (31 March 2022: ₹ 74.59 Lakhs) having outstanding balance of ₹ 25 Lakhs as at 31 March 2023 (31 March 2022: Nil)

**43 Other statutory information :**

**(i) Title deeds of Immovable Properties not held in name of the Company:** The company does not hold any immovable properties ( other than the properties where the company is the lessee and the lease agreements are duly executed in favour of lessee), hence the details of title deed is not applicable.

**(ii) Details of Benami Property:** 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 the rules made thereunder.

**(iii) Compliance with Approved Scheme(s) of Arrangements:** No scheme of arrangement has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013, hence, this is not applicable.

**(iv) Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(v) Valuation of Property, Plant and Equipment and Intangible Assets:** As the Company has chosen cost model for its Property, Plant and Equipment and Intangible Assets, the question of revaluation does not arise.

**(vi) Loans or Advances to Specified Persons:** The Company has granted loans or advances in the nature of loans to fellow subsidiary (as defined under Companies Act, 2013) of ₹ 2,000 lakhs (refer note 42). The same have been received back by the Company during the year.

**(vii) Borrowings Secured Against Current Assets:** The Company had not sanctioned any borrowings limits from any Bank/Financial Institution.

**(viii) Wilful Defaulter:** The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

**(ix) Registration of Charges or Satisfaction with Registrar of Companies:** There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

**(x) Compliance with Number of Layers of Companies:** The Company holds investment in its wholly owned subsidiaries as at 31 March 2023 and has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**(xi) Utilization of Borrowings Availed from Banks and Financial Institutions:** The Company had not sanctioned any borrowings limits from any Bank/Financial Institution.

**(xii) Relationship with struck off companies:** The Company does not have any relationship with struck off companies in the year ended 31 March 2023 (31 March 2022 : Nil) except with Great Eastern Trading Company Limited for purchase of goods of ₹ 0.85 lakhs. However, there is no outstanding balance as at 31 March 2023.

**(xiii)** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate Beneficiaries"). The Company has not received any fund from any party ("Funding Party") with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**44** The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned code, which are yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the code will come into effect.

As per our report of even date

**For Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm Registration Number: 001076N/N500013

**Vikram Dhanania**
Partner
Membership Number: 060568

**Place:** Pune
**Date:** 25 April 2023

For and on behalf of the Board of Directors of
**Rapipay Fintech Private limited**

**Nipun Jain**
Whole Time Director and CEO
DIN NO : 09493589

**Place:** New Delhi
**Date:** 25 April 2023

**Yogendra Singh Kashyap**
Managing Director
DIN NO : 00755017

**Place:** New Delhi
**Date:** 25 April 2023

**Sumit Kumar Choudhary**
Chief Financial Officer
PAN No. : ACVPC3264D

**Place:** New Delhi
**Date:** 25 April 2023

**Tushar Goel**
Company Secretary
Membership No. : A29374

**Place:** New Delhi
**Date:** 25 April 2023