

PayMate India Limited (formerly known as PayMate India Private Limited)  
(CIN: U72200MH2006PLC205023)  
Balance Sheet as at March 31, 2023  
(All amounts are INR. In Millions, except for share data and unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	5	5.90	5.65
(b) Intangible assets	5	14.61	29.22
(c) Right of use assets	6	8.14	12.79
(d) Financial assets			
(i) Investments	7	2.85	2.85
(ii) Other financial assets	8	6.78	6.40
<b>Total Non - current assets</b>		<b>38.28</b>	<b>56.91</b>
<b>II Current assets</b>			
(a) Financial assets			
(i) Trade receivables	9	4.73	57.40
(ii) Cash and cash equivalents	10	6.71	7.40
(iii) Bank balances other than (ii) above	11	3.25	7.34
(iv) Loans	12	235.32	82.90
(v) Other financial assets	13	212.99	222.94
(b) Other current assets	14	338.06	244.19
<b>Total Current assets</b>		<b>801.06</b>	<b>622.17</b>
<b>Total assets (I+II)</b>		<b>839.34</b>	<b>679.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	15 (a)	57.67	57.41
(b) Instruments in the nature of equity	15 (b)	1,839.08	1,839.08
(c) Other equity	16	(1,467.34)	(1,349.26)
<b>Total equity</b>		<b>429.41</b>	<b>547.23</b>
<b>LIABILITIES</b>			
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	6	4.64	10.28
(b) Provisions	17	14.60	11.98
<b>Total Non - Current liabilities</b>		<b>19.24</b>	<b>22.26</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	35.00	-
(ii) Lease liabilities	6	5.64	5.05
(iii) Trade payables	19		
Total outstanding dues of micro and small enterprises		0.14	0.08
Total outstanding dues of creditors other than micro and small enterprises		194.97	0.30
(b) Provisions	20	46.12	40.49
(c) Other current liabilities	21	108.82	63.67
<b>Total Current liabilities</b>		<b>390.69</b>	<b>109.59</b>
<b>Total Equity and Liabilities (I+II+III)</b>		<b>839.34</b>	<b>679.08</b>

See accompanying notes to standalone the financial statements 1-57

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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No :105047W

Ananthkrishnan Govindan  
Partner  
Membership No: 205226



Place: Hyderabad  
Date : September 08, 2023

For and on behalf of the Board of Directors  
PayMate India Limited

Ajay Adishesan  
Chairman and Managing Director  
DIN: 00099023

Nanda Harish  
General Counsel, Company Secretary and  
Compliance Officer (ACS: 15495)

Place: Mumbai  
Date : September 08, 2023

Vishvanathan Subramanian  
Whole Time Director and CFO  
DIN: 02153545




PayMate India Limited (formerly known as PayMate India Private Limited)  
(CIN: U72200MH2006PLC205023)  
Statement of Profit and Loss for the year ended March 31, 2023  
(All amounts are INR. in Millions, except for share data and unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>I Income</b>			
Revenue from operations	22	13,495.45	12,088.01
Other Income	23	33.87	8.13
<b>II Total Income</b>		<b>13,529.32</b>	<b>12,096.14</b>
<b>III EXPENSES</b>			
Cost of services	24	13,382.37	12,072.05
Employee benefit expense	25	394.41	465.82
Finance costs	26	5.06	2.83
Depreciation and amortisation expense	5	21.87	22.64
Other expenses	27	110.78	60.63
<b>Total Expenses (III)</b>		<b>13,914.49</b>	<b>12,623.97</b>
<b>IV Profit/(Loss) before exceptional items and tax</b>		<b>(385.17)</b>	<b>(527.83)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before tax</b>			
<b>V Tax Expense</b>	34		
Current tax		-	-
Deferred tax		-	-
<b>Total income tax expense</b>		<b>-</b>	<b>-</b>
<b>VI Profit/(Loss) for the year (IV + V)</b>		<b>(385.17)</b>	<b>(527.83)</b>
<b>VIII Profit/(Loss) for the year</b>		<b>(385.17)</b>	<b>(527.83)</b>
<b>VIII Other comprehensive income/(loss)</b>		<b>2.49</b>	<b>(0.69)</b>
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		2.49	(0.69)
(b) Income tax relating to Items that will not be reclassified to profit or loss		-	-
(ii) Items that may be reclassified to profit or loss			
(a) Exchange differences on translation of financial statements of foreign operations		-	-
<b>IX Total comprehensive income/(Loss) for the year (VII + VIII)</b>		<b>(382.68)</b>	<b>(528.52)</b>
<b>X Earnings/(loss) per equity share (Face value of Rs.1/- each):</b>	33		
Basic		(6.70)	(9.74)
Diluted		(6.70)	(9.74)

See accompanying notes to standalone the financial statements 1-52

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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.:105047W

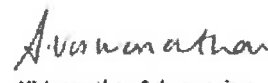
  
Ananthkrishnan Govindan  
Partner  
Membership No: 205226




Place: Hyderabad  
Date : September 08, 2023

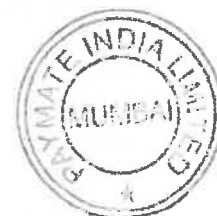
For and on behalf of the Board of Directors  
PayMate India Limited

  
Ajay Adishesan  
Chairman and Managing Director  
DIN: 00099023

  
Vishvanathan Subramanian  
Whole Time Director and CFO  
DIN: 02153545

  
Nandini Harish  
General Counsel, Company Secretary and  
Compliance Officer (ACS: 15495)

Place: Mumbai  
Date : September 08, 2023



Paymate India Limited (formerly known as Paymate India Private Limited)  
(CIN: U72200MH2006PLC205023)  
Statements of Changes in Equity for the year ended March 31, 2023  
(All amounts are INR, in Millions, except for share data and unless otherwise stated)

(a) Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(1) Equity share capital				
(i) Equity Shares of ₹ 1/- each with voting rights (₹ 10/- each for FY 2022)				
Opening balance	5,74,08,690	57.41	34,756	0.35
Add: Issue of shares	2,60,092	0.26	12,85,913	1.31
Add: Sub-division of shares	-	-	3,34,521	-
Add: Issue of bonus shares	-	-	5,37,53,500	55.75
Closing balance	5,76,68,782	57.67	5,74,08,690	57.41
(2) Preference share capital				
(i) Preference Shares (Refer note 13(b))				
Opening balance	31,585	1,839.08	31,178	1,411.81
Add: Issue of shares	-	-	407	43.27
Closing balance	31,585	1,839.08	31,585	1,819.08



PayVista India Limited (formerly known as PayVista India Private Limited)  
 (CIN: U72200MH2006PLC205023)  
 Statement of Changes in Equity for the year ended March 31, 2023  
 (All amounts are INR, in Millions, except for share data and unless otherwise stated)

(b) Other equity										
Particulars	Securities premium account	Retained earnings / (deficit)	Other comprehensive income	Foreign currency translation Reserve	Share options outstanding Account	Share application money pending allotment	Share Warrant	Total other equity		
Balance as at April 1, 2021	124.35	(1,476.48)	(1.49)	(0.31)	135.98	-	19.50	(1,208.45)		
Profit/(loss) for the year	-	(527.83)	-	-	-	-	-	(527.83)		
Other comprehensive income / (losses)	-	-	-	-	-	-	-	-		
Other comprehensive income / (losses)	-	-	10.89	-	-	-	-	10.89		
Reversals of the defined benefit liabilities / (asset) net of tax	220.39	-	-	-	-	-	-	220.39		
Addition to securities premium	7.25	-	-	-	-	-	-	7.25		
Issue of equity shares on exercise of options	153.75	-	-	-	(8.32)	-	(9.50)	(20.77)		
Issue of Bonus Shares	-	-	-	-	-	-	-	(55.75)		
Share based payment to employees	-	-	-	-	243.84	-	-	243.84		
Balance as at March 31, 2022	295.24	(2,004.31)	(2.18)	(0.31)	361.30	-	-	(1,349.26)		
Profit/(loss) for the year	206.24	(2,004.31)	(2.18)	(0.31)	361.30	-	-	(385.17)		
Other comprehensive income / (losses)	-	-	-	-	-	-	-	-		
Other comprehensive income / (losses)	-	-	2.49	0.31	-	-	-	2.49		
Addition to securities premium	-	-	-	-	-	-	-	-		
Issue of equity shares on exercise of options	99.33	-	-	-	-	-	-	99.33		
Issue of Bonus Shares	-	-	-	-	-	-	-	-		
Share application money pending allotment	-	-	-	-	-	-	-	-		
Share based payment to employees	-	-	-	-	163.44	1.52	-	1.52		
Balance as at March 31, 2023	395.57	(2,369.48)	0.31	-	524.74	1.52	-	163.44		

1.52

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

As per our report of even date  
 For ASKA & Associates  
 Chartered Accountants  
 ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors  
 PayVista India Limited

*A. V. V. V.*  
 Ajay V. V. V.  
 Chairman and Managing Director  
 DIN: 00099023

*N. H. H.*  
 Nagesh H. H.  
 General Counsel, Company Secretary and  
 Compliance Officer (ACS: 15495)  
 Place: Mumbai  
 Date: September 08, 2023



Place: Hyderabad  
 Date: September 08, 2023

Membership No: 205226

PayMate India Limited (formerly known as PayMate India Private Limited)  
(CIN: U72200MH2006PLC205023)  
Cash Flow Statement for the year ended March 31, 2023  
(All amounts are INR. in Millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year	(385.17)	(527.83)
<u>Adjustments for:</u>		
Depreciation and amortisation expenses	21.87	22.64
Finance costs	3.70	2.83
Interest received	(25.69)	(8.14)
Provision for Gratuity	3.34	3.21
Provision for PLI	16.87	10.54
Allowance for doubtful trade receivables and bad debts written off	-	7.69
Unrealised Foreign exchange gain	10.00	-
Share Based payments to employees	163.43	243.84
Liabilities no longer required written back	(1.33)	-
GST Refund	6.86	-
Operating loss before working capital changes	(186.12)	(245.22)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	52.67	(49.35)
Loans	(152.42)	(48.65)
Other financial assets	(73.34)	(186.20)
Other non-financial assets	(88.33)	(18.59)
<u>Adjustments for Increase / (decrease) in operating liabilities:</u>		
Other financial liabilities	-	-
Provisions	5.52	21.77
Trade payables	194.67	(3.45)
Other non-financial liabilities	45.15	21.27
Cash used in operations	(202.20)	(508.42)
Net income tax (paid) / refunded	(5.54)	(52.80)
Net cash flow used in operating activities (A)	(207.73)	(561.22)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property plant and equipment, including capital advances	(2.87)	2.93
(Investments)/Proceeds from bank deposits	-	0.59
Interest received	5.39	2.36
Net cash flow from / (used in) investing activities (B)	2.52	5.88
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings	35.00	-
Repayment of Lease Liabilities	(5.05)	(3.84)
Repayment of interest on lease liabilities	(1.36)	(1.86)
Issue of Share Capital	99.99	627.47
Expenses on IPO	80.04	(85.08)
Finance costs paid	(3.70)	(0.97)
Net cash flow from / (used in) financing activities (C)	204.52	535.71
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(0.69)	(19.63)
Add: Cash and cash equivalents at the beginning of the year	7.40	27.03
Cash and cash equivalents at the end of the year	6.71	7.40
Cash and cash equivalents as per Balance Sheet (Refer note 8)	6.71	7.40

Corporate Information and Significant Accounting Policies - Notes 1 & 2  
See accompanying notes to standalone the financial statements

1-57

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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.:105047W

  
Ananthkrishnan Govindan  
Partner  
Membership No: 20522b




Place: Hyderabad  
Date : September 08, 2023

For and on behalf of the Board of Directors  
PayMate India Limited

  
Ajay Adishesan  
Chairman and Managing Director  
DIN: 00099023

  
Vishvanathan Subramanian  
Whole Time Director and CFO  
DIN: 02153545

  
Nanda Marish  
General Counsel, Company Secretary and  
Compliance Officer (ACS: 15495)

Place: Mumbai  
Date : September 08, 2023



**1. General Information**

PayMate India Limited (the "Company") is a public limited company domiciled in India and was incorporated on May 12, 2006 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at No.111, 1st Floor, 'A' Wing, Sundervilla S.V.Road, Santacruz (West) Mumbai Maharashtra 400054 India. The Company is primarily engaged in the business of providing comprehensive digital workflow tied to payments which enable greater control and transparency along with better cash flows and an end to end reconciliation for a superior experience for Enterprise and SME in closed-loop supply chains.

**2. Significant Accounting Policies**

Significant accounting policies adopted by the company are as under:

**2.01 Basis of Preparation of standalone Financial Statements**

**(a) Statement of Compliance with Ind AS**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

**(b) Basis of measurement**

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value or revalued value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Share based payment transactions
- iii) Embedded derivative
- iv) Asset classified as held for sale.

The company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

**(c) Classification between Current and Non-current**

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:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
  - ii. Held primarily for the purpose of trading
  - iii. Expected to be realised within twelve months after the reporting period, or
  - iv. Cash or cash equivalent 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 current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has

**(d) Use of estimates**

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Refer Note 3.4 for detailed discussion on estimates and judgments.



**2.02 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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

**Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives**

The company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period
Computer & Software	3-5 Years
Office Equipment	5 Years
Furniture & Fittings	10 Years

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

**2.03 Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization.

**(a) Patents, copyrights and other rights**

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**(b) Research and development**

Research expenditure and development expenditure that do not meet the criteria as stated below are recognised as an expense as incurred.

**(c) Computer software Application**

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets where criteria mentioned in point (b) above are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

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

**Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible	Useful life
Patents	5 Years
Application	5 Years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are not amortised. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.



**2.04 Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition/ as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**2.05 Foreign Currency Transactions**

**(a) Functional and presentation currency**

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

**(b) Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**2.06 Fair value measurement**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the company.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized 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 – 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
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**2.07 Revenue from contract with customer**

**(a) Sale of Services**

Revenue is measured based on the consideration specified in a contract with a customer's net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amount collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to the customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Where the Company acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognised. Typically, the Company has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

**Service Fee from Merchants:**

The Company earns service fee from merchants and recognises such revenue when the control in services have been transferred by the Company i.e. as and when services have been provided by the Company. Such service fee is generally determined as a percentage of transaction value executed by the merchants.

The Company derives its revenue primarily from the transaction fees and related services and licensing income. The Company recognises revenue on transaction fees immediately upon completion of successful transaction and the collectability is reasonably assured.





(b) Other Operating Revenue

(i) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

(ii) Dividend Income

Dividend income is recorded when the right to receive payment is established.

(c) Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivable represents the company's right to an amount of consideration that is unconditional.

Contract Liability

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 transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

Trade Receivable

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2.08 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year/period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in standalone financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Minimum Alternative Tax

Minimum Alternative Tax (MAT) under the provisions of the Income-tax Act, 1961 (the IT Act) is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced rate of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Company has opted to apply the provisions of section 115BAA from the Assessment year 2020-21 (year ended March 31, 2020) and accordingly, the Company has charged off the balance of MAT credit during the year ended March 31, 2020.



## 2.09 Leases

### The company as a lessee

The company's lease asset classes primarily consist of leases for buildings taken to conduct its business in the ordinary course. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

## 2.1 Impairment of non-financial assets

The company assesses at each year end whether there is any objective evidence that a non financial asset or a company of non financial assets is impaired. If any such indication exists, the company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are companyed together into the smallest company of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of

## 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

If the company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



2.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short term deposits net of bank overdraft.

2.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.



(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

*Borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Borrowing Cost: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



(iii) **Derecognition**  
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) **Embedded derivatives**  
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) **Offsetting financial instruments**  
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### 2.14 **Convertible preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

#### 2.15 **Employee Benefits**

##### (a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (b) **Other long-term employee benefit obligations**

###### (i) **Defined contribution plan**

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

###### (ii) **Defined benefit plans**

**Gratuity:** The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee



(c) Share-based payments

Employees (including senior executives) of the company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies' best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.16 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Provision for Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. A corresponding amount is recognised directly in equity.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product 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 and loss in the Summary Statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

- i. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- ii. Expenses which relate to the company as a whole and not allocable to segments are included under unallocable expenditure.
- iii. Income which relates to the company as a whole and not allocable to segments is included in unallocable income.
- iv. Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the company.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.
- vi. Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.20 Rounding off amounts

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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. The company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.



(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 34.

(c) Defined benefit plans (gratuity benefits and compensated absences)

The cost of the defined benefit plans such as gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 30.

4.1 Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

4.2 Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following

(i) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

(ii) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

(iii) Taxation in fair value measurements - Amendments to Ind AS 41



PayMate India Limited (formerly known as PayMate India Private Limited)  
(CIN: U72200MH2006PLC205023)  
Notes forming part of the Financial Statements for the year ended March 31, 2023  
(All amounts are INR. in Millions, except for share data and unless otherwise stated)

5 Property Plant and equipment and Intangible assets

Description of Assets	Property Plant and equipment				Intangible assets		
	Computers and softwares	Office equipments	Furniture and fittings	Total	Patent rights	Application	Total
<b>I. Gross Carrying Value</b>							
Balance as at April 01, 2021	13.31	0.54	0.86	14.71	0.24	73.05	73.29
Additions	2.80	0.13	-	2.93	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2022	16.11	0.67	0.86	17.64	0.24	73.05	73.29
Balance as at April 01, 2022	16.11	0.67	0.86	17.64	0.24	73.05	73.29
Additions	2.84	0.03	-	2.87	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2023	18.95	0.70	0.86	20.51	0.24	73.05	73.29
<b>II. Accumulated depreciation and impairment</b>							
Balance as at April 01, 2021	7.95	0.28	0.38	8.61	0.24	29.22	29.46
Depreciation / amortisation expense for the period	3.21	0.08	0.09	3.38	-	14.61	14.61
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2022	11.16	0.36	0.47	11.99	0.24	43.83	44.07
Balance as at April 01, 2022	11.16	0.36	0.47	11.99	0.24	43.83	44.07
Depreciation / amortisation expense for the period	2.47	0.08	0.06	2.61	-	14.61	14.61
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2023	13.63	0.44	0.53	14.60	0.24	58.44	58.68
<b>III. Net block (I-II)</b>							
Balance as at March 31, 2022	4.95	0.31	0.39	5.65	-	29.22	29.22
Balance as at March 31, 2023	5.32	0.26	0.33	5.90	-	14.61	14.61

5 Property Plant and equipment and Intangible assets (continued)

The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current year and previous year.

Depreciation and Amortisation

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Property, Plant and Equipment	2.61	3.38
Right of Use Assets	4.65	4.65
Amortisation - Intangibles	14.61	14.61
<b>Total</b>	<b>21.87</b>	<b>22.64</b>

Title deeds of Immovable Properties not held in name of the Group:

Description	As at March 31,	As at March 31,
	2023	2022
Title deeds held in the name of Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	PayMate India Limited NA	
Reason for not being held in the name of the Group	NA	





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#### 4. Right of use assets and Lease Liabilities

The company has lease contracts for office units. The company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases, under modified retrospective transition method.

The company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

(i) Movement in Right of use assets and Lease liabilities is given below:

Description	Right of use assets (Buildings)
Cost as at April 1, 2021	31.39
Additions	-
Disposals	-
Cost as at March 31, 2022	31.39
Additions	-
Disposals	-
Cost as at March 31, 2023	31.39
Accumulated depreciation as at April 1, 2021	13.95
Ind AS 116 transition adjustment	-
Depreciation for the year	4.65
Disposals	-
Accumulated depreciation as at March 31, 2022	18.60
Depreciation for the period	4.65
Disposals	-
Accumulated depreciation as at March 31, 2023	23.25
Net carrying amount as at March 31, 2022	12.79
Net carrying amount as at March 31, 2023	8.14

Lease Liability: Set out below are the carrying amounts of lease liabilities and the movements during the period / year:

	As at March 31, 2023	As at March 31, 2022
Opening balance	15.33	19.17
Recognised on adoption of Ind AS 116	-	-
Additions during the period / year	-	-
Disposal during the period / year	-	-
Accretion of interest	1.36	1.86
Payment of lease liabilities	(6.42)	(5.70)
Closing balance	10.28	15.33
Less: Current Lease liabilities	5.64	5.05
Non Current Lease liabilities	4.64	10.28

(ii) Payments recognised as expenses and income

	For the period / year ended	
	31-Mar-2023	31-Mar-2022
Short term leases and low value assets	0.39	0.28
	0.39	0.28

(iii) Contractual maturities of lease liabilities on undiscounted basis

	As at March 31, 2023	As at March 31, 2022
Less than one year	6.42	6.42
One to five years	4.81	11.23
More than five years	-	-
	11.23	17.65

For details of Ind AS 116 disclosure refer Note 2.09.



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7 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments		
Unquoted		
Subsidiary		
PayMate Payments Services Provider LLC	2.85	2.85
Subsidiary (at cost or deemed cost)		
PayMate Inc	0.04	0.04
(1,000 equity shares at US \$ 1 each, fully paid up)		
Less: Impairment in value of investments	(0.04)	(0.04)
Net Investment	-	-
<b>Total</b>	<b>2.85</b>	<b>2.85</b>

8 Financial instruments at amortised cost

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	6.47	6.02
Earmarked balances with banks	-	0.38
In Deposit accounts with maturity for more than 12 months	0.31	-
<b>Total</b>	<b>6.78</b>	<b>6.40</b>

9 Trade receivables (Unsecured)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables: Receivable from contract with customer - billed		
considered good	4.73	57.40
	4.73	57.40
Unsecured		
- Considered good	4.73	57.40
Allowance for bad and doubtful debts		
Unsecured		
- Considered good	-	-
<b>Total</b>	<b>4.73</b>	<b>57.40</b>

Ageing of Trade Receivables :

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1.00	(0.05)	3.78	-	-	4.73
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1.00</b>	<b>(0.05)</b>	<b>3.78</b>	<b>-</b>	<b>-</b>	<b>4.73</b>

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	47.92	0.18	9.30	-	-	57.40
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>47.92</b>	<b>0.18</b>	<b>9.30</b>	<b>-</b>	<b>-</b>	<b>57.40</b>

6.1. There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.



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10 Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.00	0.02
Foreign Currency in hand	-	0.02
Balances with banks :		
(i) In current accounts	2.45	7.36
(ii) Deposits with maturity of less than 3 months	4.25	-
<b>Total</b>	<b>6.71</b>	<b>7.40</b>

Fixed Deposit with Banks includes interest receivable of ₹ 0.99 Mn as at March 31, 2023.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

11 Other balances with banks

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with maturity for more than 3 months but less than 12 months	3.25	7.34
<b>Total</b>	<b>3.25</b>	<b>7.34</b>

Short-term bank deposits includes interest receivable of ₹ 0.59 Mn as at March 31, 2023.

12 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to related party	235.32	82.90
<b>Total</b>	<b>235.32</b>	<b>82.90</b>

Refer Note No.32 for related party disclosures

Type of Borrower	Loans/Advances granted Individually or Jointly with other.	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	31 March 2023		31 March 2022	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding as at the balance sheet date	% of Total
PayMate Payment Services Provider LLC - Subsidiary of PayMate India Limited	Individually	Yes	No	235.32	100%	82.90	100%

Details of loans given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013

Name of the Company	Rate of Interest	Due Date	Secured/ unsecured	Purpose of Loan	As at March 31, 2023	As at March 31, 2022
PayMate Payment Services Provider LLC - Subsidiary of PayMate India Limited	6 % P.A.	Not Applicable	Unsecured	Working Capital Requirement	235.32	82.90



13 Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Financial instruments at amortised cost		
Unsecured		
-Considered good		
Security deposits	194.93	194.93
Advance to Staff	1.34	3.23
Accrued Interest	15.16	4.91
Unbilled Revenue	1.55	19.87
<b>Total</b>	<b>212.99</b>	<b>222.94</b>

14 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
-Considered good		
Tax deducted at source	109.76	104.22
Prepaid expenses	1.53	0.43
Share issue expenses (refer note 14.1)	165.12	85.08
Balances with government authorities	61.65	54.46
<b>Total</b>	<b>338.06</b>	<b>244.19</b>

Note No 14.1: During the year ended March 31st, 2023 the Company has incurred share issue expenses in connection with proposed public offer of equity shares of which Rs. 80.04 Mn is accounted for various services received for Initial Public Offering (IPO). In accordance with the Companies Act 2013 ("the Act") and also as per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will partly recover the expenses incurred in connection with the Issue on completion of Initial Public Offer (IPO). The Company's share of expenses shall be adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under the head "Share issue expenses" under "other current financial assets" (to the extent of not written off or adjusted). The amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO.



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15 Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised:				
(i) Equity Share Capital				
Equity Shares of ₹ 1/- each	21,74,82,804.00	217.48	8,09,12,859	80.91
(ii) Preference Share Capital				
10% Non-Cumulative participating fully convertible Preference shares of Rs. 1,263,699.83 each	114	144.06	114	144.06
10% Non-Cumulative participating fully convertible Preference shares of Rs. 9,59,772.10 each	293	281.21	293	281.21
10% Non-Cumulative participating fully convertible preference shares of ₹ 64,740 each	357	23.11	357	23.11
10% Non-Cumulative participating fully convertible preference shares of ₹ 1,58,456.7 each	3,254	515.62	3,254	515.62
10% Non-Cumulative participating fully convertible preference shares of ₹ 1,55,655.54 each	312	48.55	312	48.55
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 14,781.84 each	3,862	57.09	3,862	57.09
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 14,694.45 each	3,862	56.75	3,862	56.75
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,681.34 each	1,820	23.08	1,820	23.08
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,642.48 each	1,820	23.01	1,820	23.01
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,726.16 each	2,042	25.99	2,042	25.99
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,669.53 each	2,042	25.87	2,042	25.87
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,905.46 each	1,938	90.90	1,938	90.90
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,883.44 each	2,544	119.27	2,544	119.27
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,905.42 each	1,513	70.97	1,513	70.97
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 56,741.97 each	909	51.58	909	51.58
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 56,770.44 each	318	18.05	318	18.05
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 67,176.16 each	1,817	122.06	1,817	122.06
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 73.72 each	1	-	1	-
10% Non-Cumulative participating fully convertible Preference Shares of ₹ 51,264.37 each	2,768	141.91	2,768	141.91
<b>Total</b>	<b>21,75,14,390</b>	<b>2,056.57</b>	<b>8,09,44,445</b>	<b>1,919.99</b>



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Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Issued, Subscribed and Fully paid-up:				
15 (a) Equity Share Capital				
Equity Shares of ₹ 1/- each	5,76,68,782	57.67	5,74,08,690	57.41
Total equity shares	5,76,68,782	57.67	5,74,08,690	57.41
15 (b) Preference Share Capital				
10% Non-Cumulative participating fully convertible Preference shares of ₹ 12,63,699.83 each (each of the Series D4 preference shares shall be converted to a maximum of 4,530 equity shares upon conversion as per the conversion ratio based on the commercial terms & conditions laid down in the investment agreement to be converted on or before 05/03/2042)	114	144.06	114.00	144.06
10% Non-Cumulative participating fully convertible Preference shares of ₹ 9,59,772.10 each (each of the Series D3 preference shares shall be converted to a maximum of 9,060 equity shares upon conversion as per the conversion ratio based on the commercial terms & conditions laid down in the investment agreement to be converted on or before 24/08/2041)	293	281.21	293	281.21
10% Non-Cumulative participating fully convertible preference shares of ₹ 64,740 each - (to be converted on or before 06/09/2040 at a conversion ratio of 1,510 equity shares for each preference share held)	357	23.11	357	23.11
10% Non-Cumulative participating fully convertible preference shares of ₹ 1,58,456.7 each - (to be converted on or before 13/08/2039 at a conversion ratio of 1,510 equity shares for each preference share held)	3,254	515.62	3,254	515.62
10% Non-Cumulative participating fully convertible preference shares of ₹ 1,55,655.54 each - (to be converted on or before 22/04/2039 at a conversion ratio of 1,510 equity shares for each preference share held)	312	48.56	312	48.56
10% Non-Cumulative participating fully convertible preference shares of ₹ 51,264.37 each (to be converted on or before 11/09/2037 at a conversion ratio of 1,510 equity shares for each preference share held)	1,529	78.38	1,529	78.38
10% Non-Cumulative participating fully convertible preference shares of ₹ 51,264.37 each (to be converted on or before 11/09/2037 at a conversion ratio of 1,510 equity shares for each preference share held)	1,239	63.52	1,239	63.52
10% Non-Cumulative participating fully convertible preference shares of ₹ 67,176.16 each (to be converted on or before 14/09/2034 at a conversion ratio of 1,510 equity shares for each preference share held)	1,817	122.06	1,817	122.06
10% Non-Cumulative participating fully convertible preference shares of ₹ 56,770.44 each (to be converted on or before 27/02/2032 at a conversion ratio of 1,510 equity shares for each preference share held)	318	18.05	318	18.05
10% Non-Cumulative participating fully convertible preference shares of ₹ 56,741.97 each (to be converted on or before 27/02/2032 at a conversion ratio of 1,510 equity shares for each preference share held)	909	51.58	909	51.58
10% Non-Cumulative participating fully convertible preference shares of ₹ 46,905.46 each (to be converted on or before 25/05/2031 at a conversion ratio of 1,510 equity shares for each preference share held)	2,544	119.27	2,544	119.27



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Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
10% Non-Cumulative participating fully convertible preference shares of ₹ 46,905.42 each (to be converted on or before 25/05/2031 at a conversion ratio of 1,510 equity shares for each preference share held)	1,938	90.90	1,938	90.90
10% Non-Cumulative participating fully convertible preference shares of ₹ 46,883.44 each (to be converted on or before 18/09/2029 at a conversion ratio of 1,510 equity shares for each preference share held)	1,513	70.97	1,513	70.97
10% Non-Cumulative participating fully convertible preference shares of ₹ 12,669.53 each (to be converted on or before 24/03/2028 at a conversion ratio of 1,510 equity shares for each preference share held)	2,042	25.87	2,042	25.87
10% Non-Cumulative participating fully convertible preference shares of ₹ 12,726.16 each (to be converted on or before 24/03/2028 at a conversion ratio of 1,510 equity shares for each preference share held)	2,042	25.99	2,042	25.99
10% Non-Cumulative participating fully convertible preference shares of ₹ 12,642.48 each (to be converted on or before - 22/10/2027 at a conversion ratio of 1,510 equity shares for each preference share held)	1,820	23.01	1,820	23.01
10% Non-Cumulative participating fully convertible preference shares of ₹ 12,681.34 each (to be converted on or before 22/10/2027 at a conversion ratio of 1,510 equity shares for each preference share held)	1,820	23.08	1,820	23.08
10% Non-Cumulative participating fully convertible Preference shares of ₹ 14,781.84 each (to be converted on or before 15/11/2026 at a conversion ratio of 1,510 equity shares for each preference share held)	3,862	57.09	3,862	57.09
10% Non-Cumulative participating fully convertible Preference shares of ₹ 14,694.45 each (to be converted on or before 15/11/2026 at a conversion ratio of 1,510 equity shares for each preference share held)	3,862	56.75	3,862	56.75
<b>Total preference shares</b>	<b>31,585</b>	<b>1,839.08</b>	<b>31,585</b>	<b>1,839.08</b>
<b>Total</b>		<b>1,896.75</b>		<b>1,896.49</b>



(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>(1) Equity share capital</b>				
(i) Equity Shares of ₹ 1/- each with voting rights (₹ 10/- each for FY 20-21)				
Opening balance	5,74,08,690	57.41	34,756	0.35
Add: Issue of shares	2,60,092	0.26	12,85,913	1.31
Add: Sub division of shares	-	-	3,34,521	-
Add: Issue of bonus shares	-	-	5,57,53,500	55.75
Closing balance	5,76,68,782	57.67	5,74,08,690	57.41
<b>(2) Preference share capital</b>				
(i) Preference Shares (Refer note 13(b))				
Opening balance	31,585	1,839.08	31,178	1,413.81
Add: Issue of shares	-	-	407	425.27
Closing balance	31,585	1,839.08	31,585	1,839.08

(ii) Terms / rights attached to the Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 1 per share (March 31, 2021, March 31, 2020 and March 31, 2019: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of

(iii) Details of shareholders holding more than 5% of the share capital:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
<b>Equity Shares</b>				
Mr. Ajay Adiseshan	3,30,29,200	57.27%	3,30,99,200	57.66%
Mr. Probir Roy	63,25,221	10.97%	65,25,221	11.37%
Mr. Alexander Kuruvilla	32,60,090	5.65%	32,60,090	5.68%
Mr. Dhruv Singh	37,75,000	6.55%	37,75,000	6.58%
Mrs. Uma Vishvanathan	40,96,630	7.10%	40,96,630	7.14%
<b>Preference Shares</b>				
M/s. Lightbox Ventures I	20,716	65.59%	20,716	65.59%
M/s. IPD Wealth Holdings Pty Ltd.	2,768	8.76%	2,768	8.76%
M/s. Mayfield FVCI Ltd.	2,544	8.05%	2,544	8.05%
M/s. VISA International Service Association	2,229	7.06%	2,229	7.06%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) shareholding of promoters

	As at March 31, 2023			As at March 31, 2022		
	Number of shares held	% of holding	% of Change	Number of shares held	% of holding	% of Change
Mr. Ajay Adiseshan	3,30,29,200	57.27%	-0.38%	3,30,99,200	57.66%	-7.14%
<b>Total</b>						

- v) i) For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Parent Company, refer Note 35.  
ii) Company has allotted 150 bonus shares for every one fully paid-up equity share with face value of ₹1 per Equity  
iii) there are no shares bought back during the period of five years immediately preceding the reporting date.





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16 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium account	395.57	296.24
Retained earnings/(deficit)	(2,389.48)	(2,004.31)
Employees Stock option outstanding	524.74	361.30
Share application money pending allotment	1.52	-
Other items of other comprehensive income	0.31	(2.18)
Foreign currency translation reserve	-	(0.31)
<b>Total</b>	<b>(1,467.34)</b>	<b>(1,349.26)</b>

Securities Premium account

Securities Premium account is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings are the profit/losses (net of appropriation) of the parent company earned till date, including items of other comprehensive income.

17 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
Provision for Gratuity [Refer note 30]	14.60	11.98
<b>Total</b>	<b>14.60</b>	<b>11.98</b>

Movement In Provisions:	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening	11.98	9.31	3.41	2.23
Charged/ (Credited) to statement of profit and loss	5.36	3.52	(2.02)	(0.31)
Amounts used during the year	(2.74)	(0.85)	(0.05)	1.49
<b>Closing</b>	<b>14.60</b>	<b>11.98</b>	<b>1.34</b>	<b>3.41</b>

18 Short-term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Loans from Related Parties		
unsecured loans from Directors (Refer Note 32)	35.00	-
<b>Total</b>	<b>35.00</b>	<b>-</b>

Unsecured Loan from Director's is interest free and repayable on demand .



19 Trade payables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Total outstanding dues of micro and small enterprises	0.14	0.08
- Total outstanding dues of creditors other than micro and small enterprises	194.97	0.30
<b>Total</b>	<b>195.11</b>	<b>0.38</b>

Trade payables ageing schedule as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) MSME	0.14	-	-	-	-	0.14
(ii) Others	183.18	0.57	7.23	3.98	-	194.97
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>183.32</b>	<b>0.57</b>	<b>7.23</b>	<b>3.98</b>	<b>-</b>	<b>195.11</b>

Trade payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	0.32	-	0.06	-	-	0.38
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>0.32</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	<b>0.38</b>

- (i) Based on the information available with the Group, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.
- (ii) Trade payables are non-interest bearing and are normally settled on 60-day terms or as per agreed terms
- (iii) Other payables are non-interest bearing and have an average term of six months or as per agreed terms

20 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Expenses	44.78	37.08
Provision for gratuity [Refer note 30]	1.34	3.41
<b>Total</b>	<b>46.12</b>	<b>40.49</b>

21 Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	14.06	54.48
Salary & PLI payable	43.41	9.19
Advance from customers	51.35	-
<b>Total</b>	<b>108.82</b>	<b>63.67</b>



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22 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Transaction fees - local	13,442.42	12,070.04
Transaction fees - international	53.03	17.97
<b>Total</b>	<b>13,495.45</b>	<b>12,088.01</b>

23 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from		
- financial assets	9.98	5.05
- income tax refund	5.26	2.36
- on lease deposit	0.45	0.71
Liabilities no longer required written back	1.33	-
Unrealised Foreign exchange gain	10.00	-
Other miscellaneous income	6.86	0.01
<b>Total</b>	<b>33.87</b>	<b>8.13</b>

24 Cost of services

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bank transaction fees and payment gateway fees	13,382.37	12,072.05
Discount on vouchers / mobile recharge top up	-	-
<b>Total</b>	<b>13,382.37</b>	<b>12,072.05</b>

25 Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus and other allowances	220.62	211.19
Contributions to provident fund and other funds (Refer Note 30)	6.14	5.21
Gratuity expense (Refer Note 30)	3.34	3.21
Employee stock option scheme compensation (Refer Note 35)	163.43	243.84
Staff welfare expenses	0.88	2.37
<b>Total</b>	<b>394.41</b>	<b>465.82</b>

26 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest expense on financial liabilities at amortised cost:		
(i) Lease liabilities	1.36	1.86
(b) Interest on delay payment of statutory dues	3.70	0.97
<b>Total</b>	<b>5.06</b>	<b>2.83</b>



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27 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Electricity expenses	0.39	0.32
Foreign exchange loss/(gain)	-	0.21
Insurance expenses	0.37	0.39
Repairs and maintenance (Others)	1.79	0.22
Rates and taxes	2.94	11.39
Legal and professional fees	50.06	9.00
Information technology expenses	24.92	17.86
Travelling and conveyance expenses	5.81	1.70
Audit fees (Refer Note - 27.1)	5.00	3.50
Advertisement & Marketing Expenses	13.59	4.27
Penalty	0.20	-
Office expenses	3.27	1.42
Telephone charges	1.37	1.75
Bank charges	0.39	0.35
Membership and registration	0.68	0.24
Provision for bad and doubtful debts	-	7.69
Miscellaneous expenses	0.01	0.32
<b>Total</b>	<b>110.78</b>	<b>60.63</b>

27.1 Payments to auditors:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments to auditors comprises (net of Input tax)		
Statutory audit fees	5.00	3.50
For other services	-	-
<b>Total</b>	<b>5.00</b>	<b>3.50</b>



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**28 Contingent liabilities and commitments**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Contingent liabilities:		
(a) Bank guarantee given to various parties	0.50	0.38
(b) Income tax demand	-	1.66
(c) Service tax demand*	1.19	1.19
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

\* Service tax demand is pertaining to the FY 2012-13 to 2017-18 and the dispute is pending before CGST & CX, Mumbai West Commissionerate

**29 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small supplies as at end of the period / year		
- Principal	0.14	0.08
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year / period ; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the



30 Employee benefit plans

30.1 Defined contribution plans - provident fund

The Company makes Provident Fund scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	6.14	5.21

30.2 Defined benefit plan - gratuity

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs.

The Group does not fund the liability.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Components of employer expense</b>		
Current service cost	2.31	2.45
Past service cost	-	-
Interest cost	1.00	0.79
Expected return on plan assets	-	-
Recognised in statement of profit and loss	3.31	3.24
Re-measurement - actuarial (gain)/loss recognised in OCI	(2.80)	0.69
Total expense recognised in the Statement of total comprehensive income	0.50	3.93
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss due to DBO experience	(0.37)	0.58
Actuarial (gain)/loss due to DBO financial assumption changes	(1.76)	0.13
Actuarial (gain)/loss due to DBO demographic assumption changes	(0.68)	(0.02)
Actuarial (gain)/loss arising during period	(2.80)	0.69
Actual return on plan assets (greater)/less interest on plan assets	-	-
Actuarial (gains)/ losses recognized in OCI	(2.80)	0.69

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Defined Benefit Cost</b>		
Service cost	2.31	2.45
Net interest on net defined benefit liability / (asset)	1.00	0.79
Actuarial (gains)/ losses recognized in OCI	(2.80)	0.69
Defined Benefit Cost	0.50	3.93
<b>Change in defined benefit obligation (DBO) during the year</b>		
Present value of DBO at beginning of the year	16.69	12.79
Current service cost	2.31	2.45
Past service cost	-	-
Interest cost	1.00	0.79
Actuarial (gains) / losses	(2.80)	0.69
Benefits paid	-	(0.03)
Present value of DBO at the end of the year	17.19	16.69



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	Year ended March 31, 2023	Year ended March 31, 2022
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	-	(0.03)
Actual contributions	-	0.03
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actual company contributions	-	0.03
Actuarial gain / (loss)	-	-
Benefits paid	-	(0.03)
Plan assets at the end of the year	-	-
Actual return on plan assets	-	-

	As at March 31, 2023	As at March 31, 2022
<b>Current and Non Current Liability portion</b>		
Particulars		
Current Liability	1.34	3.41
Non Current Asset/ (Liability)	14.60	11.98
Net Asset/(Liability)	15.93	15.40
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	15.93	15.40
Fair value of plan assets	-	-
Funded status (Surplus / (Deficit))	(15.93)	(15.40)
Net asset / (liability) recognised in the Balance Sheet	(15.93)	(15.40)
<b>Composition of the plan assets is as follows:</b>		
Discount rate	7.30%	6.70%
Attrition Rate	9.00%	15.24%
Expected return on plan assets	NA	NA
Salary escalation	8.00%	10.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

#### 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 obligation by the amounts shown below:

Gratuity Plan	As at March 31, 2023	As at March 31, 2022
Estimate value of obligation if discount rate higher by 1%	(1.07)	(0.74)
Estimated value of obligation if discount rate is lower by 1%	1.21	0.81
Estimate value of obligation if salary growth rate is higher by 1%	0.60	0.44
Estimate value of obligation if salary growth rate is lower by 1%	(0.71)	(0.38)
Estimate value of obligation if attrition rate is higher by 1%	0.17	(0.01)
Estimate value of obligation if attrition rate is lower by 1%	(0.20)	0.01

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

#### Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at March 31, 2023	As at March 31, 2022
With in 1 year	1.38	2.29
1-2 Year	1.56	0.70
2-3 Year	1.61	0.74
3-4 Year	1.61	0.79
4-5 Year	1.56	1.08
Above 5 years	7.72	5.09



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**31 Segment Reporting**

The Company is a Payment Aggregator and its operations predominantly relate to providing B2B payments and services. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

An analysis of the Company's revenue is as follows:

**a) Revenue From External Customers**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	13,442.42	12,070.04
Singapore	53.03	17.97
Rest of World	-	-
<b>Total</b>	<b>13,495.45</b>	<b>12,088.01</b>

**b) Non-Current assets (other than Financial Instruments)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	35.43	54.06
Singapore	-	-
Rest of world	-	-
<b>Total</b>	<b>35.43</b>	<b>54.06</b>





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32 Related party transactions

(a) Related Parties

Name of related parties	Description of relationship
PayMate Payment Services Provider LLC	Wholly Owned Subsidiary of PayMate India Limited
PayMate Inc #	Wholly Owned Subsidiary of PayMate India Limited
PayMate FINTECH (PVT) LTD	Wholly Owned Subsidiary of PayMate India Limited
PayMate INDIA SPC	Wholly Owned Subsidiary of PayMate India Limited
PayMate PTE LTD	Wholly Owned Subsidiary of PayMate India Limited
PayMate Fintech Company	Wholly Owned Subsidiary of PayMate India Limited
PayMate Payment Services Sdn. Bhd.	Wholly Owned Subsidiary of PayMate India Limited
Dunomo	Wholly Owned Subsidiary of PayMate India Limited
Bloom Ventures Private Limited	Company Having Common Directors
Ajay Adishesan	Chairman & Managing Director
S Vishvanathan	Whole Time Director & CFO
Uma Vishvanathan	Relative of director

(b) Transaction during the year

Particulars	Related Party	Year ended March 31, 2023	Year ended March 31, 2022
A) Directors Remuneration	Ajay Adishesan S Vishvanathan	20.40 10.20	33.60 23.28
B) Salary	Uma Vishvanathan	0.85	1.03
C) Loans Taken	Ajay Adishesan S Vishvanathan	35.00 -	41.20 -
D) Loans Repaid	Ajay Adishesan S Vishvanathan S Vishvanathan	- - -	41.20 - -
E) Advance from Customers	Bloom Ventures Private Limited	35.00	-
F) Advance from Customers Repaid	Bloom Ventures Private Limited	35.00	-

(c) Balance outstanding as at the balance sheet date

Particulars	Related Party	As at March 31, 2023	As at March 31, 2022
A) Remuneration Payable	Ajay Adishesan S Vishvanathan	1.06 0.61	- -
B) Advance from Customers	Bloom Ventures Private Limited	-	-
C) Short term borrowings	Ajay Adishesan S Vishvanathan	35.00 -	- -

(d) Transactions within the Group:

		Year ended March 31, 2023	Year ended March 31, 2022
Transactions by the Company with other Group entities:			
A) Loan given	PayMate Payment Services Provider LLC	152.42	48.65
B) Interest income on loan given		9.96	4.91
Transactions by PayMate Payment Services Provider LLC			
A) Loan received	PayMate India Limited	152.42	48.65
B) Interest Expense on loan taken	PayMate India Limited	9.96	4.91



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(e) Amounts due (to)/ from related parties:

		As at March 31, 2023	As at March 31, 2022
<b>In the Books of Parent Company:</b>			
A) Short term loans and advances	PayMate Payment Services Provider LLC	235.32	82.90
	PayMate Inc (fully provided)	48.70	48.70
B) Accounts receivable	PayMate Inc (fully provided)	6.40	6.40
D) Interest Receivable	PayMate Payment Service Provider LLC	14.87	4.91
	PayMate Inc (fully provided)	0.04	0.04
E) Investments	PayMate Payment Services Provider LLC	2.85	2.85
<b>In the books of PayMate Payment Services Provider LLC</b>			
A) Short term loans	PayMate India Limited	(235.32)	(82.90)
B) Interest Payable	PayMate India Limited	(14.87)	4.91
C) Investments received	PayMate India Limited	(2.85)	(2.85)
		-	-
<b>In the books of PayMate PayMate Inc</b>			
A) Short term borrowings	PayMate India Limited	(48.70)	(48.70)
B) Accounts payable	PayMate India Limited	(6.40)	(6.40)
C) Investments received	PayMate India Limited	(0.04)	(0.04)
		-	-

# PayMate, Inc. has filed an application dated July 12, 2021 with the Secretary of State, California Stock Corporation for voluntary winding-up. As on the date March 31,2023, the application is pending with the California Franchise Tax Board



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### 33 Earnings per equity share

Basic earnings per share amounts is calculated by dividing the profit/(loss) for the period / year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year. Diluted earnings per share amounts is calculated by dividing the profit/(Loss) attributable to equity holders (after adjusting for dividend on the convertible preference shares) by the weighted average number of equity shares outstanding during the period / year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings per equity share		
Loss attributable to equity shareholders	(385.17)	(527.83)
Original number of equity shares (post share split)*	3,80,708	3,58,973
Add: Impact of bonus issue	5,71,06,182	5,38,46,022
Weighted average number of equity shares for basic EPS (Nos.)	5,74,86,890	5,42,04,995
Effect of dilutive equivalent share options	1,19,68,213	93,87,049
Effect of dilutive equivalent Compulsory convertible preference shares	5,02,49,780	4,87,14,247
Weighted average number of equity shares for dilutive EPS (Nos.)	11,97,04,883	11,23,06,291
Par value per equity share (₹)	1.00	1.00
Earning/(loss) per share - Basic (₹)	(6.70)	(9.74)
Earning/(loss) per share - Diluted (₹)#	(6.70)	(9.74)

\*The Company on December 18, 2021, has split the Rs. 10 equity share into 10 shares of Re. 1 each. Accordingly, the earnings per share has been adjusted for subdivision of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

#The conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are not considered in calculating diluted earning per share.

### 34 Income Tax :

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current Tax	-	-	-	-
Deferred tax	-	-	-	-
Income tax expense	-	-	-	-

As the company is incurring Losses, the provision for Income tax does not arise.

#### Deferred Tax

Deferred Tax The Company has unabsorbed depreciation and unused tax losses at the end of the year. The net deferred tax asset has not been recognised on such losses and unabsorbed depreciation, as the probable taxable profits for the entity are low before the unused tax losses or unabsorbed depreciation expire and also on consideration of prudence. The Company has not created deferred tax assets on the following.

Particulars	As at March 31, 2023	As at March 31, 2022
Accumulated unabsorbed depreciation loss	121.15	107.66
Accumulated unabsorbed business loss	820.28	593.80
<b>Total</b>	<b>941.43</b>	<b>701.46</b>
Unused tax losses which expire in financial years:		
2021-22		17.32
2022-23	5.66	5.66
2023-24	48.00	48.00
2024-25	44.44	44.44
2025-26	49.12	49.12
2026-27	71.50	71.50
2027-28	209.63	209.63
2028-29	148.14	148.14
2029-30	243.80	



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### 35 Employee Stock Option plan

The stock compensation expense recognised for employee services received during the year ended March 31, 2023 and year ended March 31, 2022 were ₹ 163.43 Million and ₹ 243.84 Million respectively.

#### ESOP scheme 2014

The Board of Directors of the Parent Company at its meeting held on December 18, 2021, ratified the PayMate Employees Stock Option Plan-I 2014 ("ESOP Plan"). At the said meeting, the Board authorised the Compensation Committee for the superintendence of the ESOP Plan. ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company. Employees covered under Stock Option Plans are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of one to five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option. The normal Excise Period is 5 years from the date the options become vested options or such period as extended by the Compensation committee.

The fair value of equity-settled award is estimated on the date of grant with the following assumptions:

Particulars	ESOP Plan 19-02-2022 (Vest 2)	ESOP Plan 19-02-2022 (Vest 1)	ESOP Plan 20-1-2022	ESOP Plan 24-11-2021 (Vest 2)	ESOP Plan 24-11-2021 (Vest 1)
Grant Date	19-02-2022 (Vest 2)	19-02-2022 (Vest 1)	20-1-2022	24-11-2021 (Vest 2)	24-11-2021 (Vest 1)
Weighted average share price* (₹)	105.35	105.35	105.35	52.66	52.66
Exercise price (₹)	1	1	1	1	1
Expected volatility (%)	38.63%	41.35%	38.79%	37.03%	39.36%
Expected life of the option (years)	4.74	3.74	3.65	4.5	3.5
Expected dividends (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (%)	5.71%	5.37%	5.37%	5.55%	5.18%
Weighted average fair value as on grant date* (₹)	104.59	104.53	104.53	52.66	52.66

\*The aforementioned shares are post subdivision of equity shares (refer note 13).

#### A summary of the general terms of grants under stock option plan

Name of Plan	Number of options reserved under the plan as at March 31, 2023	Number of options reserved under the plan as at March 31, 2022
PayMate Employees Stock Option Plan-I 2014*	2,41,60,000	2,41,60,000

\*The aforementioned shares are post subdivision of equity shares (refer note 13).

#### The outstanding position as at each year end are summarised below:

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the period/year	1,12,70,640	1,03,66,150
Granted during the period/year	9,22,610	41,82,700
Exercised during the period/year	-	31,30,230
Modification during the period/year	-	-
Expired during the period/year	-	-
Forfeited during the period/year	-	1,47,980
Outstanding at the end of the period/year	1,21,93,250	1,12,70,640
Exercisable at the end of the period/year	1,07,42,140	64,22,030

\*The aforementioned shares are post subdivision of equity shares (refer note 13).

#### The following table summarises information about outstanding stock options:

Particulars	As at March 31, 2023	As at March 31, 2022
Number of options*	1,21,93,250	1,12,70,640
Weighted average remaining life (months)	4	4

\*The aforementioned shares are post subdivision of equity shares (refer note 13).

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance-based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest.



36 Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2023 & March 31, 2022 is as follows:

Particulars	Amortised cost	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
Investment	2.85	2.85
Trade receivable	4.73	57.40
Cash and cash equivalents	6.71	7.40
Other bank balances	3.25	7.34
Loans	235.32	82.90
Other financial assets	219.77	229.34
<b>Total assets</b>	<b>472.63</b>	<b>387.23</b>
<b>Financial liabilities</b>		
Borrowings	35.00	-
Lease liabilities	10.28	15.33
Trade payables	195.11	0.38
<b>Total liabilities</b>	<b>240.39</b>	<b>15.71</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**B. Financial risk management**

The Companies activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure	Measurement	Management
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis, Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Companies risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

**Risk management framework**

The Companies board of directors have overall responsibility for the Companies risk management framework. The board of directors are responsible for developing and monitoring the Companies risk management policies. The board of directors monitors the compliance with the Companies risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Companies risk management policies are to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Companies activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



#### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Companies receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The companies exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from top customer	1,504.02	2,276.30
Revenue from top 5 customers (other than above customer)	6,149.69	5,139.54

One customer accounted for more than 11% of the revenue for the year ended March 31, 2023. One customer accounted for more than 19% of the revenue for the year March 31, 2022.

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Companies approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Companies reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities.

As at March 31, 2023

	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Lease liabilities	10.28	5.64	4.64	-	10.28
Short-term borrowings	35.00	35.00	-	-	35.00
Trade payables	195.11	183.89	11.21	-	195.11
<b>Total</b>	<b>240.39</b>	<b>224.53</b>	<b>15.86</b>	<b>-</b>	<b>240.39</b>

As at March 31, 2022

	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Lease liabilities	15.33	5.05	10.28	-	15.33
Short-term borrowings	-	-	-	-	-
Trade payables	0.38	0.32	0.06	-	0.38
<b>Total</b>	<b>15.71</b>	<b>5.37</b>	<b>10.34</b>	<b>-</b>	<b>15.71</b>



#### Foreign Currency risk

The Companies exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars). A significant portion of the Companies revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Companies revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The companies management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the company management believes that the payables in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2022 & March 31, 2022.

Particulars	As at	Amount in USD	INR (in MM)
Assets - Trade receivables			
	31-Mar-23	12,605.64	1.04
	31-Mar-22	8,288.83	0.63

#### Foreign currency sensitivity analysis

The following table details the Companies sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates an decrease in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impact on profit or (loss) for the period / year in case on 5% strengthening of INR	(0.05)	(0.03)
Impact on profit or (loss) for the period / year in case on 5% weakening of INR	0.05	0.03

#### Capital management

The Companies objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide minimum return to share holders and benefit for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, which ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may vary the distribution of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of debt and total equity of the Company.

The companies management review the capital structure of the Company on quarterly basis. As part of the review, the management considers the cost of capital and the risks associated with each class of capital requirements and maintenance of adequate liquidity.

#### Gearing Ratio (Net Debt to Equity Ratio)

Particulars	As at	
	As at March 31, 2023	As at March 31, 2022
Debt	35.00	-
Less: Cash & Bank Balances	6.71	7.40
Net Debt	28.29	(7.40)
(a) Share capital	1,896.75	1,896.49
(b) Other Equity	(1,467.34)	(1,349.26)
Total Equity	429.41	547.23
Net Debt to total equity ratio (without considering other Equity)	1.49%	-0.39%
Net Debt to total equity ratio (considering other Equity)	6.59%	-1.35%



### 37 Revenue from contract with customers

#### Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from sale of services	13,495.45	12,088.01
	<b>13,495.45</b>	<b>12,088.01</b>
India	13,442.42	12,070.04
Outside India	53.03	17.97
	<b>13,495.45</b>	<b>12,088.01</b>
Timing of revenue recognition		
Services transferred over time	-	-
Services transferred at a point of time	13,495.45	12,088.01
<b>Total revenue from contracts with customers</b>	<b>13,495.45</b>	<b>12,088.01</b>
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	13,495.45	12,088.01
Less: Discounts and disallowances	-	-
<b>Total revenue from contracts with customers</b>	<b>13,495.45</b>	<b>12,088.01</b>

#### Contract balances

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	4.73	57.40
Contract assets	-	-
Contract liabilities	-	-

The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2023.

#### 38 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

#### 39 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

#### 40 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

#### 41 Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### 42 Compliance with approved Scheme(s) of Arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

#### 43 Corporate Social Responsibility :

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The criteria of forming the CSR committee and spending on CSR activity is not applicable to the company. The company has CSR policy in place.

#### 44 Utilisation of Borrowed funds and share premium:

- 44.1 PayMate India Ltd has loaned funds from owned funds to PayMate Payment Services Provider LLC (Subsidiary of the Company). PayMate Payment Services Provider LLC have advanced these funds to the subsidiaries of PayMate India Ltd, Refer below.

Date of Transfer	PayMate Payment Services Provider LLC	PayMate India SPC	PayMate Fintech LLC	PayMate Payment Service Provider Sdn	PayMate Pte Limited	PayMate Fintech Private Limited	Dunomo (Pty) Ltd
06-May-22	-	-	-	-	-	-	-
01-Jun-22	1.05	-	1.05	-	-	-	-
04-Jul-22	0.63	-	-	-	0.63	-	-
29-Jul-22	1.16	0.24	0.93	-	-	-	-
29-Aug-22	1.83	-	0.39	0.63	0.82	-	-
11-Oct-22	0.28	0.24	0.05	-	-	-	-
01-Nov-22	3.42	0.09	1.41	-	1.92	-	-
30-Nov-22	3.58	0.29	0.59	-	2.52	0.14	0.04
27-Dec-22	7.83	0.04	0.02	-	7.71	0.06	-
29-Dec-22	3.33	0.05	0.05	0.37	2.83	-	0.02
01-Feb-23	2.34	0.04	-	0.00	2.30	-	-
27-Feb-23	1.78	0.04	0.10	0.04	1.60	-	-
<b>Total</b>	<b>27.22</b>	<b>1.01</b>	<b>4.59</b>	<b>1.04</b>	<b>20.32</b>	<b>0.19</b>	<b>0.06</b>

- 44.2 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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





- 45 **Undisclosed Income**  
The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,
- 46 **Details of Crypto Currency or Virtual Currency**  
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 47 **Compliance with approved Scheme(s) of Arrangements**  
The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 48 **The Code on Social Security 2020**  
The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.  
The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.
- 49 **Compliance with number of layers of companies**  
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 50 **Events after the reporting period**  
No Significant Subsequent events have been observed which may require an adjustments to the financial statements.



PayMate India Limited (formerly known as PayMate India Private Limited)

(CIN: U72200MH2006PLC205023)

Notes forming part of the Financial Statements for the year ended March 31, 2023

(All amounts are INR. In Millions, except for share data and unless otherwise stated)

51 Ratios as per the Schedule III requirements

a) Current Ratio (Current Assets divided by Current Liabilities)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Assets (A)	801.06	622.17
Current Liabilities (B)	390.69	109.59
Ratio (C=A/B)	2.05	5.68
% Change from previous period / year	-64%	

Note on Variance:

The decrease in current ratio from March 31, 2022 to March 31, 2023 was primarily on account higher trade payable as of 31st March, 2023.

b) Debt Equity ratio (Total debt divided by Total equity where total debt refers to sum of current & non current borrowings):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total debt (A)	35.00	-
Total equity (B)	429.41	547.23
Ratio (C=A/B)	0.08	-
% Change from previous period / year	0%	

c) Return on Equity Ratio / Return on Investment Ratio ( Net profit after tax divided by Total Equity)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax (A)	(385.17)	(527.83)
Total equity (B)	429.41	547.23
Ratio (C=A/B)	-89.70%	-96.45%
% Change from previous period / year	7%	

d) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations (A)	13,495.45	12,088.01
Average Trade Receivables (B)	31.07	10.69
Ratio (C=A/B)	434.43	325.91
% Change from previous period / year	33%	

Note on Variance:

The increase in Trade Receivables turnover ratio from March 31, 2022 to March 31, 2023 was primarily on account higher Revenue during the year 31st March, 2023.

e) Trade payables turnover ratio (Credit purchases divided by Average trade payables)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Credit Purchases (A)	13,382.37	12,072.05
Average Trade Payables (B)	97.63	13.33
Ratio (C=A/B)	137.07	905.36
% Change from previous period / year	-85%	

Note on Variance:

The decrease in Trade Payables turnover ratio from March 31, 2022 to March 31, 2023 was primarily on account higher trade payable as of 31st March, 2023.

f) Net capital Turnover Ratio ( Revenue divided by Net Working capital ( current assets - current liabilities)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations (A)	13,495.45	12,088.01
Net Working Capital (B)	410.37	512.58
Ratio (C=A/B)	32.89	23.58
% Change from previous period / year	39%	

Note on Variance:

The increase in Trade Payables turnover ratio from March 31, 2022 to March 31, 2023 was primarily on account higher trade payable as of 31st March, 2023.



PayMate India Limited (formerly known as PayMate India Private Limited)  
(CIN: U72200MH2006PLC205023)  
Notes forming part of the Financial Statements for the year ended March 31, 2023  
(All amounts are INR. in Millions, except for share data and unless otherwise stated)

g) Net profit ratio (Net profit after tax divided by Revenue)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax (A)	(382.68)	(528.52)
Revenue from Operations (B)	13,495.45	12,088.01
Ratio (C=A/B)	-2.84%	-4.37%
% Change from previous period / year	35%	

This ratio has improved from -4.37% in March 2022 to -2.83% in March 2023 mainly due to decrease in ESOP Cost during the year.

h) Return on Capital employed (Adjusted Earnings before Interest and taxes Less other Income divided by Capital Employed)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax (A)	(385.17)	(527.83)
Add: Finance Costs (B)	5.06	2.83
EBIT (C) = (A)+(B)	(380.11)	(525.00)
Less: Other Income (D)	33.87	8.13
Adjusted EBIT (E) = (C)-(D)	(413.98)	(533.13)
Total Equity (F)	429.41	547.23
Return on Capital Employed (G=E/F)	-96.41%	-97.42%
% Change from previous period / year	1%	


i) Return on investment

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit after tax (A)	(382.68)	(528.52)
Average Total Assets (B)	759.21	349.70
Ratio (C=A/B)	-50.40%	-75.36%
% Change from previous period / year	33%	

The return on investment has increased in March 2023 as compared to March 2022 mainly due to decrease in Earnings before interest and taxes (EBIT) which is due to lower cost during the year March 2023 as compare to March 2022.

52 Previous years figures have been reclassified/regrouped wherever necessary to correspond with the current year classification (or) disclosures.

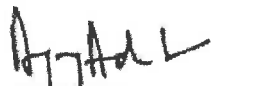
As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.:105047W


  
Ananthakrishnan Govindan  
Partner  
Membership No: 205226




Place: Hyderabad  
Date : September 08, 2023

For and on behalf of the Board of Directors  
PayMate India Limited

  
Ajay Adfeshan  
Chairman and Managing Director  
DIN: 00099023

  
Nagesh Harish  
General Counsel, Company Secretary and  
Compliance Officer (ACS: 15495)

Place: Mumbai  
Date : September 08, 2023

  
Vishvanathan Subramanian  
Whole Time Director and CFO  
DIN: 02153545



**INDEPENDENT AUDITOR'S REPORT**

To the Members of PayMate India Limited (formerly known as PayMate India Private Limited)

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon. The Director's report has not been made available to us.

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



# MSKA & Associates

## Chartered Accountants

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.



- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 Standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements - Refer Note 28 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
- (1) **Under Rule 11(e)(i)**  
The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 44.1 to the standalone financial statements, 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(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (2) **Under Rule 11(e)(ii)**  
The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
- (3) **Under Rule 11(e)(iii)**  
Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. **Under Rule 11(f)**  
The Company has neither declared nor paid any dividend during the year.



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- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
  
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is in compliance with the provisions of Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan  
Partner

Membership No. 205226

UDIN: 23205226BGWEAY5093



Place: Hyderabad

Date: September 08, 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED (FORMERLY KNOWN AS PAYMATE INDIA PRIVATE LIMITED)

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





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

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Ananthkrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 23205226BGWEAY5093



Place: Hyderabad  
Date: September 08, 2023

# MSKA & Associates

Chartered Accountants

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED (FORMERLY KNOWN AS PAYMATE INDIA PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

- (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right of use assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

- (a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii.

- (a) According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. The company granted unsecured loan to its subsidiary company.



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The details of such loans to its subsidiary are as follows:

Particulars	INR in millions
	Loans
Aggregate amount provided during the year	152.42
Balance Outstanding as at balance sheet date in respect of loan given to subsidiary	235.32

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of loans are not prejudicial to the interest of the Company.
- (c) The loans are repayable on demand. During the year, the Company has not demanded such loans or interest. (Refer reporting under Clause (iii)(f) below).
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans are repayable on demand and the Company has not demanded such loans.
- (e) According to the information explanation provided to us, the loan granted has not been demanded by the Company during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans repayable on demand. The details of the same are as follows:

Particulars	Amount (In Million)
Aggregate amount of Loans given - Repayable on demand from related parties	235.32
Total	235.32
Percentage of loans to the total loans	100%

- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186(1) of the Act. The Company has complied with the provisions of Section 186(2) of the Act in respect of loans given during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.



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vii.

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs. (in Millions)	Amount Paid Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service Tax	1.19	Nil	F.Y.2012-13 to F.Y.2017-18(up to June)	CGST & CX, Mumbai West Commission rate	NA

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- (a) Loans amounting to INR 35.00 Million taken from a director are repayable on demand and terms and conditions for repayment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.



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- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that 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 and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi.
- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii.
- (a) The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company Hyderabad



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xvi.

- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	INR in millions	
	March 31, 2023 (Current year)	March 31, 2022 (Previous Year)
Cash losses	195.61	250.10

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are 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 realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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 and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. However the Company has not made any contributions during the year as there are no profits in the company in the preceding three financial years and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.



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

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



A handwritten signature in black ink, appearing to read "Ananthakrishnan Govindan".

Ananthakrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 23205226BGWEAY5093

Place: Hyderabad  
Date: September 08, 2023

# MSKA & Associates

## Chartered Accountants

### ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED (FORMERLY KNOWN AS PAYMATE INDIA PRIVATE LIMITED)

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of PayMate India Limited (formerly known as PayMate India Private Limited) on the Financial Statements for the year ended March 31, 2023]

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the internal financial controls with reference to Standalone financial statements of PayMate India Limited (formerly known as PayMate India Private Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone 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 issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 its business, including adherence to 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 Standalone financial statements, whether due to fraud or error.





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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 standalone financial statements.


### Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Ananthkrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 23205226BGWEAY5093



Place: Hyderabad  
Date: September 08, 2023