

# INDEPENDENT AUDITOR'S REPORT

To,

**The Members of NPCI BHIM SERVICES LIMITED**

## Report on the Audit of the Financial Statements

### OPINION

We have audited the accompanying financial statements of NPCI BHIM SERVICES LIMITED ("the Company"), which comprise of the Balance Sheet as at 31<sup>st</sup> March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the period then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2025, the Loss, other comprehensive loss, changes in equity and its cash flows for the period ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under

those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>Acquisition of business</b> <p>During the period ended 31<sup>st</sup> March 2025, the company acquired BHIM payment app business from its holding company on a slump sales basis through business transfer agreement for total consideration of ₹ 59 Crores. The business included assets and liabilities relating to BHIM payment app business and consideration has been paid by the company.</p> <p>The consideration paid involves significant management judgment, such transactions require proper accounting in term of the applicable Accounting Standards Ind As 103 on Business Combination as this being transaction involving business under common control. Due to this the item was considered as Key Audit Matter</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>Evaluating the effectiveness of Internal Control related to the accounting of Business Combination</li> <li>Reviewing the terms of the business transfer agreement and assets and liabilities taken over by the Company</li> <li>Reviewing the valuation report issued by independent valuer determining the valuation of the business and reasonableness of key assumptions</li> <li>Reviewing accounting treatment of the business combination in the books of accounts</li> </ul> <p>We have no further observation in this regard.</p>

### OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind As) specified under Section 133 of the Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements 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, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015.
  - e) In terms of Notification No. G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, the provisions of Section 164(2) of the Companies Act, 2013, in respect of disqualification of directors, are not applicable to the company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate report in "Annexure

B". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In terms of Notification No. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, the provisions of Section 197(16) of the Companies Act, 2013, in respect of remuneration to directors, are not applicable to the Company.

- h) With respect to the directions under section 143(5) of the Act, please refer to our separate report in "Annexure C".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including

foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid dividend during the period. Hence compliance with

section 123 of the Companies Act, 2013 is not applicable.

- vi. Based on our examination which included test checks, the company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

This being the first period of operation, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of Audit Trail as per the statutory requirements for record retention is not applicable for the financial period ended 31<sup>st</sup> March 2025.

For **M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W / W100197

**Ashishkumar Bairagra**

Partner  
Membership No.: 109931  
UDIN: 25109931BMIAHK2210

Place: Mumbai  
Date: May 9, 2025

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of **NPCI BHIM SERVICES LIMITED** for the period ended 31<sup>st</sup> March 2025 .

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company has been physically verified by the Management during the period which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed between the book records and the physical verification.
- (c) The Company does not have any immovable properties. Consequently, reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the period.
- (e) No proceedings have been initiated during the period or are pending against the Company as at March 31<sup>st</sup>, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 [45 of 1988] as amended and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Consequently, reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, from banks or financial institutions on the basis of security of current assets during the period and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not provided any loan, guarantee or security to companies, limited liability partnerships or any other parties during the period. The Company has made investments in other parties during the period:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the period, hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made, during the period are, prima facie, not prejudicial to the Company's interest.
  - (c) The Company has not provided any loans or advances in the nature of loans during the period, hence reporting under clause 3(iii)(c) of the Order is not applicable.
  - (d) The Company has not provided any loans or advances in the nature of loans during the period, hence reporting under clause 3(iii)(d) of the Order is not applicable.
  - (e) The Company has not provided any loans or advances in the nature of loans during the period, hence reporting under clause 3(iii)(e) of the Order is not applicable.
  - (f) The Company has not provided any loans or advances in the nature of loans during the period, hence reporting under clause 3(iii)(f) of the Order is not applicable.
  - (iv) Section 185 and 186 of the Act is not applicable as there were no investments, loans given, securities and guarantees provided during the period covered by Section 185 and Section 186 of the Act.
  - (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.
  - (vi) The Central Government has not prescribed maintenance of cost records for the company under sub section (1) of Section 148 of the Companies Act. Hence reporting under clause 3(vi) of the Order is not applicable.
  - (vii) (a) In our opinion the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues to the appropriate authorities.

There were no undisputed amounts outstanding as at 31<sup>st</sup> March 2025 for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute.
- (viii) The company was incorporated during the period ended March 31, 2025, hence reporting under clause 3(viii) of the Order is not applicable.
- (ix) (a) The Company has not been taken any loan during the period and there are no outstanding term loans at the beginning of the period and hence, reporting under clause 3 (ix) (a) of the order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not been taken any term loan during the period and there are no outstanding term loans at the beginning of the period and hence, reporting under clause 3 (ix) (c) of the order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds have been raised on short-term basis and hence, reporting under clause 3 (ix) (d) of the order is not applicable.
- (e) The company does not have any subsidiary, associates or joint ventures, hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The company does not have any subsidiary, associates or joint ventures, hence reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the period. Accordingly, clause 3(x) (a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the period read with Note No. 2.27 of the Financial Statements with respect to amount paid/payable to impacted users on account of incorrect configuration controls in the app amounting to ₹ 67.84 lakh.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government during the period and up to the date of this report.
- (c) As per the information provided to us, no whistle-blower complaints were received by the Company during the period, hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit report for the period under audit, issued to the Company during the period and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934, hence, reporting clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities, hence reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) As per the information and explanation provided to us, there is no Core Investment Company in the Group, hence reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses amounting to ₹ 9,100.55 lakh during the current period covered by our audit. This being the first year of incorporation, the question of losses in the immediately preceding financial year does not arise.

(xviii) There has been no resignation of the statutory auditors of the Company during the period.

(xix) On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one period 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 period from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) Being the first year of operation, the provisions of section 135 are not applicable to the company during the current period and hence, reporting under clause 3 (xx) (a) of the Order is not applicable for the period.
- (b) Being the first year of operation, the provisions of section 135 are not applicable to the company during the current period and there are no ongoing projects and hence, reporting under clause 3 (xx) (b) of the Order is not applicable.

Place: Mumbai  
Date: May 9, 2025

For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W / W100197

**Ashishkumar Bairagra**  
Partner  
Membership No.: 109931  
UDIN: 25109931BMIAHK2210



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

Referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the financial statements of the company for the period ended 31<sup>st</sup> March 2025 .

#### OPINION

We have audited the internal financial controls over financial reporting of **NPCI BHIM SERVICES LIMITED** ("the Company") as of 31<sup>st</sup> March 2025 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, to the best of our knowledge and according to the information and explanations provided to us, the Company has, in all material respects, generally has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2025 , based on the criteria for internal financial control over financial reporting 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.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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'). 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 Companies Act, 2013.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the

Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 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 financial statements.

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

Place: Mumbai  
Date: May 9, 2025

For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W / W100197

**Ashishkumar Bairagra**  
Partner  
Membership No.: 109931  
UDIN: 25109931BMIAHK2210

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

### REPORT ON DIRECTIONS ISSUED BY COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF COMPANIES ACT, 2013 FOR THE PERIOD 2024-25 OF NPCI BHIM SERVICES LIMITED

Sr. No.	General Directions issued by the Comptroller and auditor General of India	Comments
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT systems (ERP) except for the following:-  HR Related processing of data has been outsourced by the company to a third party. The processed data received by the company is then integrated with the main IT System.
2	Whether there is any restructuring of an existing loan or cases of waiver/Write off of debts/loans/Interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of the lender company)	The Company has not taken any loan during the period ended 31 <sup>st</sup> March 2025 , hence reporting under this direction is not applicable.
3	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from central / state government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	As per the information provided to us, there are no cases of funds received for specific schemes from central / state government or its agencies till 31 <sup>st</sup> March 2025 . As per the management the amount receivable for specific schemes from central / state government or its agencies pertaining for the period ended 31 <sup>st</sup> March 2025 will be accounted once the amount is received.

For **M L BHUWANIA AND CO LLP**

Chartered Accountants

FRN: 101484W / W100197

**Ashishkumar Bairagra**

Partner

Membership No.: 109931

UDIN: 25109931BMIAHK2210

Place: Mumbai

Date: May 9, 2025

# BALANCE SHEET

as at 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

Particulars	Note No.	As at 31-Mar-2025
<b>ASSETS</b>		
<b>Non-current assets</b>		
a. Property, Plant and Equipment	2.01	135.02
b. Intangible Assets	2.02	2,488.11
c. Intangible Assets Under Development	2.03	51.96
d. Deferred Tax Assets (net)	2.04	3,818.52
e. Non current Tax Assets	2.05	114.05
f. Other Non-current Assets	2.06	1.14
<b>Total Non-Current Assets</b>		<b>6,608.80</b>
<b>Current assets</b>		
a. Financial Assets		
i. Trade Receivables	2.07	87.11
ii. Cash and Cash Equivalents	2.08	1,127.49
iii. Bank balances other than (ii) above	2.09	8,500.00
iv. Other Financial Assets	2.10	5,239.61
b. Other Current Assets	2.11	1,270.60
<b>Total Current Assets</b>		<b>16,224.81</b>
<b>Total assets</b>		<b>22,833.61</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a. Equity Share Capital	2.12	30,005.00
b. Other Equity	2.13	(9,699.48)
<b>Total equity</b>		<b>20,305.52</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a. Provisions	2.14	97.67
<b>Total Non-Current Liabilities</b>		<b>97.67</b>
<b>Current liabilities</b>		
a. Financial Liabilities		
i. Trade Payables :		
- Total Outstanding dues of Micro and Small Enterprises	2.15	97.50
- Total Outstanding dues of creditors Other than Micro and Small Enterprises		1,642.18
ii. Other Financial Liabilities	2.16	360.73
b. Other Current Liabilities	2.17	316.10
c. Provisions	2.18	13.91
<b>Total Current Liabilities</b>		<b>2,430.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,833.61</b>
Material Accounting Policies and Notes on Accounts	1 & 2	

The accompanying notes form part of the financial statements.

## As per our report attached

### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN : 101484W/W100197

### Ashishkumar Bairagra

Partner  
Membership No: 109931

Place : Mumbai  
Date: 09-May-2025

## For NPCI BHIM Services Limited

### Ajay Kumar Choudhary

Chairman  
DIN : 09498080

### Lalitha Nataraj

Managing Director & CEO  
DIN : 11009041

### Priyanka Agrawal

Company Secretary

### Dilip Asbe

Director  
DIN: 02990724

### Pavan Holani

Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS

for the period 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

Particulars	Note No.	For the period 26-Jun-2024 to 31-Mar-2025
<b>INCOME</b>		
Revenue from operations	2.21	377.00
Other income	2.22	770.40
<b>Total Income</b>		<b>1,147.40</b>
<b>EXPENSES</b>		
Operating Expenses	2.23	928.99
Marketing Expenses	2.24	6,546.08
Employee Benefits Expense	2.25	1,728.06
Depreciation and amortisation Expense	2.26	389.31
Other Expense	2.27	1,044.82
<b>Total Expenses</b>		<b>10,637.26</b>
<b>Profit/(Loss) Before Tax</b>		<b>(9,489.86)</b>
<b>Tax expenses</b>		
Current tax		-
Deferred tax	2.04	(2,675.72)
<b>Total tax expense</b>		<b>(2,675.72)</b>
<b>Profit/(Loss) for the year</b>		<b>(6,814.14)</b>
<b>Statement of Other Comprehensive Income (OCI)</b>		
A. (i) Items that will not be reclassified to the Statement of Profit and Loss		-
(ii) Income Tax relating to items that will not be reclassified to the Statement of Profit and Loss		-
B. (i) Items that will be reclassified to the Statement of Profit and Loss		-
(ii) Income Tax relating to items that will be reclassified to the Statement of Profit and Loss		-
<b>Total Other Comprehensive Income</b>		<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>(6,814.14)</b>
<b>Earnings per share :</b>		
(i) Basic earnings per share (₹)	2.28	(45.29)
(ii) Diluted earnings per share (₹)		(45.29)
(iii) Face value (₹)		100

## As per our report attached

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FRN : 101484W/W100197

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Membership No: 109931

Place : Mumbai  
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Director  
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### Pavan Holani

Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

for the period ended 31<sup>st</sup> March 2025

## EQUITY SHARE CAPITAL

(Amount ₹ in Lakh)

Particulars	Total
<b>As at 26-Jun-2024</b>	-
Changes in equity share capital	30,005.00
<b>As at 31-Mar-2025</b>	<b>30,005.00</b>

## OTHER EQUITY

(Amount ₹ in Lakh)

Particulars	Reserve and Surplus		Other Comprehensive Income	Total
	Capital Reserve	Retained Earnings	Actuarial gains and losses	
<b>Balance as at 26-Jun-2024</b>	-	-	-	-
Profit/(loss) for the year	-	(6,814.14)	-	(6,814.14)
Pursuant to acquisition of business (Refer note no 2)	(4,028.16)	-	-	(4,028.16)
Deferred tax adjustment for Intangible assets identified for tax purpose	1,142.82	-	-	1,142.82
<b>Balance as at 31-Mar-2025</b>	<b>(2,885.34)</b>	<b>(6,814.14)</b>	<b>-</b>	<b>(9,699.48)</b>

### As per our report attached

#### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN : 101484W/W100197

#### Ashishkumar Bairagra

Partner  
Membership No: 109931

Place : Mumbai  
Date: 09-May-2025

### For NPCI BHIM Services Limited

#### Ajay Kumar Choudhary

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DIN : 09498080

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Managing Director & CEO  
DIN : 11009041

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Company Secretary

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Director  
DIN: 02990724

#### Pavan Holani

Chief Financial Officer

# STATEMENT OF CASH FLOWS

for the period ended 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

Particulars	Notes	For the period 26- June-2024 to 31-Mar-2025
<b>Cash flows from operating activities</b>		
Net profit / (loss) before tax		(9,489.86)
<b>Adjustment for</b>		
Depreciation and Amortisation Expenses		389.31
Interest received		(760.97)
<b>Operating Profit / (loss) before working capital changes</b>		<b>(9,861.52)</b>
<b>Net Changes in:</b>		
Trade receivables		(87.11)
Trade payables		1,593.52
Other financial assets		0.44
Other assets		(1,117.35)
Other financial liabilities		360.73
Provisions		(68.39)
Other liabilities		316.10
<b>Cash generated from / (used in) operations</b>		
Income taxes (paid) / refund received (net)		(114.05)
<b>Net cash generated from / (used in) operating activities</b>	<b>(A)</b>	<b>(8,977.63)</b>
<b>Cash flow from investing activities</b>		
Expenditure on Property, plant and equipment and intangible assets		(1,031.15)
Investment in own fund in Bank Fixed Deposit		(26,500.00)
Maturity of own fund in Bank Fixed Deposit		13,000.00
Acquisition of Business		(5,900.00)
Interest received		531.27
<b>Net cash generated from / (used in) investing activities</b>	<b>(B)</b>	<b>(19,899.88)</b>
<b>Cash flow from financing activities</b>		
Net proceeds from issuance of equity shares		30,005.00
<b>Net cash generated from / (used in) financing activities</b>	<b>(C)</b>	<b>30,005.00</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>1,127.49</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1,127.49</b>

- Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Cash and cash equivalents as at end of the period comprise of the following:**

Particulars	As at 31-Mar-2025
Balances with Banks	
Current account (Refer note no 2.08)	1,127.49
<b>Total</b>	<b>1,127.49</b>

## As per our report attached

### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN : 101484W/W100197

### Ashishkumar Bairagra

Partner  
Membership No: 109931

Place : Mumbai  
Date: 09-May-2025

## For NPCI BHIM Services Limited

### Ajay Kumar Choudhary

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### Dilip Asbe

Director  
DIN: 02990724

### Pavan Holani

Chief Financial Officer

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## Material Accounting Policy Information and Notes to Financial Statements for the period 26<sup>th</sup> June 2024 to 31<sup>st</sup> March 2025

### COMPANY OVERVIEW

NPCI BHIM Services Limited (NBSL/Company) is a wholly owned subsidiary of National Payments Corporation of India. NBSL was incorporated on June 26, 2024, under the provisions of the Companies Act, 2013, with an aim to meet the growing demand for digital transactions and evolving market expectations, while keeping pace with innovation and rapidly shifting customer preferences. The Company operates Bharat Interface for Money (BHIM) app which lets consumers make simple, easy and quick payment transactions using Unified Payments Interface (UPI). The Company has its registered office at 1001A, B Wing, 10<sup>th</sup> Floor, The Capital, Bandra - Kurla Complex, Bandra (East) Mumbai, 400051, Maharashtra, India

NBSL aims to strengthen India's own digital payment ecosystem but also reflects a sense of national pride and significance in developing a sovereign digital payments framework. The incorporation of NBSL underscore NPCI's commitment to facilitate digital payments and financial inclusivity across the country and beyond.

RBI vide letter CO.DPSS.OVRST.No.S108/06.07.012/2023-2024 dated 8<sup>th</sup> May, 2024 had granted approval to National Payments Corporation of India (NPCI) for setting-up of a 'for-profit' wholly owned subsidiary (WoS) for promoting growth and expansion of BHIM. Consequent to the same, the Business Transfer Agreement (BTA) was executed on 01<sup>st</sup> October, 2024 between NPCI and NBSL

## 1. MATERIAL ACCOUNTING POLICY

### 1.1. Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The presentation and disclosure requirements are in accordance with Schedule III of the Companies Act 2013 as amended from time to time. These financial statements have been prepared on historical cost convention on accrual basis except for following :

- certain Financial Assets and Liabilities and contingent consideration which have been measured at fair value.
- assets held for sale – measured at fair value less cost to sell (except for common control entities)

- defined benefit plans – plan assets measured at fair value

The accounting policy provides information on such Financial Assets and Liabilities measured at fair value.

The financial statements include the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, the Statement of Cash Flows and Notes comprising a summary of material accounting policies and other explanatory information.

The financial statements are presented in Indian Rupees rounded off to the nearest lakh ('00,000) as permitted by Schedule III of the Companies Act, 2013 except where otherwise indicated.

### 1.2. Business Combination

The pooling of interest method is used to account business combinations involving entities or businesses under common control. The same are accounted as under :

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognize new assets or liabilities.
- Adjustments are made only to harmonise material accounting policies.

The difference between the amounts recorded as share capital issued plus any additional consideration in the form of other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### 1.3. Statement of Cash flows

The statement of Cash Flows has been prepared and presented as per the requirements of IND-AS 7 "Statement of Cash flows". Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and cash equivalents.



# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash at bank, and short-term deposits with an original maturity of three months or less.

## 1.4. Operating cycle

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.

## 1.5. Use of estimates, judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Indian Accounting Standards, requires Management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Assets and Liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of recognition of revenue, valuation of unbilled receivables, impairment of non-current assets, valuation of deferred tax assets, provisions and contingent liabilities.

### 1.5.1. Impairment of Non - Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's

performance of the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

### 1.5.2. Useful lives of Property, Plant and Equipment and Intangible assets

The Company reviews the useful lives of property, plant and equipment and Intangible Assets as at each reporting date. This reassessment may result in change in depreciation and amortisation expense in future periods.

### 1.5.3. Valuation of Deferred Tax Assets

The Company reviews the carrying amount of deferred tax assets as at each reporting date.

### 1.5.4. Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation 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 reporting date.

## 1.6. Property, Plant and Equipment (PPE)

PPE is recognised 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. PPE is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition as intended by the management. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

associated with these will flow to the Company and the cost can be measured reliably.

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Depreciation is calculated on a Straight-Line Method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Useful life of assets is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits of the asset. Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis. Depreciation charged for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of PPE and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 PPE is de-recognised.

PPE costing upto ₹1 Lakh (excluding laptop and Ipad) will be depreciated in the year of acquisition.

Depreciation on PPE and Intangible assets acquired through Business Transfer Agreement will be depreciated/amortised based on remaining useful life of the assets.

Depreciation is provided using the straight-line method as per the following useful life as specified in Schedule II of the Companies Act 2013 :

Sr. No.	Nature of Assets Tangible Assets	Estimated useful life (In years)
1	Network Equipment / Central Switching	6
2	Office Equipment #	5
3	Computers and Printers	3
4	Furniture and Fittings	10
5	Vehicles	8
6	Leasehold Improvements*	-
7	Buildings (Other than factory Building)	60
8	Plant machinery and equipment	15
9	Electrical Installations	10
10	Leasehold assets *(Land, building etc.)	Asset life will be period of Lease Term
11	General Policy for all assets	Not Allowed - depreciation based on class of asset

# Office equipment includes Air conditioners, Web cameras, Fire alarm system etc.

\*Leasehold Improvements/assets are depreciated over the lease term or asset life (whichever is shorter)

Repairs and maintenance costs are recognised in the statement of Profit and Loss.

## 1.7. Intangible Assets

Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Development costs including subsequent development, if any that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use or sale
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and the expenditure

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs.

Intangible Assets not ready for the intended use on the date of the Balance Sheet, are disclosed as "Intangible Assets under Development"

Amortisation on impaired Assets is provided by adjusting the amortisation charges in the remaining period so as to allocate the Asset's revised carrying amount over its remaining useful life.

Intangible costing upto ₹1 Lakh will be amortised in the year of acquisition.

Amortization is provided using the straight-line method as per the following useful life as specified in Schedule II of the Company's Act, 2013:

Sr. No.	Nature of Assets Intangible Assets	Estimated useful life (In years)
1	Software	3
2	Copyrights, and patents and other intellectual property rights	5
3	Brands / Brands acquired	NA (expensed out) / Tested for Impairment annually
4	Goodwill	Tested for Impairment annually
5	Intangible Assets under development	Tested for Impairment annually

## 1.8. Research and development expenses

Development expenses that do not meet the criteria listed in point 1.7 above is expensed in the period in which it is incurred.

## 1.9. Impairment of Non- Financial Assets

As at each Balance Sheet date, the carrying amount of Assets is tested for impairment so as to determine:

- The provision for impairment loss, if any; and
- The reversal of impairment loss recognised in previous periods, if any,

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the net selling price and the value in use;
- In the case of a cash generating unit (a group of Assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

## 1.10. Share Capital

### Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

## 1.11. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value unless the effect of time value of money is not affecting materially and are determined based on a best estimate required to settle the obligation at the Balance Sheet date.

## 1.12. Financial Instruments

### 1.12.1. Financial Assets

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprises of trade receivables, Investment in

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

government securities, cash and cash equivalents and balances with other banks and financial institutions.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. The group has not made any irrevocable election to present subsequent changes in fair value of its investments in other comprehensive income.

The group reclassifies debt instruments when and only when its business model for managing those assets changes.

## 1.12.1.1 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sell the financial asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

## 1.12.1.2 Measurement

At initial recognition, the group measures a financial asset not carried at fair value through profit or loss (excluding trade receivables which do not contain a significant financing component) at its fair value plus 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.

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group can classify its debt instruments:

### a) Amortised 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 amortised cost. Interest income from these financial assets is included in

Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

### b) 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset (other than investment in equity instruments) is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

### c) Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

All the investments of the company are in government securities, Treasury Bills and Government of India Bonds that are held

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

for collection of contractual cash flows and are measured at amortised cost.

## 1.12.1.3 Impairment of Financial Assets:

All of the entity's financial instruments such as cash and cash equivalents, Investments, deposits with banks and financial institutions and trade receivables, are at amortised cost and have been assessed to have low credit risk and accordingly the loss allowance recognized during the period was limited to 12 months' expected losses. The identified impairment loss on all financial instruments subject to ECL have been assessed as immaterial. Cash and cash equivalents, other bank balances are diversified across major banking counterparts with high credit ratings.

## 1.12.2. Financial Liabilities

Financial Liabilities are subsequently carried at amortised cost using the effective interest method for trade and other payables, maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## 1.12.3. Offsetting

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

## 1.13. Revenue recognition

Revenue from contracts with customers is recognised when services are rendered to the customer or upon completion of service at an amount that reflects the consideration entitled in exchange for those services. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional as per Ind AS 115 - Revenue from Contracts with Customers.

### 1.13.1. Revenue from Operations

The Company derives revenue primarily from operating BHIM application.

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services.

The Board of Directors may from time to time decide on the fee structure including waiver, if any including delegation to a competent authority in this regard.

## 1.13.2. Other Income

In case of other Income, revenue is recognised during the year in which the services are rendered.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and at an effective interest rate, as applicable. Liquidated damages are collected from suppliers as a penalty for non-delivery as per contracted terms. Other miscellaneous income includes employee bond recovery, sale of scrap, fees received towards tender process, etc.

## 1.14. Employee Benefits

### 1.14.1. Short term Employee Benefits

All employee benefits payable within a period of twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, advances and similar payments paid to the employees of the Company are recognised during the period in which the employee renders such related services.

### 1.14.2. Post-employment benefits

#### i. Defined Contribution plans

**Provident Fund:** The Company is a member of the Government Provident Fund which is operated by the office of the Regional Provident Fund Commissioner (RPFC) and the contribution thereof is paid /provided for during the period in which the employee renders the related service.

#### ii. Defined Benefits plans

**Gratuity:** In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ('The Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

the respective employee's salary and the tenure of employment with the Company.

Gratuity payable to employees will be covered by a Gratuity Plan provided by Insurance Company. The contribution thereof will be paid once the fund is created (creation date 1<sup>st</sup> April'25). Gratuity is provided as per actuarial valuation as at the Balance Sheet date, carried out by an independent actuary.

**Leave Encashment:** The Company provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave (as per prevailing leave policy of the company) based on actuarial valuation of the leave encashment liability at the Balance Sheet date, carried out by an independent actuary.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on Plan Assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to statement of Profit and Loss.

In case of inter-company employee transfers within the NPCI group, it is treated as continuity in service period and as such the Company recognises long service provided by its employees by calculating the period of service from the date of joining of the group and not the date of transfer to the Company. Further, in case of such inter-company transfer, the transferee company cross charges to the transferor company the amount of Gratuity/ Leave Encashment payable to the employee as on the date of transfer to transferor company. In case, the employee leaves before the eligible period of payment of gratuity, the above cross charge will be reversed.

## 1.15. Income Tax

Tax expense (tax income) is the aggregate amount included in the determination of Profit or Loss for the period in respect of Current Tax and Deferred Tax. Current Tax is measured as the amount expected to be paid to the Tax Authorities in accordance with the provision of Income Tax Act, 1961. The Company offsets, on a year on year basis, the Current Tax Assets and Liabilities, where it has a legally enforceable right and where it intends to settle such Assets and Liabilities on a net basis.

Deferred Tax is recognised :

- On temporary difference between carrying amounts of Assets and Liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

Deferred Tax Liabilities and Assets are measured based on the tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Liabilities are recognised for all taxable temporary differences. Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised. The Company offsets, on a year on year basis, the Deferred Tax Assets and Liabilities, where it has a legally enforceable right and where it intends to settle such Assets and Liabilities on a net basis.

Transaction or event which is recognised outside the statement of Profit and Loss, either in other comprehensive income or in equity, if any is recorded along with the tax as applicable.

## 1.16. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding at the end of the reporting period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and dilutive potential equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 1.17. Contingent Liabilities

The contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities, if any, are disclosed in the Notes to Accounts.

### Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for
- ii. Uncalled liability on shares and other investments partly paid and

- iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

## 1.18. Foreign Currency Transactions

- i. INR is the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company/Group has adopted INR as the presentation currency.
- ii. Foreign currency transactions are recorded on initial recognition using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing rate are recognised in Statement of Profit and Loss in the period in which they arise.

## 1.19. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from 1<sup>st</sup> April 2024.



# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2 NOTES TO ACCOUNTS

### Business Acquisition

The Board in its meeting held on 11<sup>th</sup> September 2024 approved acquisition of Bharat Interface for Money (BHIM) SBU from National Payments Corporation of India (Holding company) with effect from 1<sup>st</sup> October 2024 (Effective Date). The Business Transfer Agreement and other relevant agreements and arrangements have been finalised accordingly. As per the Business Transfer Agreement, the total asset taken over is of 2,197.96 Lakh and the liability taken over is of 326.12 Lakh. Accordingly, a total consideration of 5,900.00 Lakh had been remitted from NBSL to NPCI on 1<sup>st</sup> October, 2024. An excess consideration of 4,028.16 Lakh paid over the net assets acquired has been adjusted to Capital Reserve on account of Business Combination.

### 2.01 Property, Plant and Equipment

(Amount ₹ in Lakh)

Particulars	Computers	Office Equipment	Total
Gross Block			
<b>As at 26-Jun-2024</b>	-	-	-
Additions		11.44	11.44
Acquisitions (business combination)	170.03	8.25	178.28
Disposals	-	-	-
<b>As at 31-Mar-2025</b>	<b>170.03</b>	<b>19.69</b>	<b>189.72</b>
<b>Accumulated depreciation</b>			
<b>As at 26-Jun-2024</b>	-	-	-
Depreciation charge during the year		10.29	10.29
Acquisitions (business combination)	43.37	1.04	44.41
Disposals	-	-	-
<b>As at 31-Mar-2025</b>	<b>43.37</b>	<b>11.33</b>	<b>54.70</b>
<b>Net Carrying amount as on 31-Mar-2025</b>	<b>126.66</b>	<b>8.36</b>	<b>135.02</b>

### 2.02 Intangible Assets

(Amount ₹ in Lakh)

Asset Group	Software - BHIM Application
Gross Block	
<b>As at 26-Jun-2024</b>	
Additions	967.75
Acquisitions (business combination)	1,854.97
Disposals	-
<b>As at 31-Mar-2025</b>	<b>2,822.72</b>
<b>Accumulated Amortisation</b>	
<b>Accumulated Amortisation as at 26-June- 2024</b>	-
Amortisation recognised during the year	9.57
Acquisitions (business combination)	325.04
Disposals	-
<b>As at 31-Mar-2025</b>	<b>334.61</b>
<b>Net Carrying amount as on 31-Mar-2025</b>	<b>2,488.11</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.03 Intangible Assets Under Development (IAUD)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
As at 26-Jun-2024	-
Additions	51.96
Deletions	-
<b>As at 31-Mar-2025</b>	<b>51.96</b>

### Details of Intangible Assets Under Development as on 31-Mar-2025

(Amount ₹ in Lakh)

Particulars	Amount in IAUD for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	
Projects in progress (Software versions)	51.96	-	-	- 51.96
<b>Total</b>	<b>51.96</b>	<b>-</b>	<b>-</b>	<b>- 51.96</b>

## 2.04 Deferred Tax Assets (net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Deferred Tax Assets (net) (Refer note no 2.04.3)	3,818.52
<b>Total</b>	<b>3,818.52</b>

### 2.04.1 Income Taxes Expenses

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Current Tax</b>	<b>-</b>
<b>Deferred Tax</b>	
Decrease/(increase) in deferred tax assets	(2,675.72)
<b>Total deferred tax expense/(benefit)</b>	<b>(2,675.72)</b>
<b>Income tax expense</b>	<b>(2,675.72)</b>

### 2.04.2 A reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the period ended 31-Mar-2025 is as follows:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Profit /(Loss) before tax	(9,489.86)
Statutory tax rate applicable	29.12%
<b>Tax expense at applicable tax rate</b>	<b>-</b>
Effects of Timing Differences	(2,675.72)
<b>Tax Expense recognised during the year</b>	<b>(2,675.72)</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.04.3 Deferred tax relates to the following:

(Amount ₹ in Lakh)

Particulars	26-Jun-2024	Recognised in Capital Reserve	Recognised in Other Comprehensive Income	Recognised in Statement of profit and Loss	31-Mar-2025
		31-Mar-2025	31-Mar-2025	31-Mar-2025	
<b>Deferred Tax Assets</b>					
Amortisation of Intangible assets identified for tax purpose pursuant to acquisition of business	-	1142.82	-	-	1,142.82
Unabsorbed Business Loss	-	-	-	2,556.00	2,556.00
Unabsorbed Depreciation	-	-	-	578.55	578.55
Preliminary Expenses	-	-	-	0.09	0.09
Employee benefits	-	-	-	6.27	6.27
<b>Total Deferred Tax Assets</b>	<b>-</b>	<b>1,142.82</b>	<b>-</b>	<b>3,140.91</b>	<b>4,283.73</b>
<b>Deferred Tax Liabilities</b>					
Amortisation	-	-	-	(460.70)	(460.70)
Depreciation	-	-	-	(4.49)	(4.49)
<b>Total Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(465.19)</b>	<b>(465.19)</b>
<b>Total</b>	<b>-</b>	<b>1,142.82</b>	<b>-</b>	<b>2,675.72</b>	<b>3,818.52</b>

The acquisition of the BHIM undertaking from NPCI ("Business") has been assessed as a Business combination under common control as per Ind AS 103. Accordingly, pooling of interest method has been applied in the books of the Company, wherein, only the assets and liabilities associated with the Business, already in the books of NPCI, have been recorded in the books of the Company at its carrying value. Post the business combination the Company assessed the tax position on the intangible assets (Customer contracts and BHIM trademark) pertaining to BHIM app (not recorded in the books of NPCI/NBSL) and concluded that a deduction for the same equivalent to its fair value at the time of the said assessment would be allowable in the hands of the Company. Accordingly, a deferred tax asset is recognized in the Company's books to the extent that it is probable that taxable profit will be available to utilise the deductible temporary difference. The deferred tax includes ₹ 285.70 lakh towards the same. Intangibles were identified based on the valuation report for tax purpose and as per the opinion of the experts, the company can claim depreciation on these intangible assets and hence deferred tax has been created on the same and credited to capital reserve.

## 2.05 Non Current Tax Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Advance Income Tax, TDS & TCS Receivable	114.05
<b>Total</b>	<b>114.05</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.06 Other Non-Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Prepaid Expense	1.14
<b>Total</b>	<b>1.14</b>

## 2.07 Trade Receivables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Unsecured</b>	
Considered good	87.11
<b>Total</b>	<b>87.11</b>

### Ageing of Trade Receivables as on 31-Mar-2025

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments						Total
	Less than 6 months	6 months – 1 year	1-2 years	2 - 3 years	More than 3 years	Not due	
Undisputed Trade Receivables - considered good	87.11	-	-	-	-	-	87.11
Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Unbilled Revenue							-
<b>Total</b>	<b>87.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87.11</b>

## 2.08 Cash and Cash Equivalents

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Balances with Banks</b>	
'In current account (includes flexi fixed deposit)	1,127.49
<b>Total</b>	<b>1,127.49</b>

For better cash management, the Company has arrangement with certain Banks where the funds exceeding the specified limit are automatically transferred to flexi deposit account as short term deposit.

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.09 Other Bank Balances

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Term Deposits with Banks</b>	
Original maturity 3 month to 12 months but current maturity less than 3 months (Callable)	8,500.00
<b>Total</b>	<b>8,500.00</b>

## 2.10 Other Financial Assets (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Advances to Employees	9.81
Interest accrued	229.70
Security Deposits	0.10
<b>Term Deposits with Banks</b>	
Original maturity more than 12 months but current maturity 3 months to 12 months (Callable)	5,000.00
<b>Total</b>	<b>5,239.61</b>

## 2.11 Other Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Prepaid Expenses	79.13
Advances to Vendors	112.91
Advance to Gratuity Trust	101.71
Other Receivable	0.09
Balance with Government Authorities*	976.76
<b>Total</b>	<b>1,270.60</b>

\*GST Input Tax Credit

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## EQUITY AND LIABILITIES

### 2.12 (i) Equity Share Capital

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Authorised Share Capital</b>	
As at 26-June- 2024	-
Increase during the period	
5,00,00,000 Equity Shares of ₹ 100 each	50,000.00
<b>As at 31-Mar-2025</b>	<b>50,000.00</b>
<b>Issued Share Capital</b>	
As at 26-Jun-2024	
Increase during the period	
3,00,05,000 Equity Shares of ₹ 100 each	30,005.00
<b>As at 31-Mar-2025</b>	<b>30,005.00</b>
<b>Subscribed and Paid up Share Capital</b>	
As at 26-Jun-2024	
Increase during the period	
3,00,05,000 Equity Shares of ₹ 100 each	30,005.00
<b>As at 31-Mar-2025</b>	<b>30,005.00</b>

### (ii) Reconciliation of shares outstanding as at the beginning and year ended 31-Mar-2025:

(Amount ₹ in Lakh)

Particulars	Equity Shares	
	As at 31-Mar-2025	
	Number of shares	Amount
Shares outstanding as at the beginning of the year	-	-
Addition/(Reduction) during the year	30,005,000	30,005.00
<b>Shares outstanding as at the end of the year</b>	<b>30,005,000</b>	<b>30,005.00</b>

### Details of shares held by Holding Company and nominees of Holding Company in aggregate

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025	
	Number of shares	% of total shares
Equity shares of ₹ 100 each	30,005,000	100%

### Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of ₹ 100 each. Each holder of equity shares is entitled to one vote per share and have a right to receive the dividend as recommended by board of Directors subject to necessary approval from the shareholder. The Board of Directors has not recommended any dividend for the period.

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## Details of Shareholders holding more than 5% share in the Company

(Amount ₹ in Lakh)

Particulars	Equity Shares	
	As at 31-Mar-2025	
	Number of shares	% of holding
National Payments Corporation of India	3,00,05,000	100%

## 2.13 Other equity\*

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Retained Earnings	(6,814.14)
Capital Reserve [Refer note no.(i) below]	(2,885.34)
<b>Total</b>	<b>(9,699.48)</b>

\*For movement of reserves, refer statement of changes in equity

## Nature of Reserves :

- (i) Capital Reserve : Capital reserves created on account of business acquisition involving entities or business under common control.

## 2.14 Provisions (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Provision for employee benefits</b>	
Provision for Gratuity (Refer Note no 2.25A )	63.26
Provision for Leave encashment (Refer Note no 2.25A )	34.41
<b>Total</b>	<b>97.67</b>

## 2.15 Trade Payables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Total Outstanding dues of Micro and Small Enterprises	97.50
Total Outstanding dues of creditors Other than Micro and Small Enterprises	1,642.18
<b>Total</b>	<b>1,739.68</b>

\*It includes Payable to Holding company ₹ 60.95 lakh



# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## Ageing of Trade Payables as at 31-Mar-2025

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Not Due	Total
Undisputed Trade Payables -Micro and Small Enterprises	97.50	-	-	-	97.50	-	97.50
Undisputed Trade payable- Other than Micro and Small Enterprises	157.06	-	-	-	157.06	-	157.06
Disputed Trade Payables - Micro and Small Enterprises	-	-	-	-	-	-	-
Disputed Trade Payables - Other than Micro and Small Enterprises	-	-	-	-	-	-	-
Unbilled	-	-	-	-	-	-	1,485.12
<b>Total</b>	<b>254.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254.56</b>	<b>-</b>	<b>1,739.68</b>

## 2.16 Others Financial Liabilities (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Creditors for capital goods	39.02
Others Payables	2.31
Employee Liabilities	319.40
<b>Total</b>	<b>360.73</b>

## 2.17 Other Current Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Statutory liabilities*	316.10
<b>Total</b>	<b>316.10</b>

\*Statutory Liabilities consists of amount payable towards PF,TDS,PT,GST

## 2.18 Provisions (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Provision for employee benefits</b>	
Provision for Gratuity (Refer Note no. 2.25A)	6.27
Provision for Leave encashment (Refer Note no. 2.25A)	7.64
<b>Total</b>	<b>13.91</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.19 Financial Instruments

### Fair Value Measurement

#### Financial Instrument by Category

Financial Assets (Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Measured at Amortised Cost</b>	
Trade Receivables	87.11
Cash and Cash Equivalents	1127.49
Bank balances other than Cash and Cash Equivalents	8,500.00
Other Financial Assets	5,239.61
<b>Total</b>	<b>14,954.21</b>

Financial Liabilities (Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
<b>Measured at Amortised Cost</b>	
Trade Payables	1,739.68
Other Financial Liabilities	360.73
<b>Total</b>	<b>2,100.41</b>

### Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company / group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below the table.

**Level 1** - Quoted prices in active market for identical Assets and Liabilities

**Level 2** - Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly

**Level 3** - Inputs for the Assets or Liabilities that are not based on observable market data.

The Company does not have assets/Liabilities under Level 1,2 and 3 category on the reporting date. The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

## 2.20 Financial Risk Management

### Financial Risk Factors

The Company's activities expose it to a variety of financial risks, settlement risks, market risks, credit risks and liquidity risks. The Company's focus is to foresee the unpredictability of liquidity risks emanating from defaulting of the member(s) during settlement and seek to minimize potential adverse effects on its financial performance. The Company uses members' contribution and line of credit to mitigate risk associated with default by member(s) during settlement.

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## Liquidity Risk

Company's principal sources of liquidity are cash and cash equivalents, fixed deposit and the cash flow that Company generate from the operations. Company continue to be free from any medium and Long term borrowings and maintain sufficient cash to meet our strategic and operational requirements.

Company understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. Liquidity enable us to be agile and ready for meeting unforeseen strategic and operational needs.

Consolidated cash and investments, on both standalone and consolidated basis, include deposits with large commercial banks in India. As a result, liquidity risk of cash and cash equivalents is limited. Liquid assets also include investments in Treasury bill issued by Government of India. Company invest after considering counterparty risks based on multiple criteria including capital adequacy ratio, net-worth.

## Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the Company has exposure to regulated entities, the credit risk is limited. It is mitigated by timely monitoring of receivables. The Company has robust accounts receivable collection mechanism which has ensured near zero level of credit risk since inception. The investment of the Company is in high grade investment categories reducing the credit risk exposure to near minimal. The following table gives details in respect of % of revenue generated from top customer and top 5 customers:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025
Revenue from Top Customer	98%
Revenue from Top 5 Customers	99%

## Credit Risk Exposure

There is no requirement for providing for expected credit loss as the Company has robust collection mechanism and has not written off any amount due to customer credit risk exposure.

## Market risk

Under the current changing dynamics of the market, there is always a business or market risk for the Company. More innovation and R&D for new products/Technologies, will be made so as to maintain its competitiveness. Value addition on the existing product will be carried out so as to maintain its leadership in the market. As per our existing risk management framework, NBSL evaluates its Strategic, Compliance, Financial, Operational risks so as to maintain its effectiveness in delivery.

## Foreign Currency Risk Exposures

There is no foreign currency risk exposures on the reporting date.

## 2.21 Revenue from Operations

(Amount ₹ in Lakh)

Particulars	For the period 26-Jun-2024 to 31-Mar-2025
<b>Sale of services</b>	
Income from Payment services (Refer note no. 2.29 )	377.00
<b>Total</b>	<b>377.00</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.22 Other Income

(Amount ₹ in Lakh)	
Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Interest Income on Deposits with banks	760.97
Foreign Exchange Gain (net)	0.21
Other Miscellaneous Income	9.22
<b>Total</b>	<b>770.40</b>

## 2.23 Operating Expenses

(Amount ₹ in Lakh)	
Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Annual Maintenance Charges - Network & IT Equipment	701.26
Testing and certification expenses	74.11
Other Operating Expenses - SMS charges	153.62
<b>Total</b>	<b>928.99</b>

## 2.24 Marketing Expenses

(Amount ₹ in Lakh)	
Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Marketing & Branding Expenses	4,075.73
Product Incentives and CashBack	2,470.35
<b>Total</b>	<b>6,546.08</b>

## 2.25 Employee Benefits Expense

(Amount ₹ in Lakh)	
Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Salary, wages & allowances including gratuity and leave encashment	1,538.30
Contribution to provident fund and other funds	78.86
Outsourcing Cost	75.27
Staff Welfare expenses	35.63
<b>Total</b>	<b>1,728.06</b>

[Employee benefit expenses capitalised ₹ 123.89 Lakh]

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.25A Gratuity and Leave Encashment

The Gratuity and Leave Encashment Scheme of the Company are to be funded with HDFC Life Insurance Company Limited in the form of qualifying insurance policy. The disclosure is based on Independent Actuarial Valuation report.

The present value of the defined benefit obligation and current service cost are measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date.

The summarized position of post-employment benefits is recognized in the Profit and Loss account and Balance Sheet are as under:

### Gratuity Plan

(Amount ₹ in Lakh)	
Reconciliation of Amounts in Balance Sheet	As at 31-Mar-2025
Funded Status - (Surplus) /Deficit	
Total Expense/(Income) Recognised in P&L	17.76
Acquisition/Business Combination	51.77
Actual Employer Contributions	
Total Remeasurements Recognised in Other Comprehensive (Income)/Loss	
<b>Closing Balance Sheet (Asset)/Liability</b>	<b>69.53</b>

(Amount ₹ in Lakh)	
Amounts in Balance Sheet	As at 31-Mar-2025
Defined Benefit Obligation (DBO)*	69.53
Fair Value of Plan Assets	
Funded Status - (Surplus) /Deficit	69.53
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>69.53</b>

(Amount ₹ in Lakh)	
Amount recognised in the Statement of Profit & Loss Account	For the period 26-Jun-2024 to 31-Mar-2025
Current Service Cost	17.76
Interest Cost	
Expected Return on Plan Asset	
<b>Total Expense / (Income) included in Employee Benefit Expense</b>	<b>17.76</b>

(Amount ₹ in Lakh)	
Change in Present Value of Benefit Obligation during the period	For the period 26-Jun-2024 to 31-Mar-2025
Defined Benefit Obligation (DBO) at the beginning of the period	
Current Service Cost	17.76
Interest Cost	
Acquisition/Business Combination	51.77
Actuarial (Gain)/Loss on Obligation	
Actual Benefits Paid	
<b>Defined Benefit Obligation at the end of the period</b>	<b>69.53</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

Current / Non Current Benefit Obligation	As at 31-Mar-2025
Current Liability	6.27
Non Current Liability	63.26
<b>Liability/(Asset) Recognised in the Balance Sheet</b>	<b>69.53</b>

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2025
Expected Contributions for the next financial year	
Decrement adjusted estimated tenure of Actuarial liability (years)	6.52

## History of Defined Benefit Obligation (DBO), Asset values, Surplus / Deficit, Experience Gain / Losses

Particulars	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21
DBO	69.53	-	-	-	-
Plan Assets	-	-	-	-	-
(Surplus)/Deficit	69.53	-	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	-	-	-	-	-
Assumptions (Gain) / Loss	-	-	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	-	-	-	-	-
Total Actuarial (Gain)/Loss	-	-	-	-	-

## Sensitivity Analysis

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2025
Defined Benefit Obligation (Base)	69.53

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2025	
	Decrease	Increase
Discount rate (per annum)	71.75	67.42
Impact of increase/decrease in 50 bps on DBO	3.20%	[3.03%]
Salary Growth rate (per annum)	67.93	71.02
Impact of increase/decrease in 50 bps on DBO	[2.30%]	2.15%

(Amount ₹ in Lakh)

Expected Cash Flow	31-Mar-2025
Year 1	6.27
Year 2	6.18
Year 3	7.37
Year 4	7.67
Year 5	9.97
Year 6 to 10	36.51

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

Particulars	31-Mar-2025
<b>Actuarial assumptions</b>	
Discount Rate	6.40%
Salary Escalation Rate	8.00%
Expected Return on Assets	0%
Withdrawal Rate	15%
Retirement Age	60 Years

## Leave Encashment Plan

(Amount ₹ in Lakh)

Reconciliation of Amounts in Balance Sheet	As at 31-Mar-2025
Opening Balance Sheet (Asset)/Liability	-
Total Expense/(Income) Recognised in P&L	6.33
Acquisition/Business Combination	35.72
<b>Closing Balance Sheet (Asset)/Liability</b>	<b>42.05</b>

(Amount ₹ in Lakh)

Amounts in Balance Sheet	As at 31-Mar-2025
Defined Benefit Obligation (DBO)	42.05
Fair value of plan Assets	-
Funded Status - (Surplus)/Deficit	42.05
<b>Net Liability/(Asset) Recognised in the Balance Sheet</b>	<b>42.05</b>

(Amount ₹ in Lakh)

Amount recognised in the Statement of P&L	For the period 26-Jun-2024 to 31-Mar-2025
Current Service Cost	6.33
Interest Cost	-
Expected Return on Plan Asset	-
Net Actuarial Losses/(Gains)	-
<b>Total Expense/(Income) charged to P&amp;L</b>	<b>6.33</b>

(Amount ₹ in Lakh)

Change in Present Value of Obligation during the Year	For the period 26-Jun-2024 to 31-Mar-2025
Defined Benefit Obligation at the beginning of year	-
Current Service Cost	6.33
Interest Cost	-
Acquisition/Business Combination	35.72
Actual Benefits Paid	-
<b>Defined Benefit Obligation at the end of the year</b>	<b>42.05</b>



# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

<b>Current / Non Current Benefit Obligation</b>		<b>As at 31-Mar-2025</b>
Current Liability		7.64
Non Current Liability		34.41
<b>Liability/(Asset) Recognised in the Balance Sheet</b>		<b>42.05</b>

(Amount ₹ in Lakh)

<b>Other Items</b>		<b>As at 31-Mar-2025</b>
Expected Contributions for the next financial year		
Decrement adjusted estimated tenure of Actuarial liability (years)		6.52

## History of Defined Benefit Obligation (DBO), Asset values, Surplus / Deficit, Experience Gain / Losses

<b>Particulars</b>	<b>31-Mar-25</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
DBO	42.05	-			
Plan Assets	-	-	-	-	-
(Surplus)/Deficit	42.05	-	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	-	-	-	-	-
Assumptions (Gain) / Loss	-	-	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	-	-	-	-	-
Total Actuarial (Gain)/Loss	-	-	-	-	-

## Sensitivity Analysis

(Amount ₹ in Lakh)

<b>Particulars</b>	<b>As at 31-Mar-2025</b>	
	<b>Decrease</b>	<b>Increase</b>
Discount rate (per annum)	43.06	41.09
Impact of increase/decrease in 50 bps on DBO	2.40%	(2.29%)
Salary Growth rate (per annum)	41.1	43.04
Impact of increase/decrease in 50 bps on DBO	(2.26%)	2.35%

(Amount ₹ in Lakh)

<b>Expected Cash Flow</b>		<b>31-Mar-2025</b>
Year 1		7.64
Year 2		6.72
Year 3		5.91
Year 4		5.2
Year 5		4.57
Year 6 to 10		15.79

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

(Amount ₹ in Lakh)

Particulars	31-Mar-2025
<b>Actuarial assumptions</b>	
Discount Rate	6.40%
Salary Escalation Rate	8.00%
Expected Return on Assets	0.00%
Withdrawal Rate	15.00%
Retirement Age	60 years

## 2.26 Depreciation and amortisation Expense

(Amount ₹ in Lakh)

Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Depreciation on Property, Plant and Equipment	71.52
Amortisation of Intangible assets	317.79
<b>Total</b>	<b>389.31</b>

## 2.27 Other Expense

(Amount ₹ in Lakh)

Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Shared Service Cost	
Salary & Allowances	97.58
Rent	91.83
Administrative Charges	15.15
Insurance	0.73
Stamp Duty and Fees*	301.27
Rates and Taxes	0.03
Travelling and Conveyance Expenses	71.25
Telephone & Communication Expenses	20.70
Training & Seminar	31.20
Sitting Fees to Directors	4.00
Postage, Printing & Stationery	4.40
Internal Audit Fees	0.48
Recruitment Expenses	4.93
Preliminary Expenses	0.39
Professional Fees	305.77
Membership and Subscription Fees	25.00
Auditor's Remuneration***	1.50
Tax Audit Fees	0.60
Miscellaneous Expenses**	68.01
<b>Total</b>	<b>1,044.82</b>

\*Expenses incurred on increase in Authorised Share Capital

\*\*Miscellaneous expenses include ₹ 67.84 lakh paid /payable to impacted users on account of incorrect configuration controls in the app.

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

\*\*\*Auditor's Remuneration

(Amount ₹ in Lakh)	
Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Statutory Audit	1.00
Limited Review	0.50
<b>Total</b>	<b>1.50</b>

## 2.28 Earnings per Share (EPS)

(Amount ₹ in Lakh)	
Particulars	For the period 26-Jun-2024 to 31-Mar-2025
Net Profit/ (Loss) after tax as per statement of Profit and Loss attributable to equity shareholders	(6,814.14)
Weighted average number of Equity Shares outstanding during the period	15,044,918
<b>EPS :</b>	
(i) Basic EPS (Face value ₹ 100 per Equity Share)	(45.29)
(ii) Diluted EPS (Face value ₹ 100 per Equity Share)	(45.29)

5,000 and 3,00,00,000 new equity shares were issued on 13<sup>th</sup> August 2024 and 30<sup>th</sup> September 2024 respectively.

## 2.29 Revenue Reporting

As BHIM functions as both a 'Common App' and an 'On-behalf PSP' (Payment Service Provider) for these 470+ banks, all transactions processed through BHIM are settled using UPI, UPI Global, and BBPS (Bharat Bill Payment System) settlement mechanisms at National Payments Corporation of India same has been invoiced and recovered.

## 2.30 Segment Reporting

Operating segment/s are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. The Company's Chief Operating Decision Maker (CODM) is the Chief Executive Officer. The Company is engaged in the service of payment system and does not have any other reportable segment.

## 2.31 Contingent Liabilities and Capital Commitments

(Amount ₹ in Lakh)	
Contingent Liabilities and Capital Commitments (to the extent not provided for)	As at 31-Mar-2025
<b>(i) Capital Commitments</b>	
Estimated amount of Contracts net of advances remaining to be executed on Property, Plant & Equipment and Intangible assets and not provided for	324.72
(b) Revenue Commitments	-
<b>(ii) Contingent Liabilities</b>	-
<b>Sub Total</b>	-
<b>Total</b>	<b>324.72</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## 2.32 Revenue Expenditure in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year Ended 31-Mar-2025
Marketing Expense	27.66
Professional Fees	1.86
<b>Total</b>	<b>29.51</b>

## 2.33 Details of Due to Micro, Small and Medium Enterprises as defined in MSMED Act, 2006.

Information related to Micro, Small and Medium Enterprises Development Act, 2006 (the Act) is disclosed hereunder. The information given below has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount ₹ in Lakh)

Particulars	31-Mar-2025
a. (i) Principal amount remaining unpaid to any supplier / service provider at the end of the accounting year	97.50
(ii) Interest due on above	-
b. Amount of Interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-
c. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the period) but without adding the interest specified under the Act.	-
d. Amount of interest accrued and remaining unpaid at the end of the financial period.	-
e. 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 enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-

## 2.34 Related Party Disclosures

### Name of Key Managerial Personnel (KMP) / Related parties:

Name of Related Parties	Place of incorporation	Ownership interest	Nature of Relationship
National Payments Corporation of India	India	100%	Immediate and ultimate parent entity

Name of Related Parties	Place of incorporation	Nature of Relationship
NPCI International Payments Limited	India	Fellow Subsidiary
NPCI Bharat BillPay Limited	India	Fellow Subsidiary

Key Managerial Personnel- Directors	Title	Date of appointment	Date of Retirement/ Cessation
Mr. Ajay Kumar Choudhary	Non-executive Chairman and Independent Director	26-Jun-2024	-
Mr. Dilip Asbe	Non-executive Director	26-Jun-2024	-
Mr. Saiprasad Nabar	Non-executive Director	26-Jun-2024	-

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

Key Managerial Personnel of the Company	Designation	Date of appointment	Date of Retirement/ Cessation
Ms. Lalitha Nataraj	Chief Executive Officer	23-Jul-2024	-
Mr. Pavan Kumar Holani	Chief Financial Officer	23-Jul-2024	-
Ms. Priyanka Agrawal	Company Secretary	23-Jul-2024	-

## Transactions with Related Parties

The details of Related Party Transactions entered into by the Company are as below:

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Transactions	Year ended 31-Mar-2025
National Payments Corporation of India	<b>Income</b>	
	Income from payment services	377.00
	Reimbursement of Employee Benefits Expenses	3.10
	<b>Expense</b>	
	Reimbursement of fees for stamp duty (Increased in equity share capital)	299.62
	Technology Infrastructure, Operational Support (IT Support & Other Services)	235.12
	Marketing Expense (UPI Chalega 4.0 Campaign)	200.00
	Shared Service cost	189.14
	Reimbursement of claims	67.84
	Reimbursement of Employee Benefits Expenses	18.45
	Reimbursement of Director Sitting fees	2.00
	Incorporation Expense	0.39
	<b>Asset</b>	
	Acquisition of business	5,900.00
	Gratuity and leave Encashment Fund	87.48
	Fixed Asset Purchase	5.90

(Expenses includes provision)

## Details of Amounts Due to or Due from Related Parties as at 31<sup>st</sup> March, 2025

(Amount ₹ in Lakh)

Name of Related Party	Nature of Balances	As at 31-Mar-2025
National Payments Corporation of India	Trade Payable	60.95
	Trade Receivable	87.11

## Transactions with Key Managerial Personnel

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2025
Sitting Fees	4.00
<b>Total</b>	<b>4.00</b>

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

## Compensation to Key Management Personnel of the Company:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2025
Short Term Employee Benefits	163.40
Post-Employment Benefits*	-
Other Long Term Benefits	-
<b>Total</b>	<b>163.40</b>

\*The above Post-employment benefit excludes gratuity provision which cannot be separately identified from the composite amount advised by actuary.

## 2.35 Other Statutory Compliances

- The Company has neither traded or nor invested in crypto currency or virtual currency during the current financial period
- The Company does not have any subsidiaries and hence do not have to comply with the number of layer of companies prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The company is not declared as wilful defaulter by any bank or financial Institution or other lender during the current financial year.
- Loans and Advances
  - The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), which are either repayable on demand or without specifying any terms or period of repayment during the current financial year .
  - No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - No funds have been received by the company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Declaration regarding Borrowed funds
  - The company has not taken any borrowings from banks for the specific purpose as at the balance sheet date.
  - The company has not taken any borrowings from banks on the basis of security of Current assets during the current financial year.
  - The company has not taken any secured borrowings during the current financial year accordingly there is no requirement for charge or satisfaction of charges is to be registered with ROC.
- No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- There was no transaction relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (43 of 1961)

# NOTES FORMING PART OF THE BALANCE SHEET

As at 31<sup>st</sup> March 2025

- i. There was no case of misappropriation of fund in the company.
- j. The provisions of section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) is not applicable during the year.

## 2.36 Relationship with Struck Off Companies

The company does not have any transactions with the struck off companies during the current financial period.

## 2.37 Key Financial Ratios

The following are the applicable ratios for the period ended 31-Mar-2025

(Amount ₹ in Lakh)

Ratios	Formula	31-Mar-2025
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	6.68
Return on Equity Ratio	$\frac{\text{Net profit after taxes}}{\text{Shareholder's Equity}}$	(33.56%)
Trade Receivables Turnover Ratio	$\frac{\text{Net credit sales}}{\text{Trade receivables}}$	4.33
Trade Payables Turnover Ratio	$\frac{\text{Operating expenses}}{\text{Trade Payables}}$	0.53
Net Capital Turnover Ratio	$\frac{\text{Net sales}}{\text{Working Capital}}$	0.03
Net Profit Ratio	$\frac{\text{Net sales}}{\text{Revenue from operations}}$	(1807.46%)
Return on Capital Employed	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	(46.74%)
Return on Investment (Fixed Deposit)	$\frac{\text{Net return on Investment}}{\text{Cost of Investment}}$	7.28%

As being the first year of operation, the variance disclosure is not applicable

## 2.38 Other Notes

- a. Being first year of incorporation previous year figure are not applicable.
- b. Numbers are rounded off to the nearest lakh.

### As per our report attached

#### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN : 101484W/W100197

#### Ashishkumar Bairagra

Partner  
Membership No: 109931

Place : Mumbai  
Date: 09-May-2025

### For NPCI BHIM Services Limited

#### Ajay Kumar Choudhary

Chairman  
DIN : 09498080

#### Lalitha Nataraj

Managing Director & CEO  
DIN : 11009041

#### Priyanka Agrawal

Company Secretary

#### Dilip Asbe

Director  
DIN: 02990724

#### Pavan Holani

Chief Financial Officer

# ANNEXURE

## FORM NO. AOC.1

### Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1	Sl. No.	
2	Name of the subsidiary	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	
5	Share capital	
6	Reserves & surplus	
7	Total assets	Not applicable
8	Total Liabilities	
9	Investments	
10	Turnover	
11	Profit before taxation	
12	Provision for taxation	
13	Profit after taxation	
14	Proposed Dividend	
15	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence		Not Applicable	
4. Reason why the associate/joint venture is not consolidated			
5. Networth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit / Loss for the year			
i. Considered in Consolidation			
i. Not Considered in Consolidation			



1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**For and on behalf of the Board of Directors**

**Ajay Kumar Choudhary**

Chairman  
DIN : 09498080

**Lalitha Nataraj**

Managing Director & CEO  
DIN : 11009041

**Priyanka Agrawal**

Company Secretary

**Dilip Asbe**

Director  
DIN: 02990724

**Pavan Holani**

Chief Financial Officer