

Independent Auditor's Report

To

The members of

NPCI International Payments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NPCI INTERNATIONAL PAYMENTS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters that need to be communicated in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, 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 Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 the 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.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (is) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Act, based on our audit as aforesaid, we enclose herewith as per "Annexure A", a report on the directions including additional directions issued by the Comptroller and Auditor -General of India (C & AG) action taken thereon and its impact on the accounts and financial statements of the company.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

Our report expresses an 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 our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause applicable.
 - iv. (A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or

loaned or invested (either from borrowed funds or share premium or any other sources or kinds 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 (which are material either individually or in the aggregate) 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 (l) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W

Ganesh Toshniwal

Partner

(Membership No.046669)

Place: Mumbai

Date: May 5, 2022

UDIN: 22046669AIPXXW4525

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NPCI International Payments Limited of even date)

Based on the verification of records of the Company and based on information and explanations given to us, we give below a report on the directions/additional directions issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

S.No	Directions	Answer
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.	Yes, The Company has system in place to process all the accounting transactions through IT systems (Tally ERP 9)
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 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 its direction is also applicable for statutory auditor of lender company)	Not Applicable The company has not availed any loan
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	Not Applicable There are no case of funds received /receivable for specific schemes from Central/state agencies.

Additional directions issued by C&AG as applicable to NPCI International Payments Limited for the year 2021-22

S.No	Directions	Answer
1.	NBFC dealing with digital payment products and services Whether the security controls for digital payments and services are in compliance with the directions of RBI for Digital Payment Security Controls dated 18th February 2021?	Company carried out a detailed review of RBI Master Directions on Digital Payment Security Controls and thereafter appointed (by NPCI) Cert-IN empaneled Third-Party auditor (RSM) and initiated a compliance check against requirements of RBI Master Direction on Digital Payment Security Controls. All business applications (including NIPL's applications under RuPay & UPI) were included in the scope of the assessment. The audit was concluded in Oct 2021 and no open issues were reported. Since business applications managed by NIPL was covered under initial scope of audit, No separate assessment for NIPL was conducted.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NPCI International Payments Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. The Company does not have any PPE and hence reporting under clause 3(i) of the Order is not applicable.
- ii. (a) The Company does not have any inventory and hence 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, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. On the basis of the information and explanations furnished to us and based on the books of accounts and financial statements of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or stood guarantor or provided any security to any other entity during the year. Hence reporting under Clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loans, investments made and guarantees and securities provided covered under the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - (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 Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- viii. There were no transactions 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).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year 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, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, 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.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(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) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) During the company has not received any whistle blower complaints 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 (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its 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) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements 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 year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. During the year Section 135(1) of the Act is not applicable to the company, hence reporting under clause 3(xx)(a) of the Order is not applicable.

For NGS & Co. LLP

Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal

Partner
(Membership No.046669)
Place: Mumbai
Date: May 5, 2022
UDIN: 22046669AIPXXW4525

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NPCI International Payments Limited of even date)

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

1. We have audited the internal financial controls over financial reporting of NPCI International Payments Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Management's Responsibility for Internal Financial Controls

2. The Management of the Company is 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2022, 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 ICAI.

For NGS & Co. LLP

Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal

Partner
(Membership No.046669)
Place: Mumbai
Date: May 5, 2022
UDIN: 22046669AIPXXW4525

**Addendum to the Independent Auditor's Report of Financial Statement issued on 5th May 2022
for the year ended March 31, 2022.**

To
The members of
NPCI International Payments Limited

Clause (xxi) be inserted in Annexure - B to the Independent Auditor's Report

Clause (xxi)

"During the year, there are no remarks by the respective auditor of the Company to be included in the Consolidated Financial Statement, hence clause 3(xxi) of the order is not applicable."

For NGS & Co. LLP

Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal

Partner
(Membership No.046669)
Place: Mumbai
Date: June 8, 2022
UDIN: 22046669AKOFOX8616

Balance Sheet

as at 31st March, 2022

(Amount ₹ in Lakh)

S. No.	Particulars	Note No.	As at 31-Mar-2022	As at 31-Mar-2021
ASSETS				
1	Non-Current Assets			
	a. Financial Assets			
	i. Non-Current Investments	2.1	324.85	324.61
	b. Deferred Tax Assets (net)	2.2	107.10	112.18
	c. Other Non-Current Assets	2.3	-	78.90
	Total Non-Current Assets		431.95	515.69
2	Current Assets			
	a. Financial Assets			
	i. Trade Receivables	2.4	412.20	9.14
	ii. Cash & Cash Equivalents	2.5	5,685.49	113.73
	iii. Bank balances other than (ii) above	2.6	3,347.16	4,104.00
	iv. Other Financial Assets	2.7	31.25	134.55
	b. Current Tax Assets (net)	2.8	137.53	12.04
	c. Other Current Assets	2.9	3.67	10.50
	Total Current Assets		9,617.30	4,383.96
	TOTAL ASSETS		10,049.25	4,899.65
EQUITY AND LIABILITIES				
3	Equity			
	a. Equity Share Capital	2.10	10,000.00	5,000.00
	b. Other Equity	2.11	(300.94)	(319.26)
	Total Equity		9,699.06	4,680.74
	Liabilities			
4	Non-Current Liabilities			
	a. Long Term Provisions	2.12	57.13	43.41
	Total Non-Current Liabilities		57.13	43.41
5	Current Liabilities			
	a. Financial Liabilities			
	i. Trade Payables Due To:			
	- Micro and Small Enterprise	2.13	0.81	-
	- Other than Micro and Small Enterprise		26.35	26.05
	ii. Other Financial Liabilities	2.14	86.07	19.24
	b. Provisions	2.15	179.83	130.21
	Total Current Liabilities		293.06	175.50
	TOTAL EQUITY AND LIABILITIES		10,049.25	4,899.65
	Significant Accounting Policies & Notes on Accounts	1 & 2		

As per our report attached

For NGS & Co. LLP

Chartered Accountants

Registration No.: 119850W

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN : 06990345

Dilip Asbe

Director
DIN : 02990724

CA Ganesh Toshniwal

Partner
Membership No: 046669
UDIN : 22046669AIPXXW4525

Ritesh Shukla

Chief Executive Officer

Rupesh H Acharya

Chief Financial Officer

Pravin Jogani

Company Secretary

Place : Mumbai

Date : 5th May 2022

Statement of Profit and Loss

for the year ended 31st March, 2022

(Amount ₹ in Lakh)

S. No.	Particulars		April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
6	Income			
	Revenue from Operations	2.16	1,170.10	19.81
	Other Income	2.17	221.41	165.79
	Total Income		1,391.51	185.60
7	Expenses			
	Operating Expenses	2.18	11.70	-
	Employee Benefit Expenses	2.19	1,048.46	538.49
	Administrative and Establishment Expenses	2.20	178.37	51.33
	Other Expenses	2.21	130.52	27.22
	Total Expenses		1,369.05	617.04
8	Profit/(Loss) Before Tax		22.46	(431.44)
9	Tax Expense			
	Current Tax		-	-
	Deferred Tax		4.84	(112.18)
	Total Tax Expense		4.84	(112.18)
	Profit/(Loss) for the year from continuing operations		17.62	(319.26)
10	Profit/(Loss) for the year		17.62	(319.26)
11	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit and Loss		0.94	-
	(ii) Income Tax relating to items that will not be reclassified to the Profit and Loss		(0.24)	-
	Total		0.70	-
	Total Comprehensive Income for the year		18.32	(319.26)
12	Earnings per equity share (for continuing operations)			
	1. Basic earnings per share (₹)	2.22	0.35	(6.39)
	2. Diluted earnings per share (₹)		0.35	(6.39)

As per our report attached

For NGS & Co. LLP

Chartered Accountants
Registration No.: 119850W

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN : 06990345

Dilip Asbe

Director
DIN : 02990724

CA Ganesh Toshniwal

Partner
Membership No: 046669
UDIN : 22046669AIPXXW4525

Ritesh Shukla

Chief Executive Officer

Rupesh H Acharya

Chief Financial Officer

Pravin Jogani

Company Secretary

Place : Mumbai

Date : 5th May 2022

Statement of Cash Flow

for the year ended 31st March, 2022

(Amount ₹ in Lakh)

S. No.	Particulars	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
	Cash flow from operating activities		
	Net profit / (loss) before tax and extraordinary items	22.46	(431.44)
	Adjustment to reconcile net profit / (loss) to net cash by operating activities		
	Interest income earned	(221.41)	(165.79)
	Operating Profit / (loss) before working capital changes	(198.95)	(597.23)
	Adjustment for:		
	Trade and other receivable	(351.99)	(245.13)
	Trade and other payable	131.28	218.93
	Cash generated from operations	(419.66)	(623.44)
	Add : Adjustment for Income tax refund	14.14	-
13	Net cash (used in) / generated from operating activities	(405.52)	(623.44)
	Cash flow from investing activities		
	(Investment) / redemption of term deposits with banks	756.84	(4,104.00)
	(Investments) / redemption in Government securities (quoted)	(0.24)	(324.61)
	Interest income	220.68	165.78
14	Net cash (used in) / generated from investing activities	977.28	(4,262.83)
	Cash flow from financing activities		
	Net proceeds from issuance of equity shares	5,000.00	5,000.00
15	Net cash (used in) / generated from financing activities	5,000.00	5,000.00
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	5,571.76	113.73
	Cash and cash equivalents (opening)	113.73	-
16	Cash and cash equivalents (closing)	5,685.49	113.73

The above cash flow statement has been prepared using the indirect method as per IND AS 7

As per our report attached

For NGS & Co. LLP

Chartered Accountants

Registration No.: 119850W

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN : 06990345

Dilip Asbe

Director
DIN : 02990724

CA Ganesh Toshniwal

Partner
Membership No: 046669
UDIN : 22046669AIPXXW4525

Ritesh Shukla

Chief Executive Officer

Rupesh H Acharya

Chief Financial Officer

Pravin Jogani

Company Secretary

Place : Mumbai

Date : 5th May 2022

Statement of Changes in Equity

for the year ended 31st March, 2022

2.10 Equity Share Capital

(Amount ₹ in Lakh)

Particulars	Amount
Balance as at 1st April, 2021	5,000.00
Changes in equity share capital during the year	5,000.00
Balance as at 31st March, 2022	10,000.00

(Amount ₹ in Lakh)

Particulars	Amount
Balance as at 3rd April, 2020	0.00
Changes in equity share capital during the period	5,000.00
Balance as at 31st March, 2021	5,000.00

2.11 Other Equity

(Amount ₹ in Lakh)

Particulars	Retained Earnings	Other items of Other Comprehensive Income	Amount
Balance as at 1st April, 2021	(319.26)	-	(319.26)
Total Comprehensive Income for the year	17.62	0.70	18.32
Balance as at 31st March, 2022	(301.64)	0.70	(300.94)

(Amount ₹ in Lakh)

Particulars	Retained Earnings	Other items of Other Comprehensive Income	Amount
Balance as at 3rd April, 2020	-	-	-
Total Comprehensive Income for the period	(319.26)	-	(319.26)
Balance as at 31st March, 2021	(319.26)	-	(319.26)

As per our report attached

For NGS & Co. LLP

Chartered Accountants
Registration No.: 119850W

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN : 06990345

Dilip Asbe

Director
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Membership No: 046669
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Ritesh Shukla

Chief Executive Officer

Rupesh H Acharya

Chief Financial Officer

Pravin Jogani

Company Secretary

Place : Mumbai

Date : 5th May 2022

Significant Accounting Policies and Notes to Accounts

Corporate Information

In pursuance of approval of National Payments Corporation of India ("NPCI") Board and subsequent RBI approval, NPCI International Payments Limited ("NIPL") has been incorporated ("Company") on April 3, 2020 as a wholly owned subsidiary of National Payments Corporation of India (NPCI). NIPL is devoted for deployment of RuPay (domestic card scheme) and UPI (mobile payment solution) outside of India.

NIPL is building huge acceptance network for RuPay and UPI which will help Indian travelers pay with these payment channels in destination country of travel. With the evolution and growth of NIPL network, any Indian travelling to any country across the globe will be able to use our products.

NPCI has successfully developed and proved its product and technological capabilities in domestic market by transforming payment segment in India. Conversely, there are several countries which want to establish a 'real time payment system' or 'domestic card scheme' in their own country. NIPL, with its knowledge and experience, can offer these countries technological assistance through licensing, consulting for building real time payment system to meet the rapidly evolving need of fast growing global business.

NIPL is focused on transforming payments across the globe with use of technology and innovation. It will not only enable payment for Indians but also uplift other countries by enhancing their payment capabilities through technological assistance, consulting and infrastructure. These countries have potentials but lack in resources i.e. financial, technological etc. NIPL is ready to fill this gap with its rich experience and advance understanding of payments.

During the FY 2021-22, the company has increased the subscribed and paid up share capital by issuance of 50,00,000 equity shares of the face value of Rs.100/- each by rights offer to its existing equity shareholders (NPCI), at par in proportion to the shares held.

There were some existing arrangements with International Partners which has been novated during the current year from NPCI to NIPL.

1. Statement of Significant Accounting Policies

1.1. Basis of Preparation 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. These financial statements have been prepared under the historical cost convention except certain Financial Assets and liabilities, which have been measured at fair value. The accounting policy provides information on such Financial

Assets and liabilities measured at fair value. The Company follows the accrual basis of accounting.

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

1.2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of Cash Flows has been prepared and presented as per the requirements of IND-AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

The financial statements are presented in Indian Rupees in Lakh and all values are rounded off to the nearest lakh as permitted by Schedule III of the Companies Act 2013. Earnings per share data are presented in Indian Rupees up to two decimal places.

1.3. Use of estimates

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.

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. Revenue recognition as per IND-AS 115

Revenue from contracts with customers is recognised when control of services is transferred to the customer 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

Significant Accounting Policies and Notes to Accounts

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.

a. Revenue from Operations

The Company derives revenue primarily from operating Retail Payment Systems outside India. The Company operates various retail payment systems for its international customers through its services like RuPay Card and UPI. Revenue from such products and services is accounted for all transactions routed during the reporting period.

Product and Membership fees (non-refundable) collected from customers using Company's product and services are recognised as income in the reporting period in which the fees is received.

Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.

The Company has entered into stage-wise (fixed price) contract with foreign vendors to establish the use of infrastructure for retail payment platforms. Revenue from such services, in India, out of India has been recognized as per terms under percentage completion method.

The Committee of Independent Directors from time to time decided on the fee structure including waiver, if any.

b. Other Income

In case of other Income, revenue is recognized during the period in which the services are rendered. Interest income is recognized on a time proportion basis, taking into account the amount outstanding and at an effective interest rate, as applicable.

1.6. Royalty Expense

The company has agreed to pay royalty fees for usage of NPCI products, brand, copyright, mark, trademark, etc. @1% of operating income from usage of such NPCI products and brand.

1.7. Employee Benefits

a. 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 recognized during the period in which the employee renders such related services.

The Company has recognised the cost due to the fair valuation of advances granted to staff which are either interest free or at concessional rate. The interest income will be recognised over the period of advances.

b. 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 (RPF) 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 the respective employee's salary and the tenure of employment with the Company.

Gratuity payable to employees is covered by a Gratuity Plan provided by Insurance Company. The contribution thereof is paid / provided during the period in which the employee renders service. Gratuity is provided as per actuarial valuation as 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.

Significant Accounting Policies and Notes to Accounts

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 Profit and Loss statement.

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

1.8. Impairment of Assets

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

- i. The provision for impairment loss, if any; and
- ii. 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:

- i. In the case of an individual asset, at the higher of the net selling price and the value in use;
- ii. 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.

1.9. Financial Instruments

Financial Assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial Assets and financial liabilities are initially measured at fair value.

Financial Assets

(i) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and,
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are

solely payments of principal and interest on the principal amount outstanding.

(ii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

Interest income on financial asset measured at amortised cost, is measured at effective interest rate on the gross carrying amount.

Cash and cash equivalents (including bank balances and bank overdrafts) are reflected as such in the statement of Cash Flow. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

(iii) Impairment of financial Assets:

- i. The Company is not recognising estimated credit loss on trade receivables since the company is dealing with regulated entities and has not experienced any loss due to credit risk since inception.
- ii. The Company has invested in Central Government Securities, T-Bills, and Government of India Bonds, which are sovereign in nature. Hence, impairment is not required.

A financial asset is de-recognised when and only when:

- i. The contractual rights to the cash flows from the financial asset expire;
- ii. It transfers the financial Assets and the transfer qualifies for de-recognition.

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.

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.

Significant Accounting Policies and Notes to Accounts

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 recognized as a deduction from equity, net of any tax effects.

1.11. Earnings per equity share

Basic earnings per equity share are computed by dividing the net profit or loss 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 or loss 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 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.

1.12. 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 at the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax Assets can be realized.

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.

1.13. Provisions

A provision is recognized 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.

1.14. Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the Accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

1.15. Contingent Assets

Contingent Assets, if any, are disclosed in the Notes to Accounts. A brief description of the nature of the contingent Assets, where an inflow of economic benefits is probable, and, where practicable, an estimate of their financial effect will be disclosed.

1.16. Foreign Currency Transactions

- i. The functional currency of the Company is Indian rupee.
- 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 date when the fair value was determined. 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 Balance Sheet date at the closing rate are recognised in profit and loss in the period in which they arise.

1.17. Statement of Cash flow

Statement of Cash flow is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of changes during the period in inventories, operating receivables and payables transactions of a non-cash nature

Significant Accounting Policies and Notes to Accounts

- a. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- b. All other items for which the cash effects are investing or financing cash flows.

1.18. Valuation of Deferred Tax Assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note above.

1.19. 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 report at each reporting date.

Significant Accounting Policies and Notes to Accounts

2.1 Non- Current investments

(Amount ₹ in Lakh)

Particulars	Face Value per Unit (in ₹)	Face Value	As at 31-Mar-2022	As at 31-Mar-2021
Investments in Government Securities				
Quoted Investment carried at amortized cost				
with maturity more than 12 months				
G-Sec 6.19% 2034	100.00	45.00	44.29	44.26
G-Sec 6.22% 2035	100.00	285.00	280.56	280.35
Total			324.85	324.61
Market value of quoted investments				
Government Securities				
Total			306.24	315.45
The Company has invested in Central Government Securities which are sovereign in nature. Hence, Company has not provided for any Expected Credit Loss on investments.				
Aggregate amount of quoted investments			324.85	324.61
Market Value of quoted investments			306.24	315.45

2.2 Deferred Tax Assets (Net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Deferred Tax Assets		
Business Loss	74.39	112.18
Preliminary Expenses	15.38	-
Gratuity	10.05	-
Leave Encashment	7.51	-
Deferred Tax Liabilities		
Other Comprehensive Income	(0.24)	-
Total	107.10	112.18

2.3 Other Non-current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Preliminary Expenses		
Incurred	78.90	98.62
Less: Written off during the year	(78.90)	(19.72)
Total	-	78.90

2.4 Trade Receivables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Unsecured considered good		
Receivables from International Alliances	-	9.14
Receivables from National Payments Corporation of India	412.20	-
Total	412.20	9.14

The Company is dealing with its holding company and does not have credit risk. Thus the Company has not provided for any expected credit loss on trade receivables.

Significant Accounting Policies and Notes to Accounts

Ageing of Trade Receivable as on 31st March 2022

(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	
Undisputed trade receivables-considered good	412.20	-	-	-	-	412.20
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-
Total	412.20	-	-	-	-	412.20

Ageing of Trade Receivable as on 31st March 2021

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	
Undisputed trade receivables-considered good	9.14	-	-	-	-	9.14
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-
Total	9.14	-	-	-	-	9.14

There are no unbilled revenue as at 31st March 2022 and 31st March 2021.

2.5 Cash & Cash Equivalents

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Own Funds		
Balances with Banks		
Current account (Own Fund)	685.49	47.21
Term Deposit with Banks		
Term deposit with maturity less than 3 months	5,000.00	66.52
Total	5,685.49	113.73

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.

Significant Accounting Policies and Notes to Accounts

2.6 Other Bank Balances

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Term Deposit with Banks		
Original maturity more than 12 months but current maturity less than 12 months with Banks	3,347.16	4,104.00
Total	3,347.16	4,104.00

2.7 Other Financial Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Advances to Employees	7.89	0.83
Interest Accrued on deposits	20.86	131.16
Interest Accrued on G-sec	0.85	0.91
Security Deposit	1.65	1.65
Total	31.25	134.55

2.8 Current Tax Assets (net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
TDS Receivable	137.53	12.04
Total	137.53	12.04

2.9 Other Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Prepaid Expenses	0.69	0.29
Advances to Vendors	2.88	4.53
GST Input Credit	0.10	5.68
Total	3.67	10.50

The prepaid expenses consist of un-expired portion of annual maintenance expenses and subscription.

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other person or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Significant Accounting Policies and Notes to Accounts

2.10 Equity Share Capital

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Authorised		
1,00,00,000 Equity Shares of Rs. 100 each	10,000.00	10,000.00
Issued, Subscribed and Paid Up :		
Issued Share Capital		
1,00,00,000 Equity Shares of Rs. 100 each	10,000.00	5,000.00
Subscribed and Paid up Capital		
Opening Balance	5,000.00	-
Addition during the year	5,000.00	5,000.00
Closing Balance		
1,00,00,000 Equity Shares of Rs. 100 each	10,000.00	5,000.00
Total	10,000.00	5,000.00

Reconciliation of shares outstanding at the beginning and end of the year ended 31st March, 2022

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Number	Amount	Number	Amount
Equity Shares at the beginning of the year	50,00,000	5,000.00	-	-
Add: Shares issued at par during the current financial year	50,00,000	5,000.00	50,00,000	5,000.00
Shares outstanding at the end of the year	1,00,00,000	10,000.00	50,00,000	5,000.00

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

Particulars	As at 31-Mar-2022		As at 31-Mar-2021		% of total shares
	Number	% of total shares	Number	% of total shares	
Equity shares of Rs.100 each	1,00,00,000	100%	50,00,000	100%	-

Particulars	As at 31-Mar-2021		As at 31-Mar-2020		% of total shares
	Number	% of total shares	Number	% of total shares	
Equity shares of Rs.100 each	50,00,000	100%	-	-	100%

Terms/Rights attached to Equity Shares:

The Company has only one class of equity share having par value of ₹ 100 each. Each equity share represents one vote in case of poll. In the period of five years immediately preceding 31st March 2022:

- The Company has not allotted any bonus shared.
- The Company has not allotted any equity shares as fully paid up without payment being received in cash.

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

Particulars	Equity Shares			
	As at 31-Mar-2022		As at 31-Mar-2021	
	No. of shares held	% of holding	No. of shares held	% of holding
National Payments Corporation of India	1,00,00,000	100%	50,00,000	100%

Significant Accounting Policies and Notes to Accounts

2.12 Long Term Provisions

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Provision for Gratuity	33.17	25.11
Provision for Leave encashment	23.96	18.30
Total	57.13	43.41

2.13 Trade Payables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
- Micro and Small Enterprise	0.81	-
- Other than Micro and Small Enterprise	26.35	26.05
Total	27.16	26.05

Ageing of Trade Payable as on 31st March 2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise	0.81	-	-	-	0.81
Other than Micro and Small Enterprise	26.35	-	-	-	26.35
Disputed dues- Micro and Small Enterprise	-	-	-	-	-
Disputed dues- Other than Micro and Small Enterprise	-	-	-	-	-
Total	27.16	-	-	-	27.16

Ageing of Trade Payable as on 31st March 2021

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprise	-	-	-	-	-
Other than Micro and Small Enterprise	26.05	-	-	-	26.05
Disputed dues- Micro and Small Enterprise	-	-	-	-	-
Disputed dues- Other than Micro and Small Enterprise	-	-	-	-	-
Total	26.05	-	-	-	26.05

There are no unbilled dues as at 31st March 2022 and 31st March 2021.

Significant Accounting Policies and Notes to Accounts

2.14 Others Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
TDS Payable	21.83	13.00
GST Payable	53.33	0.63
Other Statutory liabilities	8.32	5.61
Other Payable	2.59	-
Total	86.07	19.24

Other Statutory Liabilities: It consists of amount payable towards Provident Fund, Profession tax, NPS etc.

2.15 Provisions

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Provision for Expenses	169.43	123.68
Provision for Gratuity	5.47	3.03
Provision for Leave encashment	4.93	3.50
Total	179.83	130.21

The movement of provision (including long term provisions) for expenses is as follows:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Balance at the beginning of the year	173.62	-
Provision during the Year	187.03	173.62
Less : Provision utilised / reversed	(123.68)	-
Balance at the end of the Year	236.97	173.62

Financial Instruments

Financial Instrument by Category

The carrying value and fair value of financial instruments by categories as of 31st March, 2022 were as follows:

Financial Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Measured at Amortised Cost		
Trade Receivable	412.20	9.14
Cash & Cash Equivalents	5,685.49	113.73
Investments	3,672.01	4,428.61
Other Financial Assets	31.25	134.55
Total Financial Assets	9,800.95	4,686.03

Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Measured at Amortised Cost		
Trade Payables	27.16	26.05
Other Financial Liabilities	86.07	19.24
Total Financial Liabilities	113.23	45.29

Significant Accounting Policies and Notes to Accounts

Fair Value Hierarchy

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.

Investments (Level 1)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Government Securities	306.24	315.45
Total	306.24	315.45

Note: The fair value pertaining to the Assets or liabilities which are measured at cost or amortised cost on a non-recurring basis has not been disclosed for level 3 hierarchy.

Financial Risk Management

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 only with its holding company 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:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Revenue from top customer	100%	100%

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.

Foreign Currency Risk Exposures

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Trade Receivables	-	9.14
Total	-	9.14

2.16 Revenue from Operations

(Amount ₹ in Lakh)

Particulars	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Service Fees	1,170.10	-
Consultancy Fees	-	19.81
Total	1,170.10	19.81

2.17 Other Income

(Amount ₹ in Lakh)

Particulars	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Interest Income on Deposits	199.99	160.59
Interest Income on G-sec (Ind AS)	0.25	0.04
Interest Income on G-sec	20.45	5.16
Interest on Income Tax Refund	0.72	-
Total	221.41	165.79

Significant Accounting Policies and Notes to Accounts

2.18 Operating Expenses

Particulars	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Royalty Fees to NPCI	11.70	-
Total	11.70	-

2.19 Employee Benefit Expenses

Particulars	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Salary & Allowances	1,022.03	520.30
Contribution to Employee Benefits	24.34	14.92
Outsourcing Cost	-	2.90
Staff Welfare	2.09	0.37
Total	1,048.46	538.49

Gratuity and Leave Encashment

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

Gratuity Plan

Net (Asset) / Liability recognised in the Balance Sheet	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Present Value of Obligation	38.65	28.61
Funded Status - (Surplus) / Deficit	38.65	28.61
Net (Asset) / Liability recognised in the Balance Sheet	38.65	28.61

Amount recognised in the Statement of Profit & Loss Account	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Current Service Cost	10.98	28.61
Total (Income) / Expense charged to Profit & Loss Account	10.98	28.61

Reconciliation of amounts in Balance Sheet	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Opening Net Defined Benefit (Asset) / Liability	28.61	-
Total (Income) / Expense recognised in Profit & Loss Account	10.98	28.61
Total Re-measurements recognised in Other Comprehensive (Income) / Expense	(0.94)	-
Liability / (Asset) recognised in the Balance sheet	38.65	28.61

Significant Accounting Policies and Notes to Accounts

(Amount ₹ in Lakh)

Change in Present Value of Obligation during the year	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Present Value of Obligation at the beginning of the Year	28.61	-
Current Service Cost	9.33	28.61
Interest Cost	1.65	-
Actuarial (Gain)/Loss on Obligation	(0.94)	-
Present Value of Obligation at the end of the Year	38.65	28.61

(Amount ₹ in Lakh)

Amount recognised in other comprehensive income (OCI)	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Opening amount recognised in OCI	-	-
Re-measurements due to :		
Effect of Change in Financial Assumption	(0.83)	-
Effect of Experience Adjustments	(0.11)	-
Actuarial (Gain)/Loses	(0.94)	-
Total Re-measurements recognised in OCI	(0.94)	-
Amount recognised in OCI at the end of the year	(0.94)	-
Actuarial assumptions		
Discount Rate	6.55%	6.15%
Withdrawal Rate	15.00%	15.00%
Future Salary Increases considering Inflation, Seniority, Promotion	8.00%	8.00%

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

Particulars	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
DBO	38.65	28.61	-	-	-
(Surplus) / Deficit	38.65	28.61	-	-	-
Assumptions (Gain) / Loss	(0.83)	-	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	(0.11)	-	-	-	-
Total Actuarial (Gain) / Loss	(0.94)	-	-	-	-

Sensitivity Analysis

Particulars	Increase / Decrease	FY 2020-21	
		Change in assumption	Change in Plan obligation
Discount rate (per annum)	Increase	0.50%	-2.58%
	Decrease	0.50%	2.71%
Salary Growth rate (per annum)	Increase	0.50%	2.72%
	Decrease	0.50%	-1.18%

Significant Accounting Policies and Notes to Accounts

Expected Cash Flow	31-Mar-22
Year 1	5.48
Year 2	4.63
Year 3	4.08
Year 4	5.19
Year 5	5.14
Year 6 to 10	17.79

Leave Encashment Plan

(Amount ₹ in Lakh)		
Net (Asset) / Liability recognised in the Balance Sheet	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Present Value of Obligation	28.88	21.33
Funded Status - (Surplus)/ Deficit	28.88	21.33
Net (Asset) /Liability recognised in the Balance Sheet	28.88	21.33

(Amount ₹ in Lakh)		
Amount recognised in the Statement of Profit & Loss Account	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Current Service Cost	7.55	21.33
Total Expense/(Income) charged to Profit & Loss Account	7.55	21.33

(Amount ₹ in Lakh)		
Reconciliation of Net Defined Benefit Liability /(Asset)	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Opening Net Defined Benefit Liability/(Asset)	21.33	-
Total Expense (Income) recognised in Income and Expenditure Account	7.55	21.33
Liability/(Asset) recognised in the Balance Sheet	28.88	21.33

(Amount ₹ in Lakh)		
Change in Present Value of Benefit Obligation during the Year	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Present Value of Obligation at the beginning of the Year	21.33	-
Current Service Cost	8.00	21.33
Interest Cost	1.31	-
Actuarial (Gain)/Loss on Obligation	(1.76)	-
Present Value of Obligation at the end of the Year	28.88	21.33
Actuarial Assumptions		
Discount Rate	6.55%	6.15%
Withdrawal Rate	15.00%	15.00%
Future Salary Increases considering Inflation, Seniority Promotion	8.00%	8.00%
Retirement Age	60 years	60 years

Significant Accounting Policies and Notes to Accounts

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

Particulars	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
DBO	28.88	21.33	-	-	-
(Surplus) / Deficit	28.88	21.33	-	-	-
Assumptions (Gain) / Loss	(0.66)	-	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	(1.09)	-	-	-	-
Total Actuarial (Gain) / Loss	(1.76)	-	-	-	-

Sensitivity Analysis

Particulars	Increase / Decrease	FY 2020-21	
		Change in assumption	Change in Plan obligation
Discount rate (per annum)	Increase	0.50%	-2.47%
	Decrease	0.50%	3.47%
Salary Growth rate (per annum)	Increase	0.50%	2.55%
	Decrease	0.50%	-2.45%

Expected Cash Flow	31-Mar-22
Year 1	4.93
Year 2	4.20
Year 3	3.77
Year 4	3.39
Year 5	3.04
Year 6 to 10	11.20

The employees of NPCI were transferred to NIPL w.e.f. 1st September 2020 and hence the cost of Gratuity and Leave Encashment accrued before the said period is charged to NPCI as follows:

Particulars	Gratuity	Leave Encashment
Upto March 2020 (As per Actuary report)	14.41	9.94
April 2020 to August 2020 (Pro-rata of 2020-21 expense)	5.91	4.75
Total	20.32	14.69

2.20 Administrative & Establishment Expenses

(Amount ₹ in Lakh)

Particulars	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Rent (Co-shared arrangement)	22.27	18.11
Rates & Taxes	1.70	0.39
Travel Expenses- Local	8.36	0.00
Travel Expenses -International	34.57	-
Electricity	1.97	1.52
Meeting Expenses	1.15	3.39
Telephone & Communication Expenses	0.25	0.20
Sitting Fees to Directors	4.00	4.00
Printing & Stationery	0.58	0.50

Significant Accounting Policies and Notes to Accounts

2.20 Administrative & Establishment Expenses (Contd.)

Particulars	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Internal Audit Fees	0.90	1.00
Bank Charges	0.09	0.11
General Office Expenses	2.66	0.13
Administrative Charges	3.66	2.23
Employer - Profession Tax	0.03	0.03
Recruitment Expenses	17.29	-
Preliminary Expenses	78.90	19.72
Total	178.37	51.33

2.21 Other Expenses

Particulars	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Professional Fees	124.69	10.58
Marketing Expenses	2.18	9.30
Advertisement Agency Commission	-	0.81
Training and Seminar	-	0.75
Membership & Subscription	1.46	-
Foreign Exchange (gain)/loss	0.05	0.14
Audit Fees	1.00	1.00
Limited Review Fees	0.70	0.60
Tax Audit Fees	0.40	-
Participation Fees	-	2.62
Interest on TDS	0.01	-
Testing Card Expenses	0.03	-
Miscellaneous Expenses	0.00	1.42
Total	130.52	27.22

Auditor's Remuneration

Particulars	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Statutory Audit Fees	1.00	1.00
Audit Fees for Limited Review	0.70	0.60
Out of Pocket Expenses	-	-
Total	1.70	1.60

2.22 Earnings per Share (EPS)

Particulars	(Amount ₹ in Lakh)	
	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Net Profit / (Loss) as per statement of Profit and Loss	18.31	(319.26)
Weighted Average Number of Equity Shares	52.19	50.00
EPS :		
(1) Basic EPS (Face value ₹ 100 per Equity Share)	0.35	(6.39)
(2) Diluted EPS (Face value ₹ 100 per Equity Share)	0.35	(6.39)

Significant Accounting Policies and Notes to Accounts

2.23 Financial Ratios

(Amount ₹ in Lakh)

Particulars	Formula	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	32.82	24.98
Debt-Equity Ratio	Not applicable as there are no Debt in the company	N.A.	N.A.
Debt Service Coverage Ratio	Not applicable as there are no Debt in the company	N.A.	N.A.
Return on Equity Ratio	$\frac{\text{Net profit after taxes}}{\text{Shareholder's Equity}}$	0.18%	-6.82%
Inventory turnover ratio	Not applicable considering the nature of business of the company	N.A.	N.A.
Trade Receivables turnover ratio	$\frac{\text{Revenue from operations}}{\text{Average trade receivables}}$	5.55	4.33
Trade payables turnover ratio	$\frac{\text{Operating expenses}}{\text{Average Trade Payable}}$	12.05	6.03
Net capital turnover ratio	$\frac{\text{Revenue from operations}}{\text{Working Capital}}$	0.13	0.00
Net profit ratio	$\frac{\text{Net Profit}}{\text{Net Operating Income}}$	1.51%	-1611%
Return on Capital employed	$\frac{\text{Earnings before Interest \& Tax}}{\text{Capital Employed}}$	0.23%	-9.22%
Return on investment	$\frac{\text{Net return on Investment}}{\text{Cost of Investment}}$	2.54%	3.69%

a. Current Ratio:

The previous financial year 2020-21 was the first year of operation of the company. During the current financial year 2021-22 increase in Current ratio is on account significant increase in the current assets. The approximate increase in trade receivable by 45 times, cash balance by 50 times and current tax assets by 11 times. All the current investments in term deposits are classified as Current assets, due to their tenure being less than 1 year. The current liabilities has only increased by 1.67 times.

b. Debt-Equity Ratio:

The said ratio is not applicable as the company does not have any debt.

c. Debt Service Coverage Ratio:

The said ratio is not applicable as the company does not have any debt.

d. Return on Equity Ratio:

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the current year the company has reported a profit of Rs.17.62 lakhs against the loss of previous year of Rs.319.26 lakhs. Also, the shareholder's equity has doubled during the current FY.

e. Inventory turnover ratio:

The said ratio is not applicable as the company does not have any Inventory.

f. Trade Receivables turnover ratio:

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the current year the company has reported net revenue from operations of Rs.1,170.10 lakhs against the previous year of Rs.19.81 lakhs. Also, there is an approximate increase in the average trade receivables by 46 times.

Significant Accounting Policies and Notes to Accounts

2.23 Financial Ratios (Contd.)

g. Trade payables turnover ratio:

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the current year the company has reported an approximate increase in the net purchases 4 times. However, trade payables just almost doubled during the current year in comparison with the previous financial year.

h. Net capital turnover ratio:

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the current year the company has reported net revenue from operations of Rs.1,170.10 lakhs against the previous year of Rs.19.81 lakhs. Also, Net average working capital has nearly doubled during the current financial year in comparison with the previous financial year."

i. Net profit ratio:

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the current year the company has reported a profit of Rs.17.62 lakhs against the loss of previous year of Rs.319.26 lakhs. Also, during the current year the company has seen an increase of net revenue from operations of Rs.1,170.10 lakhs against the previous year of Rs.19.81 lakhs.

j. Return on Capital employed :

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the current year the company has reported a profit before tax of Rs.22.46 lakhs against the loss before tax of previous year of Rs.431.44 lakhs. Also, capital employed has almost doubled during the current financial year in comparison with the previous financial year.

k. Return on investment:

The previous financial year 2020-21 was the first year of operation of the company and it was in a formative stage. During the current year there has been augmentation in operating income and accordingly during the company has reported a interest earned on Investments of Rs.220.69 lakhs against of Rs.165.79 lakhs for previous year. Also, cost of investment has almost doubled during the current financial year in comparison with the previous financial year.

2.24 Related Party Disclosures

Name of Related Party	Nature of Relationship
National Payments Corporation of India	Holding Company

Name of KMP / Related parties:

Key Managerial Personnel - Directors	Particulars	Date of appointment	Date of Retirement/ Cessation
Mr. Biswamohan Mahapatra	Chairman	03-Apr-20	-
Mr. Dilip Asbe	Non-independent Non-Executive	03-Apr-20	-
Mr. Pankaj Gadgil	Non-independent Non-Executive	16-May-20	-
Mr. Ravindra Pandey	Non-independent Non-Executive	02-Jul-20	12-Aug-21
Ms. Mridula Iyer	Non-independent Non-Executive	07-May-21	-
Mr. Rana Ashutosh Kumar Singh	Non-independent Non-Executive	12-Aug-21	-
Mr. Arif Khan	Non-independent Non-Executive	27-Jan-22	-

Significant Accounting Policies and Notes to Accounts

2.24 Related Party Disclosures (Contd.)

Key Managerial Personnel of the Company	Particulars	Date of appointment	Date of Retirement/ Cessation
Mr. Ritesh Shukla	Chief Executive Officer	01-Oct-20	-
Mr. Rupesh H Acharya	Chief Financial Officer	27-Apr-20	-
Mr. Pravin Jogani	Company Secretary	01-Oct-20	-

Transactions with Related Parties

The details of Related Party Transactions entered into by the Company for the year ended 31st March, 2022 are as below:

(Amount ₹ in Lakh)

Name of Related Party	Nature of Transaction	Nature of Transaction	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
	Income	Service Fees	1,170.10	-
		Others	0.94	-
National Payments Corporation of India	Expense	Shared Services cost	79.40	30.14
		Royalty Expense	11.70	-
		Reimbursement of Staff Welfare	5.29	1.31
		Reimbursement of Stamp Duty	-	95.93
		Gratuity & Leave encashment recovery	-	35.01
		Reimbursement of Salary & travel	-	47.61
		Reimbursement of Legal Consultancy	-	2.69
Total			1,267.43	212.69

Details of Amounts Due to or Due from Related Parties as at 31st March, 2022

(Amount ₹ in Lakh)

Amount Payable to / Receivable from Related Parties	Nature of Balances	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
National Payments Corporation of India	Trade Payable	22.09	44.73
	Trade Receivable	412.20	-

(Amount ₹ in Lakh)

Transactions with Key Managerial Personnel	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Sitting Fees	4.00	4.00
Total	4.00	4.00

(Amount ₹ in Lakh)

Compensation to Key Management Personnel of the Company	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Short Term Employee Benefits	190.91	98.05
Post-Employment Benefits*	-	-
Other Long Term Benefits	-	-
Total	190.91	98.05

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

Significant Accounting Policies and Notes to Accounts

2.25 Expenditure in Foreign Currency

(Amount ₹ in Lakh)

Revenue Expenditure in Foreign Currency	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
Participation Fees	-	2.62
Professional Fees	2.36	-
Membership & Subscription	1.47	-
Total	3.83	2.62

Accounting for Foreign Currency Transaction:

Expenses in foreign currency are recorded in rupees by applying to the foreign currency amount the exchange rate at the time of transaction. Exchange rate differences consequent to settlement are recognised as income / expenses.

2.26 Details of Dues 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	April 01, 2021 to March 31, 2022	April 03, 2020 to March 31, 2021
a (i) Principal amount remaining unpaid to any supplier / service provider at the end of the accounting year	0.81	-
(ii) Interest due on above	-	-
Total	0.81	-
b. Amount of Interest paid by the buyer in terms of Section 15 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
c. Amount of interest accrued and remaining unpaid at the end of the financial year.	-	-
d. 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 year) but without adding the interest specified under the Act.	-	-
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.	-	-

2.27 Relationship with Struck Off Companies

The company does not have any transactions with the struck off companies during the FY 2021-22 and FY 2020-21.

2.28 Product development

National Payments Corporation of India (NPCI) started alliances with international partners for acceptance of RuPay card abroad as well as partner's card in India. Accordingly, NPCI tied up with foreign Network Partner [FNP]. Looking at the growth potential as well as the scope in the global market NPCI had incorporated wholly owned subsidiary viz. NPCI International Payments Limited (NIPL) for operationalization of NPCI products like RuPay (Card Scheme) and FIR (UPI & IMPS) in jurisdictions outside of India. NPCI has authorized NIPL to enter into contractual arrangements in jurisdiction outside India with Foreign Network partners for NPCI products in connection with Issuance of RuPay cards in Network Partner Territory, RuPay / UPI acceptance and Foreign Remittances (FIR & FOR) using UPI.

Significant Accounting Policies and Notes to Accounts

A) International Business - Cards

Currently, all the settlement of funds on account of the international transactions are carried out by NPCI only and the entire income has been accounted in NPCI books. Income earned on account of all such International schemes shall be shared between NPCI and NIPL as per the terms of the agreement. (Income for this purpose will not include interchange fees).

B) International Business - Foreign Inward Remittance (UPI & IMPS)

There is an extension and expansion of the Foreign Inward Remittances (FIR) services on UPI and IMPS by NIPL as a last mile credit to the beneficiary for P2P transactions with applicable Switching fee. Operationally, all the UPI & IMPS income including the settlement is presently done at NPCI. Income from UPI & IMPS also includes on account of foreign inward remittance. Income earned on account of FIR from UPI & IMPS shall be shared between NPCI and NIPL as per the terms of the agreement.

2.29 Capital commitment

(Amount ₹ in Lakh)

Capital commitment (to the extent not provided for)	As at 31-Mar-2022	As at 31-Mar-2021
Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	25.00	-

The company has awarded a Purchase Order to PricewaterhouseCooper for customisation and implementation of ERP during the current financial year. The implementation and customisation of ERP will be done in the coming financial year.

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 does not have any identified business segments.

The Financial Statements itself may be considered to be the segment result as per disclosure requirement of Indian Accounting Standard 108 issued by The Institute of Chartered Accountants of India.

2.31 COVID Impact

COVID-19, a new strain of coronavirus, has spread globally, including in India. This event significantly affects economic activities in India and abroad and, as a result, may impact the payment industry in which the Company operates. The impact of coronavirus on our business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy, among others. The impact of pandemic might be different from that estimated as at the date of approval of these financial results and the Company is closely monitoring any material changes to future economic.

2.32 There are no material prior period errors which has an impact on the financial position of the company as per IND AS 8.

2.33 Previous year figures have been regrouped, reclassified, rearranged to correspond with the current year figures / presentation wherever necessary. Numbers are rounded off to the nearest lakhs.

As per our report attached

For NGS & Co. LLP

Chartered Accountants
Registration No.: 119850W

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN : 06990345

Dilip Asbe

Director
DIN : 02990724

CA Ganesh Toshniwal

Partner
Membership No: 046669
UDIN : 22046669AIPXXW4525

Ritesh Shukla

Chief Executive Officer

Rupesh H Acharya

Chief Financial Officer

Pravin Jogani

Company Secretary

Place : Mumbai

Date : 5th May 2022

Significant Accounting Policies and Notes to Accounts

Annexure

FORM NO. AOC.1

Not Applicable

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
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:

1. Names of subsidiaries which are yet to commence operations
2. 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 % Name of Associates/Joint Ventures Name 1 Name 2 Name 3
3. Description of how there is significant influence
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.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Significant Accounting Policies and Notes to Accounts

FORM NO. AOC.2

Not Applicable

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship:
 - (b) Nature of contracts/arrangements/transactions:
 - (c) Duration of the contracts/arrangements/transactions:
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any:
 - (f) Amount paid as advances, if any:

Form shall be signed by the persons who have signed the Board's report.