

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, 2023, 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, 2023 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 informations 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls 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) In our opinion, Managerial Remuneration has not been paid to its Directors however, only Sitting Fees has been paid to Directors for the year ended 31st March 2023 which is within the limits prescribed under section 197 of the Act.

h) 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.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. 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 (I) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

(D) The Company has not declared or paid dividend during the year under audit.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W

Ganesh Toshniwal

Partner

(Membership No.046669)

Place: Mumbai

Date: May 03, 2023

UDIN: (23046669BGWUYD7345)

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.

Sr. 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 2022-23

Sr. No	Additional 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 M/s. Security Bridge InfoSec Private Limited, 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 System Audit was concluded dated 5th July 2022 and we have relied on the same. The System Audit Report has few exceptions notified by the System Auditor, on which Management has responded with reasonable justification and said exceptions has been complied and closed. Since business applications managed by NIPL was covered under initial scope of audit, No separate assessment for NIPL was conducted.

For NGS & Co. LLP

Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal

Partner
(Membership No.046669)

Place: Mumbai
Date: May 03, 2023
UDIN: (23046669BGWUYD7345)

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, 2023 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 a 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 money 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one 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.
- 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: May 03, 2023
UDIN: (23046669BGWUYD7345)

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, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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.

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2023, 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

Place: Mumbai
Date: May 03, 2023
UDIN: (23046669BGWUYD7345)

Partner
(Membership No.046669)

Balance Sheet

as at 31st March 2023

(Amount ₹ in Lakh)

Particulars	Note No.	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
Non-Current Assets			
a. Financial Assets			
i. Investments	2.01	526.71	324.85
b. Deferred Tax Assets (net)	2.02	101.33	107.10
Total Non-Current Assets		628.04	431.95
Current Assets			
a. Financial Assets			
i. Investments	2.03	197.74	-
ii. Trade Receivables	2.04	509.00	412.20
iii. Cash and Cash Equivalents	2.05	1,125.33	5,685.49
iv. Bank balances other than (iii) above	2.06	7,699.00	1,556.16
v. Other Financial Assets	2.07	162.77	1,822.25
b. Current Tax Assets (net)	2.08	146.45	137.53
c. Other Current Assets	2.09	16.39	3.67
Total Current Assets		9,856.68	9,617.30
TOTAL ASSETS		10,484.72	10,049.25
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	2.10	10,000.00	10,000.00
b. Other Equity	2.11	98.63	(300.94)
Total Equity		10,098.63	9,699.06
Liabilities			
Non-Current Liabilities			
a. Provisions	2.12	29.33	57.13
Total Non-Current Liabilities		29.33	57.13
Current Liabilities			
a. Financial Liabilities			
i. Trade Payables Due to:			
- Micro and Small Enterprises	2.13	-	0.81
- Other than Micro and Small Enterprises		49.41	26.35
ii. Other Financial Liabilities	2.14	116.12	86.07
b. Provisions	2.15	191.23	179.83
Total Current Liabilities		356.76	293.06
TOTAL EQUITY AND LIABILITIES		10,484.72	10,049.25
Significant Accounting Policies and Notes on Accounts	1 & 2		

As per our report attached

For NGS & Co. LLP

Chartered Accountants

Registration No.: 119850W

CA Ganesh Toshniwal

Partner

Membership No: 046669

Place : Mumbai

Date : 03-May-2023

UDIN: (23046669BGWUYD7345)

For and on behalf of the Board of Directors

Biswamohan Mahapatra

Chairman

DIN : 06990345

Dilip Asbe

Director

DIN : 02990724

Ritesh Shukla

Chief Executive Officer

Rupesh H. Acharya

Chief Financial Officer

Pravin Jogani

Company Secretary

Statement of Profit And Loss

for the year ended 31st March 2023

(Amount ₹ in Lakh)

Particulars	Note No.	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Income			
Revenue from Operations	2.16	2,059.65	1,170.10
Other Income	2.17	490.09	221.41
Total Income		2,549.74	1,391.51
Expenses			
Operating Expenses	2.18	24.94	11.73
Employee Benefits Expenses	2.19	1,413.53	1,048.45
Administrative and Other Expenses	2.20	565.71	308.87
Total Expenses		2,004.18	1,369.05
Profit/(Loss) Before Tax		545.56	22.46
Tax Expense			
Current Tax		136.00	-
Deferred Tax	2.08	5.72	4.84
Prior year Tax adjustment		4.39	-
Total Tax Expense		146.11	4.84
Profit/(Loss) for the year		399.45	17.62
Other Comprehensive Income			
(i) Items that will not be reclassified to the Statement of Profit and Loss	2.11	0.17	0.94
(ii) Income Tax relating to items that will not be reclassified to the Statement of Profit and Loss		(0.05)	(0.24)
Total Other Comprehensive Income		0.12	0.70
Total Comprehensive Income for the year		399.57	18.32
Earnings per equity share			
(i) Basic earnings per share (₹)	2.21	3.99	0.34
(ii) Diluted earnings per share (₹)		3.99	0.34

As per our report attached

For NGS & Co. LLP

Chartered Accountants
Registration No.: 119850W

CA Ganesh Toshniwal

Partner
Membership No: 046669

Place : Mumbai
Date : 03-May-2023
UDIN: (23046669BGWUYD7345)

For and on behalf of the Board of Directors

Biswamohan Mahapatra

Chairman
DIN : 06990345

Ritesh Shukla

Chief Executive Officer

Pravin Jogani

Company Secretary

Dilip Asbe

Director
DIN : 02990724

Rupesh H. Acharya

Chief Financial Officer

Statement of Cash Flows

for the year ended 31st March 2023

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Cash flow from operating activities		
Net profit / (loss) before tax	545.56	22.46
Adjustment to reconcile net profit / (loss) to net cash by operating activities		
Interest income	(486.90)	(221.41)
Operating Profit / (loss) before working capital changes	58.66	(198.95)
Adjustment for:		
Trade and other receivables	1,550.13	(351.99)
Trade and other payables	35.90	131.28
Cash generated from operations	1,644.69	(419.66)
Adjustment for Income Tax	(141.48)	14.14
Net cash generated from / (used in) operating activities (A)	1,503.21	(405.52)
Cash flow from investing activities		
Redemption / (Investment) in Term Deposits with banks (net)	(6,142.84)	756.84
Redemption / (Investment) in Government securities (quoted) (net)	(201.86)	(0.24)
Redemption / (Investment) in Treasury Bills (quoted) (net)	(197.74)	-
Interest income	479.07	220.68
Net cash generated from / (used in) investing activities (B)	(6,063.37)	977.28
Cash flow from financing activities		
Net proceeds from issuance of equity shares	-	5,000.00
Net cash generated from / (used in) financing activities (C)	-	5,000.00
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(4,560.16)	5,571.76
Cash and cash equivalents at the beginning of the year	5,685.49	113.73
Cash and cash equivalents at the end of the year	1,125.33	5,685.49

As per our report attached

For NGS & Co. LLP

Chartered Accountants

Registration No.: 119850W

CA Ganesh Toshniwal

Partner

Membership No: 046669

Place : Mumbai

Date : 03-May-2023

UDIN: (23046669BGWUYD7345)

For and on behalf of the Board of Directors

Biswamohan Mahapatra

Chairman

DIN : 06990345

Ritesh Shukla

Chief Executive Officer

Pravin Jogani

Company Secretary

Dilip Asbe

Director

DIN : 02990724

Rupesh H. Acharya

Chief Financial Officer

Statement of Changes In Equity

for the year ended 31st March 2023

2.10 Equity Share Capital

		(Amount ₹ in Lakh)
Particulars		Total
Balance as at 01-Apr-2022		10,000.00
Changes in equity share capital due to prior period errors		-
Restated Balance as at 01-Apr-2022		10,000.00
Changes in equity share capital during the year		-
Balance as at 31-Mar-2023		10,000.00

		(Amount ₹ in Lakh)
Particulars		Total
Balance as at 01-Apr-2021		5,000.00
Changes in equity share capital due to prior period errors		-
Restated Balance as at 01-Apr-2021		5,000.00
Changes in equity share capital during the year		5,000.00
Balance as at 31-Mar-2022		10,000.00

2.11 Other Equity

				(Amount ₹ in Lakh)
Particulars	Retained Earnings	Other items of Other Comprehensive Income		Total
Balance as at 01-Apr-2022	(301.64)	0.70		(300.94)
Total Comprehensive Income for the year	399.45	0.12		399.57
Balance as at 31-Mar-2023	97.81	0.82		98.63

				(Amount ₹ in Lakh)
Particulars	Retained Earnings	Other items of Other Comprehensive Income		Total
Balance as at 01-Apr-2021	(319.26)	-		(319.26)
Total Comprehensive Income for the year	17.62	0.70		18.32
Balance as at 31-Mar-2022	(301.64)	0.70		(300.94)

As per our report attached

For NGS & Co. LLP

Chartered Accountants
Registration No.: 119850W

CA Ganesh Toshniwal

Partner
Membership No: 046669

Place : Mumbai

Date : 03-May-2023

UDIN: (23046669BGWUYD7345)

For and on behalf of the Board of Directors

Biswamohan Mahapatra

Chairman
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Ritesh Shukla

Chief Executive Officer

Pravin Jogani

Company Secretary

Dilip Asbe

Director
DIN : 02990724

Rupesh H. Acharya

Chief Financial Officer

Notes to Financial Statements

for the year ended 31st March 2023

Company Overview

In pursuance of approval of National Payments Corporation of India ("NPCI") Board and subsequent RBI approval, NPCI International Payments Limited (NIPL / Company) was incorporated on April 3, 2020, as a wholly owned subsidiary of National Payments Corporation of India (NPCI). The Company has its registered office at 1001A, B Wing, 10th Floor, The Capital, Bandra - Kurla Complex, Bandra (East) Mumbai, 400051, Maharashtra, India.

NIPL is devoted to deployment of indigenously developed payment solutions such as UPI (Unified Payment Interface) and RuPay Cards in international market, to help countries democratize payments with sovereignty.

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. 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.

NIPL is building huge acceptance network for RuPay and UPI which will help Indian travellers to 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 NPCI products.

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

1. Significant Accounting Policies

1.1. Basis of Preparation & Presentation of financial statements

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

Equity, the Statement of Cash Flows and Notes comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding year.

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

1.2. Statement of Cash flows

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

1.3. 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.

1.4. Use of estimates, judgements and key sources of estimation uncertainty

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

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

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

Notes to Financial Statements

for the year ended 31st March 2023

1.4.1. Impairment of Non - Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

1.4.2. Useful lives of Property, Plant and Equipment

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

1.4.3. Valuation of Deferred Tax Assets

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

1.4.4. Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

1.5. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

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

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

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

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

An item of PPE and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the PPE is de-recognised.

Depreciation is calculated on a Straight-Line Method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Useful life of assets is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits of the asset.

Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis.

Subsequent expenses relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost can be measured reliably.

Notes to Financial Statements

for the year ended 31st March 2023

Depreciation charged for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

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

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

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

*Leasehold Improvements are depreciated over the lease term.

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

1.6. Intangible Assets

Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible Assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Intangible Assets not ready for the intended use on the date of the Balance Sheet, are disclosed as "Intangible Assets under Development".

Amortisation on impaired Assets is provided by adjusting the amortisation charges in the remaining period so as

to allocate the Asset's revised carrying amount over its remaining useful life.

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

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

1.7. Leases as per Ind AS 116

The company determines whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company recognises Right to Use and Lease Liability at the commencement of the lease period.

Subsequently the right to use is shown as at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. The company applies depreciation requirements of Ind AS 116, Property, Plant and Equipment, in depreciating the right-of-use asset and the lease term mentioned in the contract is taken as useful life for calculating the depreciation.

The company measures the lease liability at the present value of the lease payments. The lease payments are discounted using incremental borrowing rate applicable to the company for a similar term. Subsequently the lease liability is increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.8. Research and development expenditure

Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.

Notes to Financial Statements

for the year ended 31st March 2023

Development expenditure on new products is capitalised as intangible asset, if all the following conditions are duly fulfilled:

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii. The Company has the intention to complete the intangible asset and use or sell it.
- iii. The Company has the ability to use or sell intangible assets.
- iv. The manner in which the probable future economic benefits will be generated includes the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets.
- v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- vi. The Company has the ability to measure the expenditure attributable to the intangible asset during its development reliably.

Development expenditure that does not meet the criteria listed above is expensed in the period in which it is incurred.

1.9. 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.

1.10. 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. 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.

1.12. 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 except for trade receivables which are initially measured at transaction price.

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 Flows. 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.

Impairment of Financial Assets:

- i. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified

Notes to Financial Statements

for the year ended 31st March 2023

approach permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

- ii. The Company has invested in Central Government Securities, Treasury 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.

1.13. Revenue recognition

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

1.13.1. Income from Operations

The company derives its revenue from Foreign Inward Remittance (FIR) transactions with respect to Unified Payment Interface (UPI) and Immediate Payment System (IMPS). Beside the company has also entered into agreement with Foreign Network Partners (FNP) along with National Payments Corporation of India (NPCI). On the basis of such agreement company earns revenue from card business transactions.

NIPL has been granted a license by its holding company National Payments Corporation of India (NPCI) to market, distribute, sell, sub-license and / or enter into agreements including with foreign network partners (FNP) for enabling the NPCI products in jurisdictions other than India. On the basis of such agreement, NIPL earns sub-license fees.

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

1.13.2. 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. Liquidated damages are collected from suppliers as a penalty for non-delivery as per contracted terms. Other miscellaneous income includes employee bond recovery, sale of scrap, fees received towards tender process, etc.

1.14. Employee Benefits

1.14.1. Short term Employee Benefits

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

Notes to Financial Statements

for the year ended 31st March 2023

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.

1.14.2. Post-employment benefits

i. Defined Contribution plans

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

ii. Defined Benefits plans

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

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

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

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

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

1.15. Income Tax

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

Deferred Tax is recognised on temporary difference between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred Tax Liabilities and Assets are measured based on the tax rates and tax laws enacted or substantively enacted 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. The Company offsets, on a year-on-year basis, the Deferred Tax Assets and Liabilities, where it has a legally enforceable right and where it intends to settle such Assets and Liabilities on a net basis.

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

Notes to Financial Statements

for the year ended 31st March 2023

1.16. Earnings per share

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

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

1.17. Contingent Assets

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent Assets, if any, are disclosed in the Notes to Accounts.

1.18. Contingent Liabilities

Contingent Liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not

recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities, if any, are disclosed in the Notes to Accounts.

1.19. Commitments

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

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. Uncalled liability on shares and other investments partly paid and;
- iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

1.20. 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 reporting date. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing rate are recognised in Statement of Profit and Loss in the period in which they arise.

Notes to Financial Statements

for the year ended 31st March 2023

2.01 Investments (Non-Current)

(Amount ₹ in Lakh)

Particulars	Face Value per Unit (in ₹)	Qty as at		As at	
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Quoted Investments carried at amortised cost					
Investments in Government Securities with Maturity more than 12 months					
G-Sec 6.19% 2034	100.00	45,000	45,000	44.33	44.29
G-Sec 6.22% 2035	100.00	2,85,000	2,85,000	280.78	280.56
G-Sec 7.38% 2037	100.00	2,00,000	-	201.60	-
Total				526.71	324.85
Aggregate amount of quoted investments				526.71	324.85
Market Value of quoted investments				502.38	306.24
Aggregate amount of impairment in value of investments				-	-

The Company has invested in Central Government Securities and Treasury Bills which are sovereign in nature. Hence, Company has not provided for any Expected Credit Loss (ECL) on investments.

2.02 Deferred Tax Assets (Net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Deferred Tax Assets		
Business Loss	80.25	74.40
Preliminary Expenses	9.90	15.38
Investment in Government Securities and Treasury Bills	4.55	-
Provision for Gratuity (net)	4.35	10.05
Provision for Leave encashment (net)	2.57	7.51
Deferred Tax Liabilities		
Other Comprehensive Income	(0.29)	(0.24)
Total	101.33	107.10

2.03 Investments (Current)

(Amount ₹ in Lakh)

Particulars	Face Value per Unit (in ₹)	Qty as at		As at	
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Quoted Investments carried at amortised cost					
Treasury Bills					
with maturity more than 3 months but less than 12 months	100.00	2,10,000	-	197.74	-
Total				197.74	-
Aggregate amount of quoted investments				197.74	-
Market Value of quoted investments				205.73	-
Aggregate provision for diminution in value of Investments				-	-

The Company has invested in Central Government Securities and Treasury Bills which are sovereign in nature. Hence, Company has not provided for any Expected Credit Loss (ECL) on investments.

Notes to Financial Statements

for the year ended 31st March 2023

2.04 Trade Receivables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unsecured considered good		
Receivables from National Payments Corporation of India	509.00	412.20
Others	-	-
Total	509.00	412.20

The Company is majorly 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.

Ageing of Trade Receivables as at 31st March 2023

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled Revenue	Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade Receivables - considered good	-	-	-	-	-	-	509.00	509.00
Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	509.00	509.00

Ageing of Trade Receivables as at 31st March 2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled Revenue	Not due	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 - significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	412.20	412.20

Notes to Financial Statements

for the year ended 31st March 2023

2.05 Cash and Cash Equivalents

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with Banks		
Current account (Own Fund)	125.33	685.49
Deposits with Banks		
Original maturity less than 3 months and with current maturity less than 3 months (Non-Callable)	-	5,000.00
Original maturity less than 3 months and with current maturity less than 3 months (Callable)	1,000.00	-
Total	1,125.33	5,685.49

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.

2.06 Other Bank Balances

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Term Deposits with Banks		
Original maturity 3 month to 12 months but current maturity less than 3 months (Callable)	199.00	-
Original maturity 3 month to 12 months and current maturity 3 months to 12 months (Callable)	7,500.00	1,556.16
Total	7,699.00	1,556.16

2.07 Other Financial Assets (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advances to Employees	22.11	7.89
Interest Accrued but not due		
Term Deposits	124.13	20.86
Government Securities	5.00	0.85
Treasury Bills	8.49	-
Security Deposits	1.65	1.65
Prepaid Card	1.39	-
Term Deposits with Banks		
Original maturity more than 12 months but current maturity 3 months to 12 months (Callable)	-	1,791.00
Total	162.77	1,822.25

2.08 Current Tax Assets (net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advance Income Tax (net of Provision)	146.45	137.53
Total	146.45	137.53

Notes to Financial Statements

for the year ended 31st March 2023

2.08 Current Tax Assets (net) (Contd..)

Income Taxes

Income Tax expense in the statement of Profit and Loss comprises of the following:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Current Tax	136.00	-
Deferred Tax	5.72	4.84
Prior year Tax adjustment	4.39	-
Total	146.11	4.84

A reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2023 is as follows:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Profit before tax	545.56	22.46
Applicable Tax Rate	27.82%	26.00%
Computed expected Tax Expense	151.77	5.84
Interest income taxable as Income from other sources	(135.46)	(57.57)
Setoff of carry forward Business Loss	(16.40)	(15.92)
Deferred Tax	5.72	-
Prior year Tax adjustment	4.39	4.84
Items of Income and expenses not considered for Tax purposes	(141.74)	(68.65)
Other Disallowances - Gratuity and Leave Encashment Provisions and others	5.56	15.21
Items of Expense not deductible for Tax purposes:	5.56	15.21
1/5th Amortisation of Preliminary expenses	(5.49)	(5.13)
Items of Expense deductible for Tax purposes	(5.49)	(5.13)
Interest Income	135.46	57.57
Income from other sources	135.46	57.57
Others	0.55	-
Total	146.11	4.84
Tax Expense recognised during the year	146.11	4.84

The applicable Indian Statutory tax rate for financial year 2021-22 is 26% and 2022-23 is 27.82%.

2.09 Other Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Prepaid Expenses	0.93	0.69
Advances to Vendors	13.07	2.88
GST Input Credit	2.39	0.10
Total	16.39	3.67

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

2.10 Equity Share Capital

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Authorised Share Capital		
1,00,00,000 Equity Shares of ₹ 100 each	10,000.00	10,000.00
Issued Share Capital		
1,00,00,000 Equity Shares of ₹ 100 each	10,000.00	10,000.00

Notes to Financial Statements

for the year ended 31st March 2023

2.10 Equity Share Capital (Contd..)

(Amount ₹ in Lakh)

Particulars	As at	
	31-Mar-2023	31-Mar-2022
Subscribed and Paid up Share Capital		
Opening Balance	10,000.00	5,000.00
Addition during the year	-	5,000.00
Closing Balance		
1,00,00,000 Equity Shares of ₹ 100 each	10,000.00	10,000.00
Total	10,000.00	10,000.00

Reconciliation of shares outstanding as at the beginning and year ended 31st March 2023

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Number	Amount	Number	Amount
Equity Shares as at the beginning of the year	1,00,00,000	10,000.00	50,00,000	5,000.00
Add: Shares issued at par during the year	-	-	50,00,000	5,000.00
Shares outstanding as at the end of the year	1,00,00,000	10,000.00	1,00,00,000	10,000.00

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

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022		% of change during the year
	Number	% of total shares	Number	% of total shares	
Equity shares of ₹100 each	1,00,00,000	100%	1,00,00,000	100%	-

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2022		As at 31-Mar-2021		% of change during the year
	Number	% of total shares	Number	% of total shares	
Equity shares of ₹100 each	1,00,00,000	100%	50,00,000	100%	-

Terms/Rights attached to Equity Shares:

The Company has only one class of equity share having face value of ₹ 100 each. Each holder of equity shares is entitled to one vote per share.

In the period of five years immediately preceding 31st March 2023:

- The Company has not allotted any bonus shares.
- 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

(Amount ₹ in Lakh)

Name of the Shareholder	Equity Shares			
	As at 31-Mar-2023		As at 31-Mar-2022	
	Number	% of holding	Number	% of holding
National Payments Corporation of India	1,00,00,000	100%	1,00,00,000	100%

Notes to Financial Statements

for the year ended 31st March 2023

2.11 Other Equity

(Amount ₹ in Lakh)

Particulars	Retained Earnings	Other items of Other Comprehensive Income	Total
Balance as at 01-Apr-2022	(301.64)	0.70	(300.94)
Total Comprehensive Income for the year	399.45	0.12	399.57
Balance as at 31-Mar-2023	97.81	0.82	98.63

(Amount ₹ in Lakh)

Particulars	Retained Earnings	Other items of Other Comprehensive Income	Total
Balance as at 01-Apr-2021	(319.26)	-	(319.26)
Total Comprehensive Income for the year	17.62	0.70	18.32
Balance as at 31-Mar-2022	(301.64)	0.70	(300.94)

As per our report attached

For NGS & Co. LLP

Chartered Accountants

Registration No.: 119850W

For and on behalf of the Board of Directors

Biswamohan Mahapatra

Chairman

DIN : 06990345

Dilip Asbe

Director

DIN : 02990724

CA Ganesh Toshniwal

Partner

Membership No: 046669

Ritesh Shukla

Chief Executive Officer

Rupesh H. Acharya

Chief Financial Officer

Place : Mumbai

Date : 03-May-2023

UDIN: (23046669BGWUYD7345)

Pravin Jogani

Company Secretary

Notes to Financial Statements

for the year ended 31st March 2023

2.12 Provisions (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Gratuity (net)	18.20	33.17
Provision for Leave encashment (net)	11.13	23.96
Total	29.33	57.13

2.13 Trade Payables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Micro and Small Enterprises	-	0.81
Other than Micro and Small Enterprises	49.41	26.35
Total	49.41	27.16

Ageing of Trade Payables as at 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments				Unbilled dues	Not due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Micro and Small Enterprises	-	-	-	-	-	-	-
Other than Micro and Small Enterprises	49.41	-	-	-	-	-	49.41
Disputed dues- Micro and Small Enterprises	-	-	-	-	-	-	-
Disputed dues- Other than Micro and Small Enterprises	-	-	-	-	-	-	-
Total	49.41	-	-	-	-	-	49.41

Ageing of Trade Payables as at 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments				Unbilled dues	Not due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Micro and Small Enterprises	0.81	-	-	-	-	-	0.81
Other than Micro and Small Enterprises	26.35	-	-	-	-	-	26.35
Disputed dues- Micro and Small Enterprises	-	-	-	-	-	-	-
Disputed dues- Other than Micro and Small Enterprises	-	-	-	-	-	-	-
Total	27.16	-	-	-	-	-	27.16

2.14 Others Financial Liabilities (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Liabilities	113.78	83.48
Other Payables	2.34	2.59
Total	116.12	86.07

Statutory Liabilities consists of amount payable towards TDS, GST, Provident Fund, Profession Tax, NPS etc.

Notes to Financial Statements

for the year ended 31st March 2023

2.15 Provisions (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Expenses	191.23	169.43
Provision for Gratuity (net)	-	5.47
Provision for Leave encashment (net)	-	4.93
Total	191.23	179.83

The movement in the Provisions (including the Non-Current Provisions) is as follows:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance as at the beginning of the year	236.96	173.62
Provision during the year	153.03	187.03
Less : Provision utilised / reversed during the year	(169.43)	(123.68)
Balance as at the end of the year	220.56	236.96

Financial Instruments

Financial Instrument by Category

The carrying value and fair value of financial instruments by categories are as follows:

Financial Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Measured at Amortised Cost		
Trade Receivables	509.00	412.20
Cash and Cash Equivalents	1,125.33	5,685.49
Investments	724.45	324.85
Other Bank Balance	7,699.00	1,556.16
Other Financial Assets	162.77	1,822.25
Total	10,220.55	9,800.95

Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Measured at Amortised Cost		
Trade Payables	49.41	27.16
Other Financial Liabilities	116.12	86.07
Total	165.53	113.23

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.

(Amount ₹ in Lakh)

Investments (Level 1)	As at 31-Mar-2023	As at 31-Mar-2022
Government Securities	502.38	306.24
Treasury Bills	205.73	-
Total	708.11	306.24

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.

Notes to Financial Statements

for the year ended 31st March 2023

2.15 Provisions (Current) (Contd..)

Financial Risk Management

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. 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 5 customers:

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Revenue from Top Customer	88.10%	100%
Revenue from Top 5 Customers	100.00%	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

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Financial Assets		
Advances to Vendors	12.33	-
Financial Liabilities		
Advances from Customers	9.49	-

2.16 Revenue from Operations

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Service Fees	1,814.51	1,170.10
Sub licence Fees	245.14	-
Total	2,059.65	1,170.10

2.17 Other Income

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest Income on Deposits	444.31	199.99
Interest Income on Government Securities	26.27	20.70
Interest Income on Treasury Bills	8.49	-
Interest on Income Tax Refund	7.83	0.72
Other Miscellaneous Income	3.19	-
Total	490.09	221.41

2.18 Operating Expenses

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Royalty Fees	20.60	11.70
Testing Card	4.34	0.03
Total	24.94	11.73

Notes to Financial Statements

for the year ended 31st March 2023

2.19 Employee Benefits Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Salary & Allowances	1,272.59	950.84
Salary & Allowances (Shared Service Cost)	39.53	25.21
Contribution to Employee Benefits	58.95	45.97
Gratuity and Leave encashment	24.87	24.34
	17.59	2.09
Total	1,413.53	1,048.45

Gratuity and Leave Encashment

The Gratuity and Leave Encashment Scheme of the Company are funded with HDFC Life Insurance Company Ltd. in the form of qualifying insurance policy. The disclosure is based on Actuarial Valuation as well as details provided by HDFC Life Insurance Company Ltd.

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

Gratuity Plan

(Amount ₹ in Lakh)

Reconciliation of amounts in Balance Sheet	As at 31-Mar-2023	As at 31-Mar-2022
Opening Net Defined Benefit (Asset) / Liability	38.65	28.61
Total (Income) / Expense recognised in Profit and Loss	14.29	10.98
Actual Employer Contributions	(34.57)	-
Total Re-measurements recognised in Other Comprehensive (Income) / Expense	(0.17)	(0.94)
Closing Balance Sheet (Asset)/Liability	18.20	38.65

(Amount ₹ in Lakh)

Amounts in Balance Sheet	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (DBO)	52.77	38.65
Fair Value of Plan Assets	34.57	-
Funded Status - (Surplus) /Deficit	18.20	38.65
Net Liability/(Asset) recognised in the Balance Sheet	18.20	38.65

(Amount ₹ in Lakh)

Amount recognised in the Statement of Profit and Loss Account	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	11.94	9.33
Interest Cost	2.35	1.65
Total Expense/(Income) included in "Employee Benefit Expense"	14.29	10.98

(Amount ₹ in Lakh)

Amount recognised in Other Comprehensive Income (OCI)	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Amount recognized in OCI, Beginning of Period	(0.94)	-
Re-measurements due to :		
Effect of Change in financial assumptions [C]	(1.72)	(0.83)
Effect of experience adjustments [E]	1.55	(0.11)
Actuarial (Gains)/Losses (C + E)	(0.17)	(0.94)
Total remeasurements recognized in OCI	(0.17)	(0.94)
Amount recognized in OCI, End of Period	(1.11)	(0.94)

Notes to Financial Statements

for the year ended 31st March 2023

2.19 Employee Benefits Expenses (Contd..)

(Amount ₹ in Lakh)

Change in Present Value of Benefit Obligation during the Period	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation, Beginning of Period	38.65	28.61
Current Service Cost	11.94	9.33
Interest Cost	2.35	1.65
Actuarial (Gain)/Loss on Obligation	(0.17)	(0.94)
Defined Benefit Obligation, End of Period	52.77	38.65

(Amount ₹ in Lakh)

Change in Fair Value of Plan Assets during the Period	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actual Enterprise's Contributions	34.57	-
Fair Value of Plan Assets, End of Period	34.57	-

(Amount ₹ in Lakh)

Current / Non Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	5.48
Non Current Liability	18.20	33.17
Liability/(Asset) Recognised in the Balance Sheet	18.20	38.65

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Decrement adjusted estimated tenure of Actuarial liability (years)	6.40	6.44

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

Particulars	31-Mar-2023	31-Mar-2022	31-Mar-2021	31-Mar-2020	31-Mar-2019
DBO	52.77	38.65	28.60	-	-
Plan Assets	34.57	-	-	-	-
(Surplus) / Deficit	18.20	38.65	28.60	-	-
Exp Adj - Plan Assets Gain/(Loss)	-	-	-	-	-
Assumptions (Gain) / Loss	(1.72)	(0.83)	-	-	-
Exp Adj - Plan Liabilities (Gain) / Loss	1.55	(0.11)	-	-	-
Total Actuarial (Gain) / Loss	(0.17)	(0.94)	-	-	-

(Amount ₹ in Lakh)

Category of Assets	As at 31-Mar-2023	As at 31-Mar-2022
Other (including assets under Schemes of Ins.)	100%	-

(Amount ₹ in Lakh)

Recognition of Actuarial Gain / Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain)/Loss arising on DBO	(0.17)	(0.94)
Total (Gain)/Loss recognized during the period	(0.17)	(0.94)

Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023
Defined Benefit Obligation (Base)	52.77

Notes to Financial Statements

for the year ended 31st March 2023

2.19 Employee Benefits Expenses (Contd..)

(Amount ₹ in Lakh)

Particulars	Decrease	Increase
	FY 2022-23	
Discount rate (per annum)	54.19	51.41
Impact of increase/decrease in 50 bps on DBO	2.70%	-2.57%
Salary Growth rate (per annum)	52.02	53.63
Impact of increase/decrease in 50 bps on DBO	-1.41%	1.63%

(Amount ₹ in Lakh)

Expected Cash Flow	31-Mar-2023
Year 1	6.27
Year 2	5.54
Year 3	7.40
Year 4	7.43
Year 5	7.48
Year 6 to 10	25.58

(Amount ₹ in Lakh)

Actuarial assumptions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Return on Assets	7.15%	0.00%
Withdrawal Rate	15.00%	15.00%
Retirement Age	60 years	60 years

Leave Encashment Plan

(Amount ₹ in Lakh)

Reconciliation of Amounts in Balance Sheet	As at 31-Mar-2023	As at 31-Mar-2022
Opening Balance Sheet (Asset)/Liability	28.88	21.33
Total Expense/(Income) Recognised in Profit and Loss	9.96	7.55
Actual Employer Contributions	(27.71)	-
Closing Balance Sheet (Asset)/Liability	11.13	28.88

(Amount ₹ in Lakh)

Amounts in Balance Sheet	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (DBO)	37.69	28.88
Fair value of plan Assets	26.56	-
Funded Status - (Surplus)/Deficit	11.13	28.88
Liability/(Asset) Recognised in the Balance Sheet	11.13	28.88

(Amount ₹ in Lakh)

Amount Recognised in Statement of Profit & Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	10.00	8.00
Interest Cost	1.87	1.31
Net Actuarial (Gain) / Loss	(1.91)	(1.76)
Total Expense/(Income) included in "Employee Benefit Expense"	9.96	7.55

Notes to Financial Statements

for the year ended 31st March 2023

2.19 Employee Benefits Expenses (Contd..)

	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actual Return on Plan Assets		
Expected Return on Plan Assets	-	-
Actuarial Gains/(Losses) on Plan Assets	(0.58)	-
Actual Return on Plan Assets	(0.58)	-

	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Change in Present Value of Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	28.88	21.33
Current Service Cost	10.00	8.00
Interest Cost	1.87	1.31
Actuarial (Gain)/Loss on Obligation	(2.49)	(1.76)
Actual Benefits Paid	(0.57)	-
Defined Benefit Obligation, End of Period	37.69	28.88

	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Change in Fair Value of Plan Assets during the Period		
Actual Enterprise's Contributions	27.71	-
Actual Benefits Paid*	(0.57)	-
Actuarial Gains/(Losses)	(0.58)	-
Fair Value of Plan Assets, End of Period	26.56	-

	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Current / Non Current Benefit Obligation		
Current Liability	-	4.93
Non Current Liability	11.13	23.96
Liability/(Asset) Recognised in the Balance Sheet	11.13	28.89

	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Other Items		
Decrement adjusted estimated tenure of Actuarial liability (years)	6.40	6.25

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

	(Amount ₹ in Lakh)				
Particulars	31-Mar-2023	31-Mar-2022	31-Mar-2021	31-Mar-2020	31-Mar-2019
DBO	37.69	28.88	21.33	-	-
Plan Assets	26.56	-	-	-	-
(Surplus) / Deficit	11.13	28.88	21.33	-	-
Exp Adj - Plan Assets Gain/(Loss)	(0.58)	-	-	-	-
Assumptions (Gain) / Loss	(1.10)	(0.66)	-	-	-
Exp Adj. - Plan Liabilities (Gain) / Loss	(1.39)	(1.09)	-	-	-
Total Actuarial (Gain) / Loss	(2.49)	(1.76)	-	-	-

	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Category of Assets		
Other (including assets under Schemes of Ins.)	100%	-

Notes to Financial Statements

for the year ended 31st March 2023

2.19 Employee Benefits Expenses (Contd..)

(Amount ₹ in Lakh)

Recognition of Actuarial Gain / Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain)/Loss arising on DBO	(2.49)	(1.76)
Actuarial (Gain)/Loss arising on Plan Assets	(0.58)	-
Total (Gain)/Loss recognized during the period	(3.06)	(1.76)

Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2022
Defined Benefit Obligation (Base)	37.69

(Amount ₹ in Lakh)

Particulars	Decrease	Increase
	FY 2022-23	
Discount rate (per annum)	38.60	36.82
Impact of increase/decrease in 50 bps on DBO	2.41%	-2.30%
Salary Growth rate (per annum)	36.83	38.59
Impact of increase/decrease in 50 bps on DBO	-2.30%	2.38%

(Amount ₹ in Lakh)

Expected Cash Flow	31-Mar-2023
Year 1	6.62
Year 2	5.90
Year 3	5.26
Year 4	4.69
Year 5	4.18
Year 6 to 10	15.10

(Amount ₹ in Lakh)

Actuarial assumptions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Return on Assets	7.15%	0.00%
Withdrawal Rate	15.00%	15.00%
Retirement Age	60 years	60 years

2.20 Administrative and Other Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Shared Service Cost		
Rent	41.05	22.27
Electricity	3.89	1.97
General Office Expenses	7.57	2.66
Telephone & Communication Expenses	0.38	0.25
Administrative Charges	7.39	3.66
Rates & Taxes	0.44	1.74
Travelling and Conveyance Expenses	275.87	42.93
Training & Seminar	28.60	1.15
Sitting Fees to Directors	5.00	4.00

Notes to Financial Statements

for the year ended 31st March 2023

2.20 Administrative and Other Expenses (Contd..)

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Postage, Printing & Stationery	1.63	0.58
Internal Audit Fees	1.59	0.90
Recruitment Expenses	15.41	17.29
Preliminary Expenses	-	78.90
Professional Fees	107.38	124.69
Marketing Expenses	47.62	2.18
Membership Fees / Subscription	11.96	1.46
Foreign Exchange (gain)/loss	5.43	0.05
Auditor's Remuneration*	3.15	1.70
Tax Audit Fees	0.50	0.40
Miscellaneous Expenses	0.85	0.09
Total	565.71	308.87

*Auditor's Remuneration

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Statutory Audit Fees	2.20	1.00
Audit Fees for Limited Review	0.95	0.70
Out of Pocket Expenses	-	-
Total	3.15	1.70

2.21 Earnings per Share (EPS)

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Net Profit / (Loss) as per statement of Profit and Loss	399.45	17.62
Weighted Average Number of Equity Shares	1,00,00,000	52,19,178
EPS :		
(i) Basic EPS (Face value ₹ 100 per Equity Share)	3.99	0.34
(ii) Diluted EPS (Face value ₹ 100 per Equity Share)	3.99	0.34

2.22 Key Financial Ratios

Ratios	Formula	(Amount ₹ in Lakh)	
		31-Mar-2023	31-Mar-2022
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	27.63	32.82
Debt-Equity Ratio	Not applicable as there is no Debt in the company	N.A.	N.A.
Debt Service Coverage Ratio	Not applicable as there is no Debt in the company	N.A.	N.A.
Return on Equity Ratio	$\frac{\text{Net profit after taxes}}{\text{Average Shareholder's Equity}}$	4.04%	0.24%
Inventory Turnover Ratio	Not applicable considering the nature of business of the company	N.A.	N.A.
Trade Receivables Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Average Trade Receivables}}$	4.47	5.55
Trade Payables Turnover Ratio	$\frac{\text{Operating expenses}}{\text{Average Trade Payables}}$	0.65	0.44
Net Capital Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Working Capital}}$	0.22	0.13

Notes to Financial Statements

for the year ended 31st March 2023

2.22 Key Financial Ratios

(Amount ₹ in Lakh)

Ratios	Formula	31-Mar-2023	31-Mar-2022
Net Profit Ratio	$\frac{\text{Net Profit}}{\text{Revenue from operations}}$	19.39%	1.51%
Return on Capital Employed	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	5.40%	0.23%
Return on Investment	$\frac{\text{Net return on Investment}}{\text{Average Cost of Investment}}$	5.88%	6.92%

Ratios where there has been a significant change from 31-Mar-2022 to 31-Mar-2023

Return on Equity Ratio:

The Return on Equity ratio has increased due to the increase in net profit from ₹17.62 lakhs to ₹399.45 lakhs which is a growth of 18.11 times as against the increase in average shareholder's equity 1.37 times.

Trade Payables Turnover Ratio:

The Trade Payables Turnover Ratio has increased since the operating expenses has doubled as against the increase in average trade payables by 1.44 times.

Net Capital Turnover Ratio:

The Net Capital Turnover Ratio has increased due the increase in revenue from operations by 1.76 times as against the increase in working capital by 1.02 times.

Net Profit Ratio:

The Net Profit Ratio has increased due to increase in net profit from ₹17.62 lakhs in PY to ₹399.45 lakhs which is a growth of 18.11 times as against the increase in revenue from operations by 1.76 times.

Return on Capital Employed :

The Return on Capital Employed has increased due the increase in earnings before interest and tax by 24.28 times as against the increase in capital employed by 1.03 times.

2.23 Related Party Disclosures

Name of Related Parties	Nature of Relationship
National Payments Corporation of India	Holding Company
NPCI Bharat BillPay Limited	Fellow Subsidiary

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

Key Managerial Personnel - Directors	Title	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	17-Aug-22
Ms. Mridula Iyer	Non-independent Non-Executive	07-May-21	29-Sep-22
Mr. Rana Ashutosh Kumar Singh	Non-independent Non-Executive	12-Aug-21	-
Mr. Arif Khan	Non-independent Non-Executive	27-Jan-22	30-Jun-22
Mr. Bijith Bhaskar	Non-independent Non-Executive	23-Nov-22	-
Mr. Siddharth Rungta	Non-independent Non-Executive	23-Nov-22	-
Ms. Vishakha Mulye	Independent Non-Executive	01-Dec-22	-

Notes to Financial Statements

for the year ended 31st March 2023

2.23 Related Party Disclosures

Key Managerial Personnel of the Company	Designation	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 2023 are as below:

(Amount ₹ in Lakh)

Name of Related Party	Nature of Transaction	Year ended 31-Mar-2023	Year ended 31-Mar-2022
National Payments Corporation of India	Income		
	Service Fees	1,814.51	1,170.10
	Others	-	0.94
	Expense		
	Shared Services cost	100.97	79.40
	Royalty Expense	20.60	11.70
	Reimbursement of Employee Benefits Expenses	6.40	5.29
Total		1,942.48	1,267.43

Details of Amounts Due to or Due from Related Parties as at 31-Mar-2023

(Amount ₹ in Lakh)

Name of Related Party	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
National Payments Corporation of India	Trade Payable	38.37	22.09
	Trade Receivable	509.00	412.20

Transactions with Key Managerial Personnel

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Sitting Fees	5.00	4.00
Total	5.00	4.00

Compensation to Key Management Personnel of the Company

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Short Term Employee Benefits	223.70	190.91
Post-Employment Benefits*	-	-
Other Long Term Benefits	-	-
Total	223.70	190.91

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

2.24 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 has only one identified business segments (industry practice) namely "Payments Systems".

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 Accountant of India.

Notes to Financial Statements

for the year ended 31st March 2023

2.25 Revenue Expenditure in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Professional Fees	35.97	2.36
Membership fees and Subscription	8.99	1.46
Testing Card	4.29	-
Marketing Expenses	29.99	-
Total	79.24	3.82

Income in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Sub license fees	245.14	-
Total	245.14	-

Accounting for Foreign Currency Transactions:

Expenditure in foreign currencies are recorded in 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 / expenditure.

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	31-Mar-2023	31-Mar-2022
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 16 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 current or previous financial year.

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 Partners (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 deployment of indigenously developed payment solutions such as UPI (Unified Payment Interface) and RuPay Cards in international market, to help countries democratize payments with sovereignty. NPCI has authorized NIPL by way of Product and Service agreement 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.

Notes to Financial Statements

for the year ended 31st March 2023

2.28 Product development (Contd.)

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 Product and Service 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 income 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 Product and Service agreement.

2.29 Contingent Liabilities and commitments

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	25.00
There are no Contingent Liabilities as on the date of reporting.		

2.30 Other Statutory Compliances

- a. The Company has neither traded or nor invested in crypto currency or virtual currency during the current or previous financial year.
- b. The Company has complied with the number of layer of companies prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- c. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- d. The company is not declared as wilful defaulter by any bank or financial Institution or other lender during the current or previous financial year.
- e. Loans & Advances
 - The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), which are either repayable on demand or without specifying any terms or period of repayment during the current or previous financial year.
 - No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - No funds have been received by the company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Financial Statements

for the year ended 31st March 2023

2.30 Other Statutory Compliances

f. Declaration regarding Borrowed funds

- The company has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.
- The company has not taken any borrowings from banks on the basis of security of Current assets during the current or previous financial year.
- The company has not taken any secured borrowings during the current or previous financial year accordingly there is no requirement for charge or satisfaction of charges is to be registered with ROC.

g. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

h. There was no case of misappropriation of funds in the Company.

2.31 COVID Impact

The company is continuously monitoring the impact of COVID-19 on its financial position. Covid 19 is continuously affecting economic activities in India and abroad and, as a result, may impact the payment industry in which the Company operates. On the basis of the companies monitoring it has identified that there is not material impact of Covid 19 on its financial position.

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's figures have been regrouped, reclassified and 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

CA Ganesh Toshniwal

Partner

Membership No: 046669

Place : Mumbai

Date : 03-May-2023

UDIN: (23046669BGWUYD7345)

For and on behalf of the Board of Directors

Biswamohan Mahapatra

Chairman

DIN : 06990345

Ritesh Shukla

Chief Executive Officer

Pravin Jogani

Company Secretary

Dilip Asbe

Director

DIN : 02990724

Rupesh H. Acharya

Chief Financial Officer