

# Independent Auditor's Report

To  
The Members of National Payments Corporation of India

## Report on the Audit of the Ind AS Standalone Financial Statements

### Opinion

We have audited the accompanying Ind AS standalone financial statements of **NATIONAL PAYMENTS CORPORATION OF INDIA** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2023, the Standalone Statement of Income & Expenditure, including the statement of Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow year ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Ind AS standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Standalone state of affairs of the Company as at 31st March 2023, its Standalone surplus including other comprehensive income, Standalone changes in equity and its Standalone cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matters	Audit Procedures followed to address the Key Matters
<p><b>Litigations and Contingencies</b></p> <p><b>Reasons why the matter was determined to be a key audit matter</b></p> <p>The company is subject to income tax related claims which have been disclosed / provided for in the financial statements.</p> <p>Taxation litigation exposures have been identified as a key audit matter due to the timescales involved for resolution and the potential financial impact arising out of these on the financial statements given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures. Further significant management judgement is involved in assessing the exposure of each case and eventual obligation on the company.</p> <p>Refer note 2.19, 2.27 and 2.40 to the Ind AS Standalone financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of key tax matters, and</li> <li>• The audit team, along with our internal tax experts: <ul style="list-style-type: none"> <li>• Read and analysed select key correspondences, external legal opinions/consultations obtained by the company for tax matters</li> <li>• Evaluated and challenged the assumptions made by the company in estimating the current and deferred tax balances;</li> <li>• Assessed company's estimate of the possible outcome of the disputed cases by considering current Favourable Legal Decisions and</li> <li>• Assessed and tested the presentation and disclosures relating to taxes.</li> </ul> </li> </ul>

### Information Other than the Ind AS Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the all information included in the Annual Report, but does not include the Ind AS standalone financial statements and our auditor's report there on.

Our opinion on the Ind AS standalone 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 Ind AS standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the Standalone state of affairs, Standalone surplus / deficit (including other comprehensive income), Standalone statement of changes in equity and Standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS standalone 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 Ind AS standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 in Ind AS standalone financial statements made by Management and Board of Directors.
- 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 Ind AS standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS standalone financial statements, including the disclosures, and whether the Ind AS standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable to the Company as it is a Company licensed to operate under Section 25 of the Companies Act, 1956 (currently governed under section 8 of the Companies Act, 2013).
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Standalone Balance Sheet, the Standalone Statement of Income and Expenditure including the Statement of Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Ind AS standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Ind AS standalone financial statements with reference to these Ind AS standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 2.40 of Notes to the Standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. 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 is not applicable.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise,

that the Company shall:

- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- c) Based on such audit procedures as 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 (iv)(a) and (iv)(b) contain any material misstatement.

- v. The Company is incorporated under Section 25 of the Companies Act, 1956 (currently governed under section 8 of the Companies Act, 2013) as a Non-Profit Organisation. Accordingly as per Section 123 of the Companies Act, 2013, the Company is prohibited by their constitution from paying any dividend to its members. They apply the surplus in promoting the objects of the Company.

3. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

4. As per the requirements of section 143 (5), in our opinion and to the best of our information and according to the explanations given to us, books of accounts and other records produced before us for verification and on the basis of management representation; the said accounts, read together with the Company’s accounting policies and the Notes thereto are given below:

Sr. No	DIRECTIONS	ANSWER
1.	Whether the company has system in place to process all the accounting transactions through IT system (ERP)? 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.	<p>1) The Company has system in place to process all the accounting transactions through IT systems (ERP) except for the following: -</p> <ul style="list-style-type: none"> <li>• Recognition and measurement of Lease Liability and right of use and depreciation of right to use asset in accordance with Ind AS 116 and Recognition and measurement of Financial Assets in accordance with Ind AS 109.</li> <li>• Function of treasury management is carried through separate software (TMS) which is integrated with the IT system. The entry from the software is posted in the IT system on approval from the authorised person.</li> <li>• HR Related processing of data has been outsourced by the company to a third party. The processed data received by the company is then integrated with the main IT System.</li> <li>• Measurement of Operational Income is done through separate software which is not integrated with the IT system. Recognition of revenue in the IT system is being done through report generated from separate software.</li> </ul> <p>Though manual controls are available with respect to the aforementioned functions, they may not suffice and the said functions are required to be routed through IT system.</p>

Sr. No	DIRECTIONS	ANSWER
2.	Whether there are any restructuring of an existing loan or cases of waiver / Write off of debts / loans / Interest etc. made by lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is Government Company, then this direction is also applicable for statutory auditor of the lender company)	Not Applicable Company has not availed any loan.
3.	Whether funds (grants / subsidy) received/ receivable for specific schemes from central / state agencies were properly accounted for / utilised 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 the Company for the year 2022-23.**

Sr. No	DIRECTIONS	ANSWER
1	NBFC dealing with digital payment products and services  Whether the security controls for digital payments and services are in compliance with the directions of RBI for Digital Payment Security Controls dated 18th February, 2021?	The Company has identified the various controls to be followed as per the RBI Master Direction for Digital Payment Security Controls dated 18th February, 2021 and accordingly appointed a Cert-In empanelled Third Party Expert (M/s. TÜV SÜD South Asia) to conduct the audit and certify whether the security controls for digital payments and services are in compliance with the aforementioned directions.  We have relied on the said third party expert as engaged by the company for the Audit of Digital Payment Security Controls vide report dated 8th May, 2023 and the report issued there under stated that out of the 112 controls tested, 89 are compliant, 22 are partly compliant and one control is not applicable to the company.  Basis the above report, we confirm that the company is compliant with the control checks with certain exceptions to the RBI circular no. RBI/2020-21/74 DoS.CO.CSITE.SEC. No.1852/30015/2020-21 issued by Reserve bank of India dated 18th February, 2021.

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants  
FRN: 100990W

**Parag Jain**

Partner

Membership No: 078548

UDIN No:23078548BGUSJW8618

Place: Mumbai  
Date:11<sup>th</sup> May 2023

## Annexure A to Independent Auditors' Report

(Referred to in Paragraph 2 (f) UNDER 'REPORT ON Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls 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 with reference to Ind AS standalone financial statements of **NATIONAL PAYMENTS CORPORATION OF INDIA** ("the company") as of 31st March, 2023 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS standalone financial statements (the "Guidance Notes") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards, issued by ICAI on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both are applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS standalone financial statements 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 with reference to Ind AS standalone

financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS standalone financial statements included obtaining an understanding of internal financial controls with reference to the Ind AS standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS standalone 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 with reference to the Ind AS standalone financial statements.

### Meaning of Internal Financial Controls with reference to Ind AS standalone financial statements

6. A company's internal financial control with reference to Ind AS standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS standalone financial statements includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Ind AS standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to Ind AS standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS standalone

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

### Opinion

8. In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS standalone financial statements and such internal financial controls with reference to Ind AS standalone financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to Ind AS standalone financial statements criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS standalone financial statements issued by the Institute of Chartered Accountants of India.

**For BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
FRN: 100990W

**Parag Jain**  
Partner

Place: Mumbai  
Date: 11<sup>th</sup> May 2023

Membership No: 078548  
UDIN No: 23078548BGUSJW8618

# Standalone Balance Sheet

as at 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Particulars	Note No.	As at 31-Mar-2023	As at 31-Mar-2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a. Property, Plant and Equipment	2.01	75,467.55	25,705.47
b. Capital Work-In-Progress	2.02	12,885.44	37,219.14
c. Right of Use Assets	2.03	4,536.13	4,513.58
d. Intangible Assets	2.04	4,915.82	6,907.32
e. Intangible Assets Under Development	2.05	7,928.14	2,090.33
f. Financial Assets			
i. Investments	2.06	66,305.15	56,990.17
ii. Other Financial Assets	2.07	91,602.88	1,370.11
g. Other Non-Current Assets	2.08	397.17	186.74
<b>Total Non-Current Assets</b>		<b>2,64,038.28</b>	<b>1,34,982.86</b>
<b>Current Assets</b>			
a. Financial Assets			
i. Investments	2.09	36,392.67	29,851.80
ii. Trade Receivables	2.10	15,060.74	7,771.11
iii. Cash and Cash Equivalents	2.11	22,359.31	15,689.07
iv. Bank Balances other than (iii) above	2.12	1,36,585.02	1,91,726.86
v. Other Financial Assets	2.13	63,808.36	62,782.28
b. Other Current Assets	2.14	18,860.54	22,482.35
<b>Total Current Assets</b>		<b>2,93,066.64</b>	<b>3,30,303.47</b>
<b>TOTAL ASSETS</b>		<b>5,57,104.92</b>	<b>4,65,286.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	2.15	14,036.69	14,036.69
b. Other Equity	2.16	3,56,969.74	2,78,197.90
<b>Total Equity</b>		<b>3,71,006.43</b>	<b>2,92,234.59</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Lease Liabilities	2.17	4,097.48	4,106.05
ii. Others Financial Liabilities	2.18	1,05,384.26	91,577.19
b. Deferred Tax Liabilities (net)	2.19	3,130.00	1,533.00
c. Other Non-Current Liabilities	2.20	685.27	814.37
d. Provisions	2.21	465.00	423.83
<b>Total Non-Current Liabilities</b>		<b>1,13,762.01</b>	<b>98,454.44</b>
<b>Current Liabilities</b>			
a. Financial Liabilities			
i. Lease Liabilities	2.22	1,209.12	920.30
ii. Trade Payables Due to:	2.23		
Micro and Small Enterprises		466.86	22.26
Other than Micro and Small Enterprises		6,843.04	9,721.98
iii. Other Financial Liabilities	2.24	6,752.87	9,226.49
b. Other Current Liabilities	2.25	6,627.87	7,379.90
c. Provisions	2.26	32,085.46	22,218.89
d. Current Tax Liabilities (net)	2.27	18,351.26	25,107.48
<b>Total Current Liabilities</b>		<b>72,336.48</b>	<b>74,597.30</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,57,104.92</b>	<b>4,65,286.33</b>
Significant Accounting Policies and Notes on Accounts	1 & 2		

**As per our report attached****For Banshi Jain & Associates**Chartered Accountants  
Registration No.: 100990W**CA Parag Jain**Partner  
Membership No: 078548Place : Mumbai  
Date : 11-May-2023**For and on behalf of the Board of Directors****Biswamohan Mahapatra**Chairman  
DIN: 06990345**Dilip Asbe**Managing Director & CEO  
DIN: 02990724**Priyanka Agrawal**

Company Secretary

**Venkatraman Srinivasan**Director  
DIN: 00246012**Rupesh H. Acharya**

Chief Financial Officer



# Standalone Statement of Income and Expenditure

for the year ended 31<sup>st</sup> March, 2023

(Amount ₹ in Lakh)

Particulars	Note No.	Year ended 31-Mar-2023	Year ended 31-Mar-2022
<b>Income</b>			
Revenue from Operations	2.28	1,98,652.54	1,58,271.85
Other Income	2.29	23,873.07	22,748.03
<b>Total Income</b>		<b>2,22,525.61</b>	<b>1,81,019.88</b>
<b>Expenses</b>			
Operating Expenses	2.30	13,117.26	11,231.49
Employee Benefits Expenses	2.31	20,793.75	17,649.12
Depreciation and Amortisation Expenses	2.32	16,276.37	14,554.77
CSR Expenditure	2.33	1,320.49	947.45
Administrative and Other Expenses	2.34	60,880.24	38,076.25
<b>Total Expenses</b>		<b>1,12,388.11</b>	<b>82,459.08</b>
<b>Surplus / (Deficit) Before Tax</b>		<b>1,10,137.50</b>	<b>98,560.80</b>
<b>Tax Expense</b>	2.27		
Current Tax		27,600.00	26,700.00
Deferred Tax		1,598.45	(416.31)
Prior Year Tax Adjustment		-	(1,317.44)
<b>Total Tax Expenses</b>		<b>29,198.45</b>	<b>24,966.25</b>
<b>Surplus / (Deficit) for the period before exceptional items</b>		<b>80,939.05</b>	<b>73,594.55</b>
Exceptional items	2.36	-	<b>3,312.30</b>
<b>Surplus / (Deficit) for the period</b>		<b>80,939.05</b>	<b>76,906.85</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Income and Expenditure	2.16		
Remeasurement of defined employee benefit plans		17.66	76.41
Return on plan assets (excluding interest)		3.70	(3.08)
Income Tax relating to items that will not be reclassified to Income and Expenditure		1.45	5.69
B (i) Items that will be reclassified to Income and Expenditure		-	-
(ii) Income Tax relating to items that will be reclassified to Income and Expenditure		-	-
<b>Total Other Comprehensive Income</b>		<b>22.81</b>	<b>79.02</b>
<b>Total Comprehensive Income for the Year</b>		<b>80,961.86</b>	<b>76,985.87</b>
<b>Earnings per equity share</b>			
(i) Basic earnings per share (Rs.)	2.35	576.62	547.90
(ii) Diluted earnings per share (Rs.)		576.62	547.90

As per our report attached

**For Banshi Jain & Associates**

Chartered Accountants  
 Registration No.: 100990W

**CA Parag Jain**

Partner  
 Membership No: 078548

Place : Mumbai

Date : 11-May-2023

For and on behalf of the Board of Directors

**Biswamohan Mahapatra**

Chairman  
 DIN: 06990345

**Dilip Asbe**

Managing Director & CEO  
 DIN: 02990724

**Priyanka Agrawal**

Company Secretary

**Venkatraman Srinivasan**

Director  
 DIN: 00246012

**Rupesh H. Acharya**

Chief Financial Officer

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

## 2.15 Equity Share Capital

(Amount ₹ in Lakh)

Balance as at 01-Apr-2022	Changes in equity share capital due to prior period errors	Restated Balance as at 01-Apr 2022	Changes in equity share capital during the year	Balance as at 31-Mar-2023
14,036.69	-	14,036.69	-	14,036.69

(Amount ₹ in Lakh)

Balance as at 01-Apr-2021	Changes in equity share capital due to prior period errors	Restated Balance as at 01-Apr-2021	Changes in equity share capital during the year	Balance as at 31-Mar-2022
14,036.69	-	14,036.69	-	14,036.69

## 2.16 Other Equity

(Amount ₹ in Lakh)

Particulars	Reserves and Surplus							Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Technology Reserve	NFS SGM Reserve	Risk Cover Reserve	RuPay SGM Reserve	Sustainability Reserve	Retained Earnings		
<b>Balance as at 01-Apr-2022</b>	<b>16,048.39</b>	<b>27,500.00</b>	<b>1,000.00</b>	<b>15,647.00</b>	<b>100.00</b>	<b>30,000.00</b>	<b>1,88,088.96</b>	<b>(186.45)</b>	<b>2,78,197.90</b>
Total Comprehensive Income	-	-	-	-	-	-	80,939.05	22.81	80,961.86
Transfer to Technology Reserve	-	5,000.00	-	-	-	-	(5,000.00)	-	-
Transfer to Risk Cover Reserve	-	-	-	4,000.00	-	-	(4,000.00)	-	-
Transfer to Sustainability Reserve	-	-	-	-	-	10,000.00	(10,000.00)	-	-
Transfer to SGM - NFS Other	-	-	-	-	-	-	(347.66)	-	(347.66)
Transfer to SGM - IMPS Other	-	-	-	-	-	-	(1,123.99)	-	(1,123.99)
Transfer to SGM - AePS Other	-	-	-	-	-	-	(114.44)	-	(114.44)
Transfer to SGM - NETC Other	-	-	-	-	-	-	(7.99)	-	(7.99)
Transfer to SGM - UPI Other	-	-	-	-	-	-	(397.78)	-	(397.78)
Transfer to SGM - RuPay Other	-	-	-	-	-	-	(101.41)	-	(101.41)
Transfer to SGM - NACH Other	-	-	-	-	-	-	(96.75)	-	(96.75)
<b>Balance as at 31-Mar-2023</b>	<b>16,048.39</b>	<b>32,500.00</b>	<b>1,000.00</b>	<b>19,647.00</b>	<b>100.00</b>	<b>40,000.00</b>	<b>2,47,837.99</b>	<b>(163.64)</b>	<b>3,56,969.74</b>

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

## 2.16 Other Equity (Contd..)

(Amount ₹ in Lakh)

Particulars	Reserves and Surplus						Retained Earnings	Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Technology Reserve	NFS SGM Reserve	Risk Cover Reserve	RuPay SGM Reserve	Sustainability Reserve			
<b>Balance as at 01-Apr-2021</b>	16,048.39	22,500.00	1,000.00	11,647.00	100.00	20,000.00	1,31,008.40	(265.47)	2,02,038.32
Total Comprehensive Income	-	-	-	-	-	-	76,906.85	79.02	76,985.87
Transfer to Technology Reserve	-	5,000.00	-	-	-	-	(5,000.00)	-	-
Transfer to Risk Cover Reserve	-	-	-	4,000.00	-	-	(4,000.00)	-	-
Transfer to Sustainability Reserve	-	-	-	-	-	10,000.00	(10,000.00)	-	-
Transfer to SGM - NFS Other	-	-	-	-	-	-	(287.56)	-	(287.56)
Transfer to SGM - IMPS Other	-	-	-	-	-	-	(943.16)	-	(943.16)
Transfer to SGM - AePS Other	-	-	-	-	-	-	59.68	-	59.68
Transfer to SGM - NETC Other	-	-	-	-	-	-	(4.37)	-	(4.37)
Transfer to SGM - UPI Other	-	-	-	-	-	-	243.41	-	243.41
Transfer to SGM - RuPay Other	-	-	-	-	-	-	67.16	-	67.16
Transfer to SGM - NACH Other	-	-	-	-	-	-	38.55	-	38.55
<b>Balance as at 31-Mar-2022</b>	<b>16,048.39</b>	<b>27,500.00</b>	<b>1,000.00</b>	<b>15,647.00</b>	<b>100.00</b>	<b>30,000.00</b>	<b>1,88,088.96</b>	<b>(186.45)</b>	<b>2,78,197.90</b>

The Company has created reserves namely, RuPay SGM Reserve, NFS SGM Reserve, Sustainability Reserve, Risk Cover Reserve and Technology Reserve over period of years by way of appropriation from the Surplus after Tax as per the policy approved by the Board in this regard.

### As per our report attached

#### For Banshi Jain & Associates

Chartered Accountants  
Registration No.: 100990W

#### CA Parag Jain

Partner  
Membership No: 078548

Place : Mumbai  
Date : 11-May-2023

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

#### Biswamohan Mahapatra

Chairman  
DIN: 06990345

#### Dilip Asbe

Managing Director & CEO  
DIN: 02990724

#### Priyanka Agrawal

Company Secretary

#### Venkatraman Srinivasan

Director  
DIN: 00246012

#### Rupesh H. Acharya

Chief Financial Officer

# Standalone Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
<b>Cash flow from operating activities</b>		
Net surplus / (deficit) for the year	1,10,137.50	98,560.80
Exceptional Items	-	3,312.30
<b>Adjustment to reconcile net surplus / (deficit) to net cash by operating activities</b>		
Depreciation	16,276.37	14,554.77
PPE written off	0.08	0.41
Unrealised foreign exchange (gain) / loss (net)	14.86	10.93
Interest Income	(22,004.21)	(14,683.22)
<b>Operating surplus / (deficit) before working capital changes</b>	<b>1,04,424.60</b>	<b>1,01,755.99</b>
<b>Adjustment for:</b>		
Trade and other receivables	(5,736.17)	(14,589.30)
Trade and other payables	16,022.38	29,885.39
<b>Cash generated from / (used in) operations</b>	<b>1,14,710.81</b>	<b>1,17,052.08</b>
Adjustment for Income Tax	(32,742.04)	(26,717.97)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>81,968.77</b>	<b>90,334.11</b>
<b>Cash flow from investing activities</b>		
Expenditure on Property, plant and equipment	(45,573.69)	(36,219.62)
Redemption / (Investment) in earmarked funds	(74,616.02)	(1,254.75)
Redemption / (Investment) in own fund in Bank FD	(1,520.15)	(23,780.00)
Redemption / (Investment) with Financial Institutions	43,981.00	(42,838.47)
Redemption / (Investment) in Government Securities (quoted)	(19,710.20)	(5,162.08)
Redemption / (Investment) in T-Bills	2,354.35	45.05
Redemption / (Investment) in Government Bonds	1,500.00	-
Sale / (Investment) in subsidiaries	-	(6,500.00)
Interest Income	18,286.18	14,683.22
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>(75,298.53)</b>	<b>(1,01,026.65)</b>
<b>Cash flow from financing activities</b>		
Net asset directly associated - Discontinued operations	-	128.10
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>-</b>	<b>128.10</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>6,670.24</b>	<b>(10,564.44)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15,689.07</b>	<b>26,253.51</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>22,359.31</b>	<b>15,689.07</b>

As per our report attached

For and on behalf of the Board of Directors

**For Banshi Jain & Associates**Chartered Accountants  
Registration No.: 100990W**Biswamohan Mahapatra**Chairman  
DIN: 06990345**Venkatraman Srinivasan**Director  
DIN: 00246012**CA Parag Jain**Partner  
Membership No: 078548**Dilip Asbe**Managing Director & CEO  
DIN: 02990724**Rupesh H. Acharya**

Chief Financial Officer

Place : Mumbai

Date : 11-May-2023

**Priyanka Agrawal**

Company Secretary

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Company Overview

National Payments Corporation of India (NPCI / The Company), an umbrella organisation for operating retail payments and settlement systems in India, is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, for creating a robust Payment & Settlement Infrastructure in India. The Company has its registered office at 1001A, B Wing, 10th Floor, The Capital, Bandra - Kurla Complex, Bandra (East) Mumbai, 400051, Maharashtra, India.

Considering the utility nature of the objects of NPCI, it has been incorporated as a "Not for Profit" Company under the provisions of Section 25 of Companies Act, 1956 (now Section 8 of Companies Act, 2013), with an intention to provide infrastructure to the entire Banking system in India for physical as well as electronic payment and settlement systems. The Company is focused on bringing innovations in the retail payment systems through the use of technology for achieving greater efficiency in operations and widening the reach of payment systems.

The 10 promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank Limited, HDFC Bank Limited, Citibank N. A. and HSBC. In 2016 the shareholding was broad-based to 56 member banks to include more banks representing all sectors. In 2020, new entities regulated by RBI were inducted, consisting of Payment Service Operators, Payment banks, Small Finance banks, etc. The shares were allotted pursuant to issuance of equity shares on private placement basis in compliance to the applicable provisions of the Companies Act, 2013. There are 65 shareholders comprising of 11 Public Sector banks, 18 Private banks, 5 Foreign banks, 10 Co-operative banks and 6 Regional Rural banks, 4 Small Finance banks, 1 Payments bank, and 10 Payment System Operators holding shares in the Company.

The Company's initiatives in the Retail Payment System are in the form of providing National Financial Switch (NFS), Cheque Truncation System (CTS), Immediate Payment Service (IMPS), Card Scheme (RuPay), National Automated Clearing House (NACH), Aadhaar Enabled Payment System (AePS), Unified Payments Interface (UPI), National Electronic Toll Collection (NeTC), Bharat Interface for Money (BHIM), Aadhaar Payment Bridge System (APBS), National Common Mobility Card (NCMC), etc. The above initiatives will contribute towards achieving Less-cash society. The Company through its product and services is continuously participating in the Financial Inclusion programme and Direct Benefit Transfer (DBT) initiatives. The Company has arrangement with International Card schemes such as Discover Financial Services, JCB, China Union Pay International and Mercury to provide the Global acceptance. The Company has set up Innovation Council comprising of industry leaders from payment industry for activities related to innovation in payment systems.

The Company has also conducted various workshops at various locations and imparted trainings by connecting with large footprint institutions to undertake cascade style trainings. The key objective of NPCI's training is to increase use of digital means of transactions as step towards promoting Digital India Initiative thus supporting Less-cash society. The Company has been organizing digital financial literacy trainings for the customers of various organisations.

The training activities comprises meaning of Less-cash society and reasons to go cash-lite, and primarily focuses on NPCI's products such as RuPay, Aadhaar enabled Payment System (AePS), Bharat Interface for Money (BHIM), Unified Payments Interface (UPI). The products are explained to the users with the help of video clips and live practical demonstration to use these products. Also, the activation program aims to enable customer to download BHIM UPI onto their phones thus carry out a transaction from their phones. These trainings are conducted in the vernacular/local language depending upon the location and type of language including Hindi, Gujarati, Kannada, Tamil, etc. The Company has conducted training outreach campaigns at various places with the state governments to promote digital financial literacy.

The Company has two wholly owned subsidiaries "NPCI International Payments Limited (NIPL)" and "NPCI Bharat BillPay Limited (NBBL)" which were incorporated on April 03, 2020 and December 10, 2020 respectively.

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.

The Bharat Bill Payment System (BBPS) is an authorized payment system operated by NBBL. BBPS ecosystem offers integrated, accessible and interoperable bill payment services to consumers across geographies with certainty, reliability and safety of transactions to customers through a network of channels, enabling multiple payment modes, and providing instant confirmation of receipt of payment.

## 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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

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

The financial statements include the Balance Sheet, the Statement of Income and Expenditure, 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 flow

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.

### 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.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 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 expenditures 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.

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 Tangible Assets	Estimated useful life (In years)
1	Network Equipment / Central Switching	6
2	Office Equipment #	5
3	Computers and Printers	3
4	Furniture and Fittings	10
5	Vehicles	8
6	Leasehold Improvements*	-
7	Buildings (Other than factory Building)	60
8	Plant machinery and equipment	8 – 15
9	Electrical Installations	10
10	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 Income and Expenditure.

## 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.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

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

Sr. No.	Nature of Assets Tangible Assets	Estimated useful life (In years)
1	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 16, 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.

## 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.

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Company has intention to complete the intangible asset and use or sell it.
- The Company has ability to use or sell the intangible asset.
- The manner in which the probable future economic benefits will be generated including 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.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Company has 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. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management expects that the sale will be completed within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations,



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of Income & Expenditure.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## 1.10. 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.

## 1.11. Share Capital

### Ordinary Shares

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

## 1.12. Provisions

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

## 1.13. 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 Flow. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

### 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 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, T-Bills, and Government of India Bonds, which are sovereign in nature. Hence, impairment is not required.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 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.

## 1.14. 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 Ind AS 115 – Revenue from Contracts with Customers.

### 1.14.1. Income from Operations

The Company derives revenue primarily from operating Retail Payment Systems in India. The Company operates various retail payment systems for member banks through its services like NFS, CTS, IMPS, RuPay Card, NACH, AePS, UPI, NeTC, BHIM, ABPS, NCMC etc. Revenue from such products and services is accounted for all transactions during the reporting period.

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

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

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

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

### 1.14.2. Other Income

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

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

## 1.15. Employee Benefits

### 1.15.1. Short term Employee Benefits

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

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.

### 1.15.2. 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.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 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 income & expenditure.

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 of the group and not the date of transfer to the Company. Further, in case of such inter-company transfer, the transferee company cross

charges to the transferor company the amount of Gratuity / Leave Encashment payable to the employee as on the date of transfer to transferor company. In case, the employee leaves before the eligible period of payment of gratuity, the above cross charge will be reversed.

## 1.16. Income Tax

The Company has been incorporated as a 'Not for Profit Company' under section 25 of the Companies Act, 1956 (now section 8 of Companies Act, 2013), and granted registration under section 12AB of the Income Tax Act, 1961. The Company is prohibited by its objects to carry out any activity on commercial basis and it operates on a non-commercial basis and thereby claims to be eligible for tax exemption. On a conservative basis the Management has decided to provide for Current tax including deferred tax; if any.

Tax expense (tax income) is the aggregate amount included in the determination of surplus or deficit 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 recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be 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 Income and Expenditure, either in other comprehensive income or in equity, if any is recorded along with the tax as applicable.

## 1.17. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding at the end of the reporting period. Diluted

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

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.

## 1.18. 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.

## 1.19. 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 recognised 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.

## 1.20. 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.

## 1.21. 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 income and expenditure in the period in which they arise.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2. NOTES TO ACCOUNTS

### 2.01 Property, Plant and Equipment

Following are the changes in the carrying value of the Property, Plant and Equipment for the year ended 31st March 2023

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2022
Land	3,995.04	-	-	3,995.04	-	-	-	-	3,995.04	3,995.04
Building	4,022.39	15,843.11	-	19,865.50	474.43	211.20	-	685.63	19,179.87	3,547.96
Computers	3,045.82	755.55	11.75	3,789.62	1,838.03	652.05	11.27	2,478.81	1,310.81	1,207.79
Network Equipment	13,253.36	4,587.70	44.22	17,796.84	7,816.28	2,298.57	44.22	10,070.63	7,726.21	5,437.08
Switching Equipment / Central Processors	27,188.26	18,821.50	-	46,009.76	16,786.09	5,491.49	-	22,277.58	23,732.18	10,402.17
Furniture and Fixture	546.60	171.69	-	718.29	208.60	64.08	-	272.68	445.61	338.00
Electrical Installation	208.83	14,617.15	-	14,825.98	81.49	811.80	-	893.29	13,932.69	127.34
Office Equipment	638.73	339.80	-	978.53	447.50	104.66	-	552.16	426.37	191.23
Leasehold improvement	569.42	17.79	-	587.21	110.54	103.03	-	213.57	373.64	458.88
Plant and Machinery	-	4,509.10	-	4,509.10	-	163.97	-	163.97	4,345.13	-
<b>As at 31-Mar-2023</b>	<b>53,468.45</b>	<b>59,663.39</b>	<b>55.97</b>	<b>1,13,075.87</b>	<b>27,762.96</b>	<b>9,900.85</b>	<b>55.49</b>	<b>37,608.32</b>	<b>75,467.55</b>	<b>25,705.47</b>

Following are the changes in the carrying value of the Property, Plant and Equipment for the year ended 31st March 2022

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 31-Mar-2022	As at 31-Mar-2022
Land	3,995.04	-	-	3,995.04	-	-	-	-	3,995.04	3,995.04
Building	4,022.39	-	-	4,022.39	406.70	67.73	-	474.43	3,547.96	3,615.69
Computers	2,037.39	1,068.71	60.28	3,045.82	1,521.15	376.80	59.94	1,838.01	1,207.81	516.24
Network Equipment	11,850.11	1,585.25	182.00	13,253.36	6,062.92	1,935.34	182.00	7,816.26	5,437.10	5,787.19
Switching Equipment / Central Processors	26,195.00	1,423.60	430.36	27,188.24	13,200.16	4,016.26	430.35	16,786.07	10,402.17	12,994.84
Furniture and Fixture	497.29	49.60	0.29	546.60	154.43	54.39	0.22	208.60	338.00	342.86
Electrical Installation	155.49	53.34	-	208.83	45.05	36.45	-	81.50	127.33	110.44
Office Equipment	541.27	99.67	2.22	638.72	377.07	72.68	2.23	447.52	191.20	164.20
Leasehold improvement	293.38	276.03	-	569.41	20.34	90.21	-	110.55	458.86	273.04
<b>As at 31-Mar-2022</b>	<b>49,587.36</b>	<b>4,556.20</b>	<b>675.15</b>	<b>53,468.41</b>	<b>21,787.82</b>	<b>6,649.86</b>	<b>674.74</b>	<b>27,762.94</b>	<b>25,705.47</b>	<b>27,799.54</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2. NOTES TO ACCOUNTS (Contd..)

Notes:

- There has been no revaluation of Property, Plant and Equipment during the current and previous year.
- The title deed of all the Immovable properties are held in the name of the company.
- The management has carried out physical verification of Property, Plant and Equipment through an independent third party consultant. The consultant has vide their report dated 4th February 2023 reported that certain assets are not traceable / unavailable at their respective locations. The management is in the process of verification of the aforesaid assets and has identified and dealt with majority of the assets as at the date of signing of the financials. Exercise to identify the balance of untraced assets amounting to Rs.151.39 Lakh is in process.

### 2.02 Capital Work-In-Progress

#### Capital Work in Progress ( CWIP ) as on 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
Projects in progress	12,527.67	290.31	67.46	-	12,885.44
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>12,527.67</b>	<b>290.31</b>	<b>67.46</b>	<b>-</b>	<b>12,885.44</b>

#### Details of Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compared to Original Plan as on 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
	To be completed in				
Projects in progress					
Smart Data Centre - Project*	645.44	85.79	-	-	731.23
<b>Total</b>	<b>645.44</b>	<b>85.79</b>	<b>-</b>	<b>-</b>	<b>731.23</b>

\*The project has been over due as original project date given was January'2022.

#### Capital Work in Progress ( CWIP ) as on 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
Projects in progress	30,675.68	6,234.12	294.12	15.22	37,219.14
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>30,675.68</b>	<b>6,234.12</b>	<b>294.12</b>	<b>15.22</b>	<b>37,219.14</b>

#### Details of Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compared to Original Plan as on 31-Mar-2022.

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
	To be completed in				
Projects in progress					
Smart Data Centre - Project*	36,611.21	-	-	-	36,611.21
<b>Total</b>	<b>36,611.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,611.21</b>

\*The project has been over due as original project date given was January'2022.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.03 Right of Use Assets

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2022
Right of Use Assets	9,256.11	1,540.13		10,796.24	4,742.53	1,517.58		6,260.11	4,536.13	4,513.58
<b>As at 31-Mar-2023</b>	<b>9,256.11</b>	<b>1,540.13</b>	<b>-</b>	<b>10,796.24</b>	<b>4,742.53</b>	<b>1,517.58</b>	<b>-</b>	<b>6,260.11</b>	<b>4,536.13</b>	<b>4,513.58</b>

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 31-Mar-2022	As at 31-Mar-2022
Right of Use Assets	6,834.37	2,421.74	-	9,256.11	3,192.82	1,549.71	-	4,742.53	4,513.58	3,641.55
<b>As at 31-Mar-2022</b>	<b>6,834.37</b>	<b>2,421.74</b>	<b>-</b>	<b>9,256.11</b>	<b>3,192.82</b>	<b>1,549.71</b>	<b>-</b>	<b>4,742.53</b>	<b>4,513.58</b>	<b>3,641.55</b>

## 2.04 Intangible assets

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March 2023

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED Amortisation				NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2022
Computer Software	38,324.12	2,866.63	-	41,190.75	31,416.78	4,858.15	-	36,274.93	4,915.82	6,907.34

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March 2022

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED Amortisation				NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 31-Mar-2022	As at 31-Mar-2022
Computer Software	34,153.22	4,842.81	671.90	38,324.13	25,726.56	6,361.98	671.74	31,416.80	6,907.32	8,426.65

\*There has been no revaluation of Intangible Assets during the current and previous year.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.05 Intangible Assets Under Development (IAUD) as on 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress	6,476.32	1,356.99	31.31	63.52	7,928.14
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6,476.32</b>	<b>1,356.99</b>	<b>31.31</b>	<b>63.52</b>	<b>7,928.14</b>

### Intangible Assets Under Development whose completion is overdue or has exceeded its cost compared to Original Plan as on 31st March 2023

(Amount ₹ in Lakh)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
<b>Projects in progress</b>					
Smart Data Centre - Project*	-	63.52	-	-	63.52
Project - Project Innovation*	-	378.61	-	-	378.61
<b>Total</b>	<b>-</b>	<b>442.13</b>	<b>-</b>	<b>-</b>	<b>442.13</b>

\*The project has been over due as original project date for :

- Smart Data Centre was January'2022.

- Project Innovation was March'2022.

## Intangible Assets Under Development (IAUD) as on 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress	1,880.72	129.54	63.52	-	2,073.78
Projects temporarily suspended	16.55	-	-	-	16.55
<b>Total</b>	<b>1,897.27</b>	<b>129.54</b>	<b>63.52</b>	<b>-</b>	<b>2,090.33</b>

### Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to Original Plan as on 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
<b>Projects in progress</b>					
Smart Data Centre - Project*	65.42	-	-	-	65.42
Project - Project Innovation*	378.61	-	-	-	378.61
Project - Tokenization*	14.19	-	-	-	14.19
<b>Total</b>	<b>458.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>458.22</b>

\*The project has been over due as original project date for :

- Smart Data Centre was January'2022.

- Project Innovation was March'2022.

- Tokenisation was May'2021.



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.06 Investments (Non-Current)

(Amount ₹ in Lakh)

Particulars	Face Value per unit (In ₹)	Qty as at		As at	As at
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
<b>Quoted Investment carried at amortised cost</b>					
<b>I. Investment in Government Securities with Maturity more than 12 months</b>					
G-Sec 7.68% 2023	100.00	-	12,00,000	-	1,198.04
G-Sec 7.35% 2024	100.00	4,00,000	4,00,000	398.29	396.45
G-Sec 8.40% 2024	100.00	4,00,000	4,00,000	401.91	403.34
G-Sec 7.72% 2025	100.00	4,00,000	4,00,000	400.27	400.37
G-Sec 8.15% 2026	100.00	6,00,000	6,00,000	604.59	605.63
G-Sec 8.60% 2028	100.00	4,00,000	4,00,000	410.16	411.89
G-Sec 7.88% 2030	100.00	8,00,000	8,00,000	797.60	797.27
G-Sec 7.95% 2032	100.00	8,00,000	8,00,000	805.46	805.85
G-Sec 8.24% 2033	100.00	14,00,000	14,00,000	1,441.24	1,443.76
G-Sec 7.59% 2029	100.00	8,00,000	8,00,000	796.43	795.79
G-Sec 7.61% 2030	100.00	4,00,000	4,00,000	398.80	398.67
G-Sec 7.37% 2023	100.00	-	6,00,000	-	596.13
G-Sec 7.17% 2028	100.00	2,00,000	2,00,000	193.20	191.39
G-Sec 7.59% 2026	100.00	4,00,000	4,00,000	398.35	397.63
G-Sec 7.26% 2029	100.00	12,00,000	12,00,000	1,206.99	1,203.63
G-Sec 7.32% 2024	100.00	-	12,00,000	-	1,207.80
G-Sec 8.24% 2027	100.00	6,00,000	6,00,000	612.86	615.72
G-Sec 7.27% 2026	100.00	20,00,000	20,00,000	2,027.47	2,037.06
G-Sec 7.57% 2033	100.00	20,00,000	20,00,000	2,095.15	2,102.57
G-Sec 6.45% 2029	100.00	10,00,000	10,00,000	997.90	997.54
G-Sec 6.18% 2024	100.00	4,00,000	4,00,000	402.47	403.95
G-Sec 5.79% 2030	100.00	6,00,000	6,00,000	599.33	599.22
G-Sec 6.19% 2034	100.00	33,00,000	33,00,000	3,273.06	3,271.41
G-Sec 5.77% 2030	100.00	14,00,000	14,00,000	1,384.05	1,382.05
G-Sec 5.85% 2030	100.00	12,00,000	12,00,000	1,186.38	1,185.08
G-Sec 6.22% 2035	100.00	30,00,000	30,00,000	2,962.20	2,960.83
G-Sec 5.63% 2026	100.00	11,00,000	11,00,000	1,099.24	1,099.01
G-Sec 6.64% 2035	100.00	6,00,000	6,00,000	600.09	600.13
G-Sec 4.26% 2023	100.00	-	6,00,000	-	598.81
G-Sec 4.56% 2023	100.00	-	12,00,000	-	1,195.50
G-Sec 5.74% 2026	100.00	23,00,000	17,00,000	2,270.59	1,687.65
G-Sec 6.69% 2024	100.00	19,00,000	-	1,898.31	-
G-Sec 6.54% 2032	100.00	2,00,000	-	188.52	-
G-Sec 7.38% 2027	100.00	19,50,000	-	1,962.89	-
G-Sec 7.10% 2029	100.00	68,00,000	-	6,711.54	-
G-Sec 7.26% 2032	100.00	28,00,000	-	2,797.74	-
G-Sec 6.89% 2025	100.00	20,00,000	-	1,992.43	-
G-Sec 7.26% 2033	100.00	30,00,000	-	2,989.64	-
<b>Sub Total (A)</b>				<b>46,305.15</b>	<b>31,990.17</b>
<b>Unquoted Investments carried at amortised cost</b>					
Govt of India 8% Savings Bond	100.00	-	50,00,000	-	5,000.00
<b>Sub Total (B)</b>				<b>-</b>	<b>5,000.00</b>
<b>TOTAL (I) (A+B)</b>				<b>46,305.15</b>	<b>36,990.17</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.06 Investments (Non-Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	Face Value per unit (In ₹)	Qty as at		As at	As at
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
<b>II. Investment in Equity</b>					
<b>Unquoted - Investment in subsidiaries at cost</b>					
NPCI International Payments Limited	100.00	1,00,00,000	1,00,00,000	10,000.00	10,000.00
NPCI Bharat BillPay Limited	100.00	1,00,00,000	1,00,00,000	10,000.00	10,000.00
<b>TOTAL (II)</b>				<b>20,000.00</b>	<b>20,000.00</b>
<b>Total (I+II)</b>				<b>66,305.15</b>	<b>56,990.17</b>
Aggregate amount of quoted investments				46,305.15	31,990.17
Market Value of quoted investments				45,540.07	32,011.83
Aggregate amount of unquoted investments				20,000.00	25,000.00
Aggregate amount of impairment in value of investments				-	-

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

During the FY 2021-2022, the company had invested into the share capital of its subsidiaries i.e. NPCI International Payments Limited (NIPL) and NPCI Bharat BillPay Limited (NBBL) through Rights offer at par in proportion to the shares held by the company. The company had subscribed to 50,00,000 equity shares of NPCI International Payments Limited of the face value of Rs. 100/- each at par in proportion to the shares held by the company. This is as per the rights offer by NIPL to NPCI, the holding company. With this the total equity investment in the said subsidiary is Rs. 10,000 Lakh. The company had subscribed to 15,00,000 equity shares of NPCI Bharat BillPay Limited of the face value of Rs. 100/- each at par in proportion to the shares held by the company. This is as per the rights offer by NBBL to NPCI, the holding company. With this the total equity investment in the said subsidiary is Rs. 10,000 Lakh.

## 2.07 Other Financial Assets (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Security Deposits*	733.16	613.59
Unamortised Advance Rental	115.20	119.87
Settlement Guarantee Fund (with International Alliances)	113.51	101.65
<b>Sub Total (A)</b>	<b>961.87</b>	<b>835.11</b>
<b>Earmarked Deposits</b>		
<b>Term Deposits with Banks</b>		
<b>Original maturity more than 12 months and with current maturity more than 12 months (Callable)</b>		
- Technical Reserve	27,250.00	199.00
- Risk Reserve	1,000.00	-
- Sustainability Reserve	2,500.00	-
- SGM IMPS	8,000.00	-
- SGM AePS	1,650.00	-
- SGM NETC	205.00	38.00
- SGM UPI	3,315.00	-
- SGM RuPay	3,400.00	-
- SGM NACH	2,970.00	199.00
<b>Sub Total (B)</b>	<b>50,290.00</b>	<b>436.00</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.07 Other Financial Assets (Non-Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Deposits with Banks</b>		
Original maturity more than 12 months and with current maturity more than 12 months (Callable)	40,351.01	99.00
<b>Sub Total ( C )</b>	<b>40,351.01</b>	<b>99.00</b>
<b>Total (A + B + C)</b>	<b>91,602.88</b>	<b>1,370.11</b>

\*Security deposits includes deposits given for leased office premises and utilities like electricity supplies, hospitals for employee benefits, etc.

## 2.08 Other Non-Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Capital Advance	22.98	3.94
Prepaid Expenses*	374.19	182.80
<b>Total</b>	<b>397.17</b>	<b>186.74</b>

\*The prepaid expenses consist of un-expired portion of RuPay Card holder's and other insurance premium, annual maintenance expenses, subscription, etc.

## 2.09 Investments (Current)

(Amount ₹ in Lakh)

Particulars	Face Value per unit (In ₹)	Qty as at		As at 31-Mar-2023	As at 31-Mar-2022
		31-Mar-2023	31-Mar-2022		
<b>Quoted Investments carried at amortised cost</b>					
<b>Investments in Government Securities with maturity less than 12 months</b>					
G-Sec 4.26% 2023	100	6,00,000	-	599.87	-
G-Sec 4.56% 2023	100	18,00,000	-	1,792.64	-
G-Sec 7.37% 2023	100	6,00,000	-	599.89	-
G-Sec 7.32% 2024	100	12,00,000	-	1,203.50	-
G-Sec 7.68% 2023	100	12,00,000	-	1,199.32	-
<b>Sub Total (A)</b>				<b>5,395.22</b>	-
<b>Treasury Bill</b>					
with maturity less than 3 months	100	1,40,00,000	-	13,306.10	-
with maturity more than 3 months but less than 12 months	100	1,35,00,000	2,95,00,000	12,691.35	28,351.80
<b>Sub Total (B)</b>				<b>25,997.45</b>	<b>28,351.80</b>
<b>Unquoted Investments carried at amortised cost</b>					
Government of India 8% Savings Bond	100	50,00,000	15,00,000	5,000.00	1,500.00
<b>Sub Total (C)</b>				<b>5,000.00</b>	<b>1,500.00</b>
<b>Total (A+B+C)</b>				<b>36,392.67</b>	<b>29,851.80</b>
Aggregate amount of quoted investments				31,392.67	28,351.80
Market Value of quoted investments				32,375.83	28,587.65
Aggregate amount of unquoted investments				5,000.00	1,500.00
Aggregate provision for diminution in value of Investments				-	-

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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.10 Trade Receivables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Unsecured considered good</b>		
Receivables for Settlement Fees	13,669.94	6,669.47
Receivables for Network / IIN recoveries	45.43	270.81
Receivables for Certification / Others	1,188.63	97.23
Receivables for RuPay (others)	188.88	733.60
Less : Allowance for Credit Losses	(32.14)	-
<b>Total</b>	<b>15,060.74</b>	<b>7,771.11</b>

The Company has exposure to regulated entities, hence the credit risk is limited. All trade receivables are reviewed and assessed for default on a monthly basis and the risk is mitigated by timely monitoring of receivables. Based on historical experience of collecting receivables, supported by the level of default, the credit risk is low. Accordingly, our provision for expected credit loss (ECL) on trade receivable is not material.

### Ageing of Trade Receivables as at 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	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	13,268.29	297.45	450.32	507.26	32.14	534.73	2.69	15,092.88
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	-	-	-	-	-	-	-	-
Less: Allowance for Credit Losses	-	-	-	-	(32.14)	-	-	(32.14)
<b>Total</b>	<b>13,268.29</b>	<b>297.45</b>	<b>450.32</b>	<b>507.26</b>	<b>-</b>	<b>534.73</b>	<b>2.69</b>	<b>15,060.74</b>

### Ageing of Trade Receivables as at 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	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	6,435.77	422.42	421.10	113.02	-	376.11	2.69	7,771.11
Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.10 Trade Receivables (Contd..)

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	Not due	Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years			
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,435.77</b>	<b>422.42</b>	<b>421.10</b>	<b>113.02</b>	<b>-</b>	<b>376.11</b>	<b>2.69</b>	<b>7,771.11</b>

## 2.11 Cash and Cash Equivalents

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balances with Banks</b>		
Balance in Current account with Reserve Bank of India	1.10	1.10
Current account (Own Fund)	4,513.63	2,331.89
Current account (Flexi Facility with Bank )	-	20.00
Current account (International Settlements)	4,389.58	6,281.08
<b>Deposits with Banks</b>		
Original maturity less than 3 months and with current maturity less than 3 months (Callable)	13,455.00	7,055.00
<b>Total</b>	<b>22,359.31</b>	<b>15,689.07</b>

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

## 2.12 Other Bank Balances

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Earmarked Funds</b>		
<b>Balances with Banks</b>		
Current account (SGM Contribution)	640.88	1,659.86
<b>Term deposits with banks</b>		
<b>Original maturity less than 3 months and current maturity less than 3 months (Callable)</b>		
- SGM IMPS	2,100.00	-
- SGM AePS	100.00	-
- SGM UPI	200.00	-
- SGM RuPay	60.00	-
- SGM NACH	245.00	-
<b>Original maturity 3 months to 12 months and current maturity less than 3 months (Non-Callable)</b>		
- Technical Reserve	-	5,500.00
- Risk Reserve	-	2,000.00

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.12 Other Bank Balances (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Original maturity 3 months to 12 months and current maturity less than 3 months (Callable)</b>		
- Technical Reserve	-	4,378.00
- Risk Reserve	-	4,975.00
- SGM NFS	-	2,598.00
- SGM IMPS	2,378.00	25,450.00
- SGM AePS	985.00	-
- SGM UPI	8,870.00	-
<b>Original maturity 3 months to 12 months and current maturity 3 months to 12 months (Callable)</b>		
- Technical Reserve	5,250.00	13,491.00
- NFS SGM Reserve	1,000.00	513.00
- Risk Reserve	11,147.00	3,989.00
- RuPay SGM Reserve	100.00	84.00
- Sustainability Reserve	31,500.00	22,152.00
- SGM NFS	8,400.00	8,097.00
- SGM IMPS	12,499.00	15,294.00
- SGM AePS	3,000.00	3,385.00
- SGM NETC	-	125.00
- SGM UPI	3,000.00	18,205.00
- SGM RuPay	900.00	5,457.00
- SGM NACH	2,000.00	2,022.00
<b>Sub Total (A)</b>	<b>94,374.88</b>	<b>1,39,374.86</b>
<b>Deposits with Banks</b>		
Original maturity 3 months to 12 months but current maturity less than 3 months (Callable)	11,199.00	16,716.00
Original maturity 3 months to 12 months but current maturity more than 3 months to 12 months (Callable)	31,011.14	35,636.00
<b>Sub Total (B)</b>	<b>42,210.14</b>	<b>52,352.00</b>
<b>Total (A+B)</b>	<b>1,36,585.02</b>	<b>1,91,726.86</b>

## 2.13 Other Financial Assets (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advances to Employees	133.63	104.14
Unamortised Advance Rental	46.12	37.50
Deposit with insurance companies	10.33	10.33
Settlement Guarantee Fund (with International Alliances)	20.55	16.56
Security deposit*	248.11	173.16
Interest Receivable on Income Tax Refund	3,038.52	1,424.41
<b>Interest Accrued but not due</b>		
- Other than SGM contribution deposits	2,520.57	1,552.36
- Government Securities	941.04	562.19
- SGM NFS Contributions	9.28	16.31
- SGM IMPS Contributions	392.03	67.32
- SGM AePS Contributions	11.73	-
- SGM NETC Contributions	2.31	-

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.13 Other Financial Assets (Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
- SGM UPI Contributions	395.69	-
- SGM RuPay Contributions	3.64	-
- SGM NACH Contributions	25.81	-
<b>Earmarked Funds</b>		
<b>Term deposits with banks</b>		
<b>Original maturity more than 12 months and current maturity less than 3 months (Callable)</b>		
- Technical Reserve	-	1,194.00
- Sustainability Reserve	-	4,776.00
- SGM NFS	300.00	199.00
- SGM AePS	-	170.00
- SGM NETC	38.00	19.00
- SGM RuPay	285.00	-
- SGM NACH	199.00	-
<b>Original maturity more than 12 months and current maturity more than 3 months to 12 months (Callable)</b>		
- Technical Reserve	-	2,738.00
- NFS SGM Reserve	-	487.00
- Risk Reserve	7,500.00	4,683.00
- RuPay SGM Reserve	-	16.00
- Sustainability Reserve	6,000.00	3,072.00
- SGM NFS	800.00	597.00
- SGM IMPS	12,300.00	1,990.00
- SGM AePS	1,578.00	32.00
- SGM NETC	120.00	56.00
- SGM UPI	15,400.00	-
- SGM RuPay	700.00	-
- SGM NACH	590.00	-
<b>Term Deposits with Banks</b>		
Original maturity more than 12 months but current maturity less than 3 months (Callable)	199.00	11,343.00
Original maturity more than 12 months but current maturity more than 3 months to 12 months (Callable)	10,000.00	27,446.00
<b>Total</b>	<b>63,808.36</b>	<b>62,782.28</b>

\*Security deposits includes deposits given for leased office premises and utilities like electricity supplies, hospitals for employee benefits, etc.

The company maintains exposure in cash and cash equivalents, term deposits with banks, investments in marketable debt instruments including government securities. The company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter-party based on credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the company's Treasury team. The investment of the Company is in high grade investment categories reducing the credit risk exposure to near minimal.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.14 Other Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Prepaid Expenses*	1,221.76	3,270.16
GST Input/Cenvat Credit	13,057.82	9,714.65
Advances to Vendors	4,580.96	9,497.54
<b>Total</b>	<b>18,860.54</b>	<b>22,482.35</b>

\*The prepaid expenses consist of un-expired portion of RuPay Card holder's and other insurance premium, annual maintenance expenses, subscription, etc.

## EQUITY AND LIABILITIES

### 2.15 Equity Share Capital

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Authorised Share Capital</b>		
3,00,00,000 Equity Shares of Rs. 100 each (PY 3,00,00,000 Equity Share of Rs.100 each)	30,000.00	30,000.00
<b>Issued Share Capital</b>		
1,45,26,600 Equity Shares of Rs. 100 each (PY 1,45,26,600 Equity Share of Rs.100 each)	14,526.60	14,526.60
<b>Subscribed and Paid up Share Capital</b>		
1,40,36,692 Equity Shares of Rs.100 each fully paid up (PY 1,40,36,692 Equity share of Rs.100 each)	14,036.69	14,036.69
<b>Total</b>	<b>14,036.69</b>	<b>14,036.69</b>

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

(Amount ₹ in Lakh)

Particulars	Equity Shares			
	As at 31-Mar-2023		As at 31-Mar-2022	
	Number	Amount	Number	Amount
Shares outstanding as at the beginning of the year	1,40,36,692	14,036.69	1,40,36,692	14,036.69
Addition during the year	-	-	-	-
Shares outstanding as at the end of the year	1,40,36,692	14,036.69	1,40,36,692	14,036.69

### Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of Rs.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.



# Notes to Standalone Financial Statements

 for the year ended 31<sup>st</sup> March 2023

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

Particulars	Equity Shares			
	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares held	% of holding	No. of shares held	% of holding
State Bank of India	10,00,000	7.12%	10,00,000	7.12%
Union Bank of India	12,84,000	9.15%	12,84,000	9.15%
Bank of India	10,00,000	7.12%	10,00,000	7.12%
Bank of Baroda	12,84,000	9.15%	12,84,000	9.15%
Punjab National Bank	12,84,000	9.15%	12,84,000	9.15%
Canara Bank	11,42,000	8.14%	11,42,000	8.14%
ICICI Bank Limited	10,00,000	7.12%	10,00,000	7.12%
HDFC Bank Limited	10,00,000	7.12%	10,00,000	7.12%
HSBC Limited	10,00,000	7.12%	10,00,000	7.12%
Citibank N.A	10,00,000	7.12%	10,00,000	7.12%

## Details of shareholding of promoters as at 31-Mar-2023

Particulars	Equity Shares				% of change during the year
	As at 31-Mar-2023		As at 31-Mar-2022		
	No. of shares held	% of holding	No. of shares held	% of holding	
State Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Union Bank of India	12,84,000	9.15%	12,84,000	9.15%	-
Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Bank of Baroda	12,84,000	9.15%	12,84,000	9.15%	-
Punjab National Bank	12,84,000	9.15%	12,84,000	9.15%	-
Canara Bank	11,42,000	8.14%	11,42,000	8.14%	-
ICICI Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HDFC Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HSBC Limited	10,00,000	7.12%	10,00,000	7.12%	-
Citibank N.A	10,00,000	7.12%	10,00,000	7.12%	-

## Details of shareholding of promoters as at 31-Mar-2022

Particulars	Equity Shares				% of change during the year
	As at 31-Mar-2022		As at 31-Mar-2021		
	No. of shares held	% of holding	No. of shares held	% of holding	
State Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Union Bank of India	12,84,000	9.15%	12,84,000	9.15%	-
Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Bank of Baroda	12,84,000	9.15%	12,84,000	9.15%	-
Punjab National Bank	12,84,000	9.15%	12,84,000	9.15%	-
Canara Bank	11,42,000	8.14%	11,42,000	8.14%	-
ICICI Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HDFC Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HSBC Limited	10,00,000	7.12%	10,00,000	7.12%	-
Citibank N.A	10,00,000	7.12%	10,00,000	7.12%	-

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.17 Lease Liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liabilities	4,097.48	4,106.05
<b>Total</b>	<b>4,097.48</b>	<b>4,106.05</b>

## 2.18 Other financial liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
SGM - NFS Contribution	8,124.71	11,171.26
SGM - IMPS Contribution	37,218.24	35,829.83
SGM - AePS Contribution	7,312.79	6,424.09
SGM - NETC Contribution	359.40	340.38
SGM - UPI Contribution	30,781.93	19,506.39
SGM - RuPay Contribution	5,335.50	5,778.20
SGM - NACH Contribution	5,915.32	2,564.77
Deposit- Collateral AePS / NETC / UPI	439.61	439.61
Deposit - Collateral RuPay International alliances	4,149.73	5,965.65
SGM - NFS (Other)*	2,418.96	2,071.30
SGM - IMPS (Other)*	3,014.13	1,890.14
SGM - AePS (Other)*	54.76	(59.68)
SGM - NETC (Other)*	12.36	4.37
SGM - UPI (Other)*	154.37	(243.41)
SGM - RuPay (Other)*	34.25	(67.16)
SGM - NACH (Other)*	58.20	(38.55)
<b>Total</b>	<b>1,05,384.26</b>	<b>91,577.19</b>

\*Pertains to the net income on SGM - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution.

## SGM - NFS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NFS Contribution balance at the beginning</b>	<b>11,171.26</b>	<b>13,974.52</b>
Add : Contribution received during the year	6,035.68	5,948.84
Less : Contribution refunded during the year	(9,082.23)	(8,752.10)
<b>SGM - NFS Contribution balance at the end</b>	<b>8,124.71</b>	<b>11,171.26</b>
<b>SGM - NFS (Other) balance at the beginning</b>	<b>2,071.30</b>	<b>1,783.75</b>
Interest received on SGM- NFS investments	605.35	504.43
Less: LOC charges	(137.45)	(114.17)
Less: Salary expense	(3.31)	(3.61)
Less: Income Tax	(116.93)	(99.10)
<b>SGM - NFS (Other) balance at the end</b>	<b>2,418.96</b>	<b>2,071.30</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines proposed by the Company. In line with the guidelines, the Company has collected from banks availing NFS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is ₹ 8,124.71 Lakh. The SGM Contribution is placed as earmarked fixed deposits.

The amount in SGM - NFS (Other) is the net income on SGM NFS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## SGM – IMPS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - IMPS Contribution balance at the beginning</b>	<b>35,829.83</b>	<b>42,817.16</b>
Add : Contribution received during the year	23,861.43	18,903.49
Less : Contribution refunded during the year	(22,473.02)	(25,890.82)
<b>SGM - IMPS Contribution balance at the end</b>	<b>37,218.24</b>	<b>35,829.83</b>
<b>SGM - IMPS (Other) balance at the beginning</b>	<b>1,890.14</b>	<b>946.98</b>
Interest received on SGM- IMPS investments	2,178.19	1,717.88
Less: LOC charges	(660.26)	(435.88)
Less: Salary expense	(15.92)	(13.80)
Less: Income Tax	(378.03)	(325.04)
<b>SGM - IMPS (Other) balance at the end</b>	<b>3,014.13</b>	<b>1,890.14</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for IMPS proposed by the Company. In line with the guidelines, the Company has collected from banks availing IMPS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is ₹ 37,218.24 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - IMPS (Other) is the net income on SGM IMPS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM – AePS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - AePS Contribution balance at the beginning</b>	<b>6,424.09</b>	<b>453.00</b>
Add : Contribution received during the year	2,180.51	6,372.25
Less : Contribution refunded during the year	(1,291.80)	(401.16)
<b>SGM - AePS Contribution balance at the end</b>	<b>7,312.80</b>	<b>6,424.09</b>
<b>SGM - AePS (Other) balance at the beginning</b>	<b>(59.68)</b>	<b>-</b>
Interest received on SGM- AePS investments	331.53	56.10
Less: LOC charges	(174.39)	(132.17)
Less: Salary expense	(4.21)	(4.18)
Less: Income Tax	(38.49)	20.57
<b>SGM - AePS (Other) balance at the end</b>	<b>54.76</b>	<b>(59.68)</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for AePS proposed by the Company. In line with the guidelines, the Company has collected from banks availing AePS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.7,312.79 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - AePS (Other) is the net income on SGM AePS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM – NETC

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NETC Contribution balance at the beginning</b>	<b>340.38</b>	<b>99.00</b>
Add : Contribution received during the year	124.48	288.38
Less : Contribution refunded during the year	(105.46)	(47.00)
<b>SGM - NETC Contribution balance at the end</b>	<b>359.40</b>	<b>340.38</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.18 Other financial liabilities (Non-Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NETC (other) balance at the end</b>	<b>4.37</b>	-
Interest received on SGM- NETC investments	17.10	8.48
Less: LOC charges	(6.27)	(2.52)
Less: Salary expense	(0.15)	(0.08)
Less: Income Tax	(2.69)	(1.51)
<b>SGM - NETC (other) balance at the end</b>	<b>12.36</b>	<b>4.37</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for NETC proposed by the Company. In line with the guidelines, the Company has collected from banks availing NETC services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.359.40 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - NETC (Other) is the net income on SGM NETC - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

### SGM - UPI

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - UPI Contribution balance at the beginning</b>	<b>19,506.39</b>	<b>500.00</b>
Add : Contribution received during the year	13,611.86	19,384.45
Less : Contribution refunded during the year	(2,336.32)	(378.06)
<b>SGM - UPI Contribution balance at the end</b>	<b>30,781.93</b>	<b>19,506.39</b>
<b>SGM - UPI (other) balance at the beginning</b>	<b>(243.41)</b>	-
Interest received on SGM- UPI investments	1,379.74	214.29
Less: LOC charges	(828.20)	(524.97)
Less: Salary expense	(19.97)	(16.62)
Less: Income Tax	(133.79)	83.89
<b>SGM - UPI (other) balance at the end</b>	<b>154.37</b>	<b>(243.41)</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for UPI proposed by the Company. In line with the guidelines, the Company has collected from banks availing UPI services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.30,781.93 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - UPI (Other) is the net income on SGM UPI - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

### SGM - RuPay

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - RuPay Contribution balance at the beginning</b>	<b>5,778.20</b>	-
Add : Contribution received during the year	2,334.24	6,736.62
Less : Contribution refunded during the year	(2,776.94)	(958.42)
<b>SGM - RuPay Contribution balance at the end</b>	<b>5,335.50</b>	<b>5,778.20</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.18 Other financial liabilities (Non-Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - RuPay (other) balance at the beginning</b>	<b>(67.16)</b>	-
Interest received on SGM- RuPay investments	271.10	61.75
Less: LOC charges	(132.39)	(147.40)
Less: Salary expense	(3.19)	(4.66)
Less: Income Tax	(34.11)	23.15
<b>SGM - RuPay (other) balance at the end</b>	<b>34.25</b>	<b>(67.16)</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for RuPay proposed by the Company. In line with the guidelines, the Company has collected from banks availing RuPay services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.5,335.50 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - RuPay (Other) is the net income on SGM RuPay - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM - NACH

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NACH Contribution balance at the beginning</b>	<b>2,564.77</b>	-
Add : Contribution received during the year	6,943.12	<b>2,574.77</b>
Less : Contribution refunded during the year	(3,592.57)	(10.00)
<b>SGM - NACH Contribution balance at the end</b>	<b>5,915.32</b>	<b>2,564.77</b>
<b>SGM - NACH (other) balance at the beginning</b>	<b>(38.55)</b>	-
Interest received on SGM- NACH investments	222.00	10.48
Less: LOC charges	(90.53)	(60.40)
Less: Salary expense	(2.18)	(1.91)
Less: Income Tax	(32.54)	13.28
<b>SGM - NACH (other) balance at the end</b>	<b>58.20</b>	<b>(38.55)</b>

RBI vide letter CO.DPSS.OVRST.No.S57/06-07-012/2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for NACH proposed by the Company. In line with the guidelines, the Company has collected from banks availing NACH services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.5,915.32 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - NACH (Other) is the net income on SGM NACH - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## 2.19 Deferred Tax Liabilities (net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	3,549.94	1,823.12
Right of Use Assets	1,141.76	1,136.47

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.19 Deferred Tax Liabilities (net) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Deferred Tax Assets</b>		
Lease Liabilities	(1,335.69)	(1,265.58)
Provision for Gratuity	(69.64)	(72.28)
Provision for Leave Encashment	(98.64)	(79.02)
Investment in Government Securities and Treasury Bills	(54.89)	(5.45)
Share Issue Expenses	(2.84)	(4.26)
<b>Total</b>	<b>3,130.00</b>	<b>1,533.00</b>

## 2.20 Other Non-Current Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Service Charges (Network) received in advance	685.27	814.37
<b>Total</b>	<b>685.27</b>	<b>814.37</b>

## 2.21 Provisions (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Gratuity (net)	142.96	173.01
Provision for Leave Encashment (net)	322.04	250.82
<b>Total</b>	<b>465.00</b>	<b>423.83</b>

## 2.22 Lease Liabilities (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liabilities	1,209.12	920.30
<b>Total</b>	<b>1,209.12</b>	<b>920.30</b>

## 2.23 Trade Payables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Micro and Small Enterprises	466.86	22.26
Other than Micro and Small Enterprises	6,843.04	9,721.98
<b>Total</b>	<b>7,309.90</b>	<b>9,744.24</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Ageing of Trade Payables as at 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Unbilled	Not Due	Total
Micro and Small Enterprises	466.86	-	-	-	466.86	-	-	466.86
Other than Micro and Small Enterprises	4,038.74	-	2,295.30	-	6,334.04	-	509.00	6,843.04
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-	-
Disputed dues - Other than Micro and Small Enterprises	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,505.60</b>	<b>-</b>	<b>2,295.30</b>	<b>-</b>	<b>6,800.90</b>	<b>-</b>	<b>509.00</b>	<b>7,309.90</b>

## Ageing of Trade Payables as at 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Unbilled	Not Due	Total
Micro and Small Enterprises	22.26	-	-	-	22.26	-	-	22.26
Other than Micro and Small Enterprises	7,059.79	2,195.99	-	-	9,255.78	-	466.20	9,721.98
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-	-
Disputed dues - Other than Micro and Small Enterprises	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,082.05</b>	<b>2,195.99</b>	<b>-</b>	<b>-</b>	<b>9,278.04</b>	<b>-</b>	<b>466.20</b>	<b>9,744.24</b>

## 2.24 Other Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Payable for Ministry of Rural Development (MORD)	0.76	5.01
Security Deposits	1.57	1.58
Earnest Money Deposits	325.99	310.41
Capital Creditors	297.92	5,155.64
Other Payables	6,126.63	3,753.85
<b>Total</b>	<b>6,752.87</b>	<b>9,226.49</b>

## 2.25 Others Current Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Liabilities*	5,671.50	6,657.52
Advance for Centralised Promotion of IMPS (Net)**	-	0.40
Advance from Customers	585.82	518.68
Service Charges (Network) received in advance	370.55	203.30
<b>Total</b>	<b>6,627.87</b>	<b>7,379.90</b>

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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

\*\*The Company had received advance amount from banks for Centralised Promotion of IMPS. The balance amount is as follows:

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Opening balance	0.40	7.90
Less : Expenses towards Centralised Promotion of IMPS	(0.40)	(7.50)
<b>Total</b>	<b>-</b>	<b>0.40</b>

## 2.26 Provisions (Current)

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Expenses	32,085.46	22,218.89
<b>Total</b>	<b>32,085.46</b>	<b>22,218.89</b>

The movement in the provision for expenses 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	22,642.72	27,187.52
Provision during the year	30,586.17	19,834.62
Less : Provision utilised / reversed during the year	(20,678.43)	(24,379.42)
<b>Balance as at the end of the Year</b>	<b>32,550.46</b>	<b>22,642.72</b>

## 2.27 Current Tax Liabilities (Net)

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Tax - (Net of Advance Income Tax and TDS)	18,351.26	25,107.48
<b>Total</b>	<b>18,351.26</b>	<b>25,107.48</b>

Advance Income Tax and TDS as at 31-Mar-2023 of Rs.1,20,589.39 Lakh and as at 31-Mar-2022 of Rs.86,233.19 Lakh

### Income Taxes

Income Tax expense in the statement of Income and Expenditure comprises of the following:

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Current Tax	27,600.00	26,700.00
Deferred Tax	1,598.45	(416.31)
Prior Year Tax Adjustment	-	(1,317.44)
<b>Total</b>	<b>29,198.45</b>	<b>24,966.25</b>



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

A Reconciliation of tax expense and the accounting surplus multiplied by India's domestic tax rate for the year ended 31<sup>st</sup> March, 2023 is as follows:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Surplus before tax (including exceptional items)	1,10,137.50	1,01,760.43
Applicable Tax Rate	25.17%	25.17%
<b>Computed expected Tax Expense</b>	<b>27,721.61</b>	<b>25,611.06</b>
Interest Income on Security Deposits(FV)	(11.51)	(8.26)
Increase in Interest on G Sec-EIR	(8.76)	(3.82)
Interest income taxable as Income from other source	(5,538.02)	(4,053.97)
Prior Year Tax adjustment	-	(1,317.44)
Deferred Taxes	1,598.45	(416.31)
<b>Items of Income and Expenses not considered for Tax purposes</b>	<b>(3,959.84)</b>	<b>(5,799.80)</b>
Provision for Straight Lining of Leases reversed	107.51	104.98
Rental Expenses (Security Deposits)	12.32	21.98
CSR Expenses	332.34	257.50
Other Disallowances - Gratuity and Leave Encashment Provisions and others	578.86	-
<b>Items of Expense not deductible for Tax purposes</b>	<b>1,031.03</b>	<b>384.46</b>
Excess Depreciation as per Income Tax	(1,181.18)	794.52
1/5th Amortisation of Share Issue Expenses	(1.42)	(1.42)
Others	-	(77.00)
<b>Items of Expense deductible for Tax purposes</b>	<b>(1,182.60)</b>	<b>716.10</b>
Interest Income	5,538.02	4,053.97
Others	50.23	0.45
<b>Income from other sources</b>	<b>5,588.25</b>	<b>4,054.42</b>
<b>Total</b>	<b>29,198.45</b>	<b>24,966.25</b>
<b>Tax Expense recognised during the year</b>	<b>29,198.45</b>	<b>24,966.25</b>

The applicable Indian statutory tax rate for financial year 2022-23 & 2021-22 is 25.17%

## 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
<b>Measured at Amortised Cost</b>		
Trade Receivables	15,060.74	7,771.11
Cash and Cash Equivalents	22,359.31	15,689.07
Bank balances other than Cash and Cash Equivalents	1,36,585.02	1,91,726.86
Investments	1,02,697.82	86,841.97
Other Financial Assets	1,55,411.24	64,152.39
<b>Total</b>	<b>4,32,114.13</b>	<b>3,66,181.40</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Measured at Amortised Cost</b>		
Trade Payables	7,309.90	9,744.24
Lease Liabilities	5,306.60	5,026.35
Other Financial Liabilities	1,12,137.13	1,00,803.68
<b>Total</b>	<b>1,24,753.63</b>	<b>1,15,574.27</b>

## 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	77,915.90	60,599.48
<b>Total</b>	<b>77,915.90</b>	<b>60,599.48</b>

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

## Financial Risk Management

### Financial Risk Factors

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

### Liquidity Risk

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

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

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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Credit Risk

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

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Revenue from Top Customer	15%	17%
Revenue from Top 5 Customers	43%	44%

The Company provides certain mandated services like Cheque Truncation System (CTS) and National Automated Clearing House (NACH) and accordingly is sole provider of such kind of services. The clients mentioned above are likely to depend on these services till these are solely handled by the company.

## Credit Risk Exposure

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

## Market risk

Under the current changing dynamics of the market, there is always a business or market risk for the Company. As company venture towards a more cashless society, services like UPI, NeTC, AePS, etc., will be the major revenue generators. More innovation and R&D for new products, will be made so as to maintain its competitiveness. Value addition on the existing products will be carried out so as to maintain its leadership in the market. As per our existing risk management framework, NPCI evaluates its Strategic, Compliance, Financial, Operational risks so as to maintain its effectiveness in delivery.

## Foreign Currency Risk Exposures

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Financial Assets</b>		
Trade Receivables	122.88	615.76
Other Financial Assets	134.06	118.21

## 2.28 Revenue from Operations

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Income from Payment services	1,91,409.84	1,52,012.46
Certification income	1,463.50	1,011.00
Network income	2,224.17	1,730.74
Other operating income*	3,555.03	3,537.65
Grants and Donations	-	-
<b>Total</b>	<b>1,98,652.54</b>	<b>1,58,271.85</b>

\*includes Compliance Fees, Membership Fees, Income from international Alliances, Hologram Charges, Card Fees etc.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.29 Other Income

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest Income on deposits	9,695.09	9,177.93
Interest Income on Govt Securities and Bonds	3,017.31	2,496.95
Income from Treasury Bills	2,672.68	434.93
<b>Interest Income on earmarked fund</b>		
- SGM NFS	605.35	504.44
- SGM IMPS	2,178.19	1,717.88
- SGM AePS	331.53	56.10
- SGM NETC	17.11	8.47
- SGM UPI	1,379.74	214.29
- SGM RuPay	271.10	61.75
- SGM NACH	222.00	10.48
Interest on Income Tax Refund	1,614.11	1,424.41
Liabilities no longer required - written back	1,143.04	6,378.38
Liquidated damages	2.66	2.14
Miscellaneous Income	723.16	259.88
<b>Total</b>	<b>23,873.07</b>	<b>22,748.03</b>

## 2.30 Operating Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Annual Maintenance Charges - Network & IT Equipment	6,489.72	6,507.15
Network Expenses	3,632.06	3,114.14
Testing and Certification Charges	707.10	546.11
Data Centre Rentals	518.72	167.23
Data Centre Power and Fuel	1,441.27	785.93
Other Operating Expenses	328.39	110.93
<b>Total</b>	<b>13,117.26</b>	<b>11,231.49</b>

## 2.31 Employee Benefits Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Salary and Allowances	17,005.70	14,499.12
Contribution to Employee Benefits	923.91	778.59
Gratuity and Leave Encashment	323.51	280.89
Outsourcing Cost	1,449.81	1,085.12
Staff Welfare	1,090.82	1,005.40
<b>Total</b>	<b>20,793.75</b>	<b>17,649.12</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Gratuity and Leave Encashment

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

The summarized position of post-employment benefits is recognised in the Income and expenditure 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 Balance Sheet (Asset) / Liability	287.06	329.26
Total Expense / (Income) Recognised in Income & Expenditure	227.26	250.60
Actual Employer Contributions	(216.31)	(219.47)
Total Remeasurements Recognised in Other Comprehensive (Income) / Loss	(21.36)	(73.33)
<b>Closing Balance Sheet (Asset) / Liability</b>	<b>276.65</b>	<b>287.06</b>

(Amount ₹ in Lakh)

Amounts in Balance Sheet	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (DBO)*	1,160.21	1,064.39
Fair Value of Plan Assets	883.55	777.32
Funded Status - (Surplus) / Deficit	276.66	287.07
<b>Liability / (Asset) recognised in the Balance Sheet</b>	<b>276.66</b>	<b>287.07</b>

(Amount ₹ in Lakh)

Amount recognised in the Statement of Income and Expenditure Account	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	213.59	234.38
Interest Cost	64.58	61.42
Expected Return on Plan Asset	(50.91)	(45.20)
<b>Total Expense / (Income) charged to Income and Expenditure Account</b>	<b>227.26</b>	<b>250.60</b>

(Amount ₹ in Lakh)

Amount recognised in other comprehensive income	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Amount recognised in OCI at the beginning of year	251.07	324.39
Re-measurements due to :		
Effect of Change in Financial Assumption	(34.95)	(22.18)
Effect of Change in Demographic Assumption	-	-

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.31 Employee Benefits Expenses (Contd..)

(Amount ₹ in Lakh)

Amount recognised in other comprehensive income	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Effect of Experience Adjustments	17.29	(54.23)
<b>Actuarial (Gain) / Losses</b>	<b>(17.66)</b>	<b>(76.41)</b>
Return on Plan Assets (excluding interest)	3.70	(3.08)
<b>Total Re-measurements recognised in OCI</b>	<b>(21.36)</b>	<b>(73.33)</b>
<b>Amount recognised in OCI at the end of the year</b>	<b>229.71</b>	<b>251.06</b>

(Amount ₹ in Lakh)

Actual Return on Plan Assets	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest Income Plan Asset	50.91	45.20
Actuarial Gains / (Losses) on Plan Assets	3.70	(3.08)
Actual Return on Plan Assets	54.61	42.12

(Amount ₹ in Lakh)

Change in Present Value of Obligation during the Year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation (DBO) at the beginning of the year	1,064.39	1,064.15
Current Service Cost	213.59	234.38
Interest Cost	64.58	61.42
Actuarial (Gain) / Loss on Obligation	(17.66)	(76.41)
Actual Benefits Paid	(164.70)	(219.15)
<b>Present Value of Obligation at the end of the year</b>	<b>1,160.20</b>	<b>1,064.39</b>

(Amount ₹ in Lakh)

Change in Fair Value of Plan Assets during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Fair Value of Plan Assets at the beginning of the year	777.32	734.89
Interest Income Plan Asset	50.92	45.20
Actual Enterprise's Contributions	216.31	219.47
Actual Benefits Paid	(164.70)	(219.15)
Actuarial Gain / (Loss) on Plan Assets	3.70	(3.08)
<b>Fair value of Plan Assets at the end of the year</b>	<b>883.55</b>	<b>777.33</b>

(Amount ₹ in Lakh)

Current / Non-Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	-
Non-Current Liability	276.66	287.07
<b>Liability / (Asset) Recognised in the Balance Sheet</b>	<b>276.66</b>	<b>287.07</b>

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Expected Contributions for the next financial year	191.51	-
Decrement adjusted estimated tenure of Actuarial liability (years)	6.47	6.41

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

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

(Amount ₹ in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	1,160.21	1,064.39	1,064.15	783.37	579.86
Plan Assets	883.55	777.32	734.89	604.67	443.97
(Surplus) / Deficit	276.66	287.07	329.26	178.70	135.89
Exp Adj. - Plan Liabilities (Gain) / Loss	3.70	(3.08)	3.47	0.32	(0.95)
Assumptions (Gain) / Loss	(34.95)	(22.18)	101.79	37.87	8.53
Exp Adj. - Plan Liabilities (Gain) / Loss	17.29	(54.23)	49.92	31.79	56.17
Total Actuarial (Gain) / Loss	(17.66)	(76.41)	151.72	69.66	64.69

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

(Amount ₹ in Lakh)

Recognition of Actuarial Gain / Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain) / Loss arising on DBO	(17.66)	(76.41)
Actuarial (Gain) / Loss arising on Plan Assets	(3.70)	3.08
<b>Total (Gain) / Loss recognised during the period</b>	<b>(21.36)</b>	<b>(73.33)</b>

## Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (Base)	1,160.21	1,064.39

(Amount ₹ in Lakh)

Particulars	31-Mar-2023		31-Mar-2022	
	Decrease	Increase	Decrease	Increase
Discount rate (per annum)	1,189.19	1,132.59	1,092.26	1,037.87
Impact of increase/decrease in 50 bps on DBO	2.50%	2.38%	2.62%	(2.49%)
Salary Growth rate (per annum)	1,142.87	1,177.64	1,046.10	1,082.21
Impact of increase/decrease in 50 bps on DBO	(1.49%)	1.50%	(1.72%)	1.67%

## Expected Cash Flow

(Amount ₹ in Lakh)

Particulars	31-Mar-2023	31-Mar-2022
Year 1	191.50	156.94
Year 2	156.27	148.18
Year 3	161.52	141.25
Year 4	147.31	136.52
Year 5	151.01	125.99
Year 6 to 10	496.79	452.05

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

Particulars	31-Mar-2023	31-Mar-2022
<b>Actuarial assumptions</b>		
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Return on Assets	7.15%	6.55%
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	313.82	300.09
Total Expense / (Income) Recognised in Income & Expenditure	81.15	30.29
Actual Employer Contributions	(3.07)	(16.55)
<b>Closing Balance Sheet (Asset)/Liability</b>	<b>391.90</b>	<b>313.83</b>

(Amount ₹ in Lakh)

Amounts in Balance Sheet	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation (DBO)	704.14	682.97
Fair value of Plan Assets	312.24	369.15
Funded Status - (Surplus) / Deficit	391.90	313.82
<b>Net Liability/(Asset) Recognised in the Balance Sheet</b>	<b>391.90</b>	<b>313.82</b>

(Amount ₹ in Lakh)

Amount Recognised in the Statement of Income and Expenditure Account	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	145.96	199.13
Interest Cost	42.03	42.99
Expected Return on Plan Asset	(21.58)	(29.53)
Net Actuarial Losses/(Gains)	(85.27)	(182.30)
<b>Total Expense/(Income) charged to Income and Expenditure Account</b>	<b>81.14</b>	<b>30.29</b>

(Amount ₹ in Lakh)

Actual Return on Plan Assets	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Expected Return on Plan Assets	21.58	29.53
Actuarial Gains/(Losses) on Plan Assets	0.82	5.47
Actual Return on Plan Assets	22.40	35.00



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Change in Present Value of Obligation during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation at the beginning of year	682.97	780.23
Current Service Cost	145.96	199.13
Interest Cost	42.04	42.99
Actuarial (Gain) / Loss on Obligation	(84.45)	(176.83)
Actual Benefits Paid	(82.38)	(162.54)
<b>Defined Benefit Obligation at the end of the year</b>	<b>704.14</b>	<b>682.98</b>

(Amount ₹ in Lakh)

Change in Fair value of Plan Assets during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Fair Value of Plan Assets at the beginning of the year	369.15	480.14
Expected Return on Plan Assets	21.58	29.53
Actual Enterprise's Contributions	3.07	16.55
Actual Benefits Paid	(82.38)	(162.54)
Actuarial Gain / (Loss) on Plan Assets	0.82	5.47
<b>Fair Value of Plan Assets at the end of the year</b>	<b>312.24</b>	<b>369.15</b>

(Amount ₹ in Lakh)

Current / Non-Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	-
Non-current Liability	391.90	313.82
<b>Liability / (Asset) Recognised in the Balance Sheet</b>	<b>391.90</b>	<b>313.82</b>

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Expected Contributions for the next financial year	-	-
Decrement adjusted estimated tenure of Actuarial Liability (years)	6.47	6.41

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

(Amount ₹ in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	704.14	682.97	780.23	652.17	577.07
Plan Assets	312.24	369.15	480.14	202.77	69.27
(Surplus)/Deficit	391.90	313.82	300.09	449.40	507.80
Exp Adj. - Plan Liabilities (Gain) / Loss	0.82	5.47	65.70	13.37	(2.16)
Assumptions (Gain) / Loss	(20.90)	(15.09)	89.72	30.88	7.97
Exp Adj. - Plan Liabilities (Gain) / Loss	(63.54)	(161.74)	(15.94)	60.09	368.73
Total Actuarial (Gain) / Loss	(84.45)	(176.83)	73.78	90.97	376.70

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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Recognition of Actuarial Gain / Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain) / Loss arising on DBO	(84.45)	(176.83)
Actuarial (Gain) / Loss arising on Plan Assets	0.82	5.47
Total (Gain) / Loss recognised during the period	(83.63)	(171.36)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (Base)	704.14	682.97

## Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	31-Mar-2023		31-Mar-2022	
	Decrease	Increase	Decrease	Increase
Discount rate (per annum)	721.47	687.63	703.93	665.90
Impact of increase / decrease in 50 bps on DBO	2.46%	(2.35%)	3.07%	(2.50%)
Salary Growth rate (per annum)	687.68	721.25	666.05	700.61
Impact of increase / decrease in 50 bps on DBO	(2.34%)	2.43%	(2.48%)	2.58%

(Amount ₹ in Lakh)

Particulars	31-Mar-2023	31-Mar-2022
Year 1	123.35	115.28
Year 2	109.17	97.22
Year 3	103.90	88.51
Year 4	89.98	81.89
Year 5	88.15	71.46
Year 6 to 10	286.57	275.77

Particulars	31-Mar-2023	31-Mar-2022
<b>Actuarial Assumptions</b>		
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Rate of Return on Assets	7.15%	6.55%
Withdrawal Rate	15.00%	15.00%
Retirement Age	60 years	60 years

## 2.32 Depreciation and Amortisation expenses

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Depreciation on Property Plant and Equipment	9,900.64	6,649.84
Amortisation of Intangible assets	4,858.15	6,361.98
Depreciation on Right of Use assets	1,517.58	1,542.95
<b>Total</b>	<b>16,276.37</b>	<b>14,554.77</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.33 CSR Expenditure

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
CSR expenditure	1,320.49	947.45
<b>Total</b>	<b>1,320.49</b>	<b>947.45</b>

The Company contributes 2% of the Net surplus after tax to Corporate Social Responsibility (CSR) activities as per provisions of the Companies Act, 2013. The amount spent on CSR activities are based on the approvals received from the CSR Committee.

(Amount ₹ in Lakh)

Particulars	Amount paid	Amount yet to be paid	Total
i) Construction / Acquisition of any asset	-	-	-
ii) On Purpose Other than (i) above	1,320.49	172.51	1,493.00

(Amount ₹ in Lakh)

Amount Spent during the year :	Year ended 31-Mar-2023	Year ended 31-Mar-2022
i) Amount required to be spent by the company during the year	1,493.00	1,051.00
ii) Amount of expenditure incurred	1,320.49	947.45
iii) Shortfall at the end of the year	172.51	103.55
iv) Total of previous years shortfall/ (excess)	103.55	-
v) Reason for shortfall	*	
vi) Nature of CSR activities	1. Education and Livelihood 2. Environmental Sustainability 3. Humanitarian Assistance	1. Education and Livelihood 2. Environmental Sustainability 3. Humanitarian Assistance
vii) Details of Related Party Transactions	NA	NA
viii) Details related to Movement of Provision	-	-

\*1. Delay in implementation of work plan as submitted by NGO partners is one of the main reason for shortfall. Delay happens due to various external and internal factors and being long term project sometimes, it's favourable to delay the planned activity and build the required environment in community first for sustainability of the project.

2. The unspent amount has been transferred to Unspent CSR account as per the MCA FAQ guidelines.

## 2.34 Administrative and Other Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Rent, Rates and Taxes	328.04	459.36
Travelling and Conveyance Expenses	778.15	532.39
Computer Consumables	159.57	65.61
Power and Fuel	274.38	189.76
Telephone and Communication Expenses	114.90	109.80
General Office Expenses	799.75	484.15
Sitting Fees to Directors	56.50	72.00
Insurance*	510.99	317.01
Repair and Maintenance Charges	151.22	82.33
Internal Audit Fees	68.50	42.99
Postage, Printing and Stationery	72.77	64.56

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.34 Administrative and Other Expenses (Contd..)

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Professional Fees	6,015.13	2,452.13
Legal Fees	65.18	47.54
Marketing Expenses	43,989.68	25,685.62
UPI Media Campaign Expenses	-	1,905.84
Contribution to Payment Infrastructure Development Fund-RBI	2,284.97	2,158.59
Paper to Follow - CTS Charges	408.29	250.74
Training and Seminar	1,645.35	666.68
Membership and Subscription Fees	96.65	244.16
Line of Credit and Other SGM Expenses	1,958.66	1,417.49
Recruitment Expenses	382.52	188.69
Foreign Exchange (gain) / loss	14.86	10.93
(Gain) / Loss on sale or disposal of assets	0.08	0.41
Payment to the Statutory Auditors**	11.96	8.11
Tax Audit fees	1.50	1.50
Interest Charge (Ind AS Lease)	427.15	417.10
Allowance for Credit Losses	32.14	(54.91)
Interest on MSME	29.61	3.10
Miscellaneous Expenses	201.74	252.57
<b>Total</b>	<b>60,880.24</b>	<b>38,076.25</b>

\*Insurance – RuPay card consists of premium paid for providing accidental insurance coverage for RuPay card holders.

\*\*Payment to the Statutory Auditors

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Statutory Audit Fees	8.00	5.75
Audit Fees for Limited Review	3.60	2.25
Other Certification charges	0.20	-
Out of Pocket Expenses (OPE)	0.16	0.11
<b>Total</b>	<b>11.96</b>	<b>8.11</b>

## 2.35 Earnings per Share (EPS)

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Net Surplus as per statement of Income and Expenditure	80,939.05	76,906.85
Weighted Average Number of Equity Shares	1,40,36,692	1,40,36,692
<b>EPS :</b>		
(i) Basic EPS (Face value Rs.100 per Equity Share)	576.62	547.90
(ii) Diluted EPS (Face value Rs.100 per Equity Share)	576.62	547.90

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.36 Exceptional items

Exceptional items of Rs.3,312.30 Lakh for financial year 2021-22 pertains to gain on transfer of BBPCU unit of the company to its wholly owned subsidiary NPCI Bharat BillPay Limited.

## 2.37 Lease disclosure

The Company has recognised Interest on Lease Liability and Amortisation of Right of Use Asset as per Ind AS 116 'Lease' in the statement of Income and Expenditure as under:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest on Lease Liability	427.15	417.10
Amortisation of Lease Liability	1,517.58	1,542.95
The total outstanding cash outflow for lease as per the agreement	6,237.31	6,133.78

The Company has taken premises under leave and license agreement, the rent and escalation depends upon the lease by the Company. The Company has given refundable interest free security deposits under certain agreements.

i) The net carrying amount of Right of Use Asset:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Balance at the beginning of the year	4,513.58	3,641.55
Add: Addition during the year	1,540.13	2,421.74
Less: Deletion / Amortisation during the year	(1,517.58)	(1,549.71)
<b>Balance at the end of the year</b>	<b>4,536.13</b>	<b>4,513.58</b>

ii) Reconciliation between the total minimum lease payment and their present value is as below:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Lease Liability as at balance sheet date	5,306.60	5,026.35
Add: Interest	930.71	1,107.43
<b>Minimum lease payment</b>	<b>6,237.31</b>	<b>6,133.78</b>

iii) Maturity Analysis of the Minimum lease payment for the following years is as follows:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Not Later than 1 year	1,562.11	1,250.08
Later than 1 year but not more than 5 year	4,098.74	3,874.90
More than 5 year	576.46	1,008.80
<b>Total</b>	<b>6,237.31</b>	<b>6,133.78</b>

## 2.38 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 Managing Director and 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 Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.39 Related Party Disclosures

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

Name of Related Parties	Nature of Relationship
NPCI International Payments Limited	Wholly owned subsidiary
NPCI Bharat BillPay Limited	Wholly owned subsidiary

Key Managerial Personnel-Directors	Title	Date of Appointment	Date of Retirement/Cessation
Mr. Biswamohan Mahapatra	Chairman (Non-Executive & Independent Director)	08-Feb-2018	-
Mr. Deepak Kumar	Nominee Director from Reserve Bank of India	02-May-2019	29-Sep-2022
Mr. Shailendra Trivedi	Nominee Director from Reserve Bank of India	29-Sep-2022	-
Dr. Amitha Sehgal	Independent Director	26-Dec-2018	-
Mr. Venkatraman Srinivasan	Independent Director	15-Jul-2020	-
Prof. Umesh Bellur	Independent Director	21-Jun-2021	23-Feb-2023
Prof. Rishiksha T. Krishnan	Independent Director	09-Nov-2021	-
Mr. Rana Ashutosh Kumar Singh	Nominee Director from State Bank of India	12-Aug-2021	-
Mr. Nitesh Ranjan	Nominee Director from Union Bank of India	20-Nov-2020	-
Mr. Ajay K Khurana	Nominee Director from Bank of Baroda	01-Mar-2021	-
Mr. Hemant Verma	Nominee Director from Punjab National Bank	17-Jan-2022	-
Mr. Ajay Kumar Kapoor	Nominee Director from HDFC Bank Limited	20-Mar-2018	19-Mar-2023
Mr. Pankaj Gadgil	Nominee Director from ICICI Bank Limited	08-Aug-2019	17-Aug-2022
Mr. Bijith Bhaskar	Nominee Director from ICICI Bank Limited	02-Sep-2022	-
Mr. Siddharth Rungta	Nominee Director from HSBC	12-Oct-2022	-
Ms. Mridula Iyer	Nominee Director from Citibank. N.A.	05-Nov-2020	29-Sep-2022
Mr. Sumit Bali	Nominee Director from Axis Bank Limited	15-Dec-2021	-
Mr. Jayaprakash C.	Nominee Director from Kerala Gramin Bank	17-Feb-2021	29-Sep-2022
Mr. Imran Amin Siddiqui	Nominee Director from Indian Bank	27-Apr-2021	-
Mrs. Arti Ajit Patil	Nominee Director from Saraswat Co-operative Bank Limited	10-Nov-2022	-

Key Managerial Personnel of the Company	Designation	Date of Appointment	Date of Retirement/Cessation
Mr. Dilip Asbe	Managing Director & CEO	08-Jan-2018	-
Mr. Rupesh H. Acharya	Chief Financial Officer	19-Mar-2020	-
Ms. Priyanka Agrawal	Company Secretary	14-May-2018	-

Name of Related Parties	Nature of Relationship
Bank of Baroda	Entity with common director
Indian Bank	Entity with common director
India Infoline Finance Limited	Entity with common director
Union Bank of India	Entity with common director
ICICI Merchant Services Private Limited (Ceased to be related party from 17-Aug-2022)	Entity with common director
Canara Bank (Ceased to be related party as on 29-Sep-2022)	Entity with common director
Indian Financial Technology and Allied Services (Related party from 29-Sep-2022)	Entity with common director
Kerala Gramin Bank (Ceased to be related party from 29-Sep-2022)	Entity with common director
The Saraswat Co-operative Bank Ltd. (Related party from 10-Nov-2022)	Entity with common director
Central Depository Service (India) Limited (Ceased to be related party from 23-Feb-2023)	Entity with common director

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Transactions with Related Parties

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

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Transactions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Axis Bank Limited	Receiving of services	-	125.22
	Rendering of services	-	511.95
	SGM contribution received	-	1,002.00
	SGM contribution refunded	-	1,007.00
	Purchase of Investments	-	34,650.00
	Redemption of Investments	-	20,256.00
	Interest Earned	-	1,200.29
Bank of Baroda	Rendering of services	10,144.98	7,753.19
	Receiving of services	178.43	347.29
	Purchase of Investments	57,446.00	32,493.00
	Redemption of Investments	31,911.00	11,534.00
	Interest Earned	2,023.31	710.56
	SGM contribution received	1,055.29	1,400.67
	SGM contribution refunded	461.21	-
Canara Bank	Rendering of services	1,404.81	-
	SGM contribution received	261.74	-
	SGM contribution refunded	428.43	-
	Purchase of Investments	58,912.00	-
	Redemption of Investments	56,831.00	-
	Interest earned	822.83	-
C-Edge Technologies Limited	Rendering of services	-	13.05
Central Depository Service (India) Limited	Receiving of services	0.75	0.75
ICICI Merchant Services Private Limited	Receiving of services	-	84.75
India Infoline Finance Limited	Rendering of services	1.50	1.12
Indian Bank	Rendering of services	6,016.50	4,910.86
	Receiving of services	756.04	329.68
	SGM contribution received	586.63	1,115.87
	SGM contribution refunded	33.61	84.00
	Purchase of Investments	21,362.00	30,368.00
	Redemption of Investments	34,986.00	27,041.00
	Interest Earned	1,134.02	1,151.66
Indian Financial Technology and Allied Services	Receiving of services	6.00	-
Kerala Gramin Bank	Receiving of services	-	-
	Rendering of services	71.35	156.38
	SGM contribution received	11.99	23.55
	SGM contribution refunded	1.71	-
National Securities Depository Limited	Receiving of services	-	0.75
NPCI Bharat BillPay Limited	<b>Income</b>		
	Business Development and Marketing Support Services	124.25	-
	Reimbursement of Employee Benefit Expenses	8.79	5.20

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.39 Related Party Disclosures (Contd..)

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Transactions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
	Reimbursement of Expenses	-	12.23
	Shared Services cost	203.44	145.20
	Processing Fees for LOC SGM BBPS	6.31	3.10
	AMC Hardware & Software <b>Expense</b>	-	209.14
	Consumer Awareness Program Campaign fees	-	50.00
	Transfer of interest of SGM BBPS - FD	-	10.19
	Appropriation To Sgm Contribution BBPS	-	15.17
	Reimbursement of Employee Benefit Expenses	15.10	-
	<b>Liability</b>		
	Business purchase	-	3,420.00
	CWIP Tangible Asset	-	27.79
	Debtors of BBPS	-	6.48
	<b>Asset</b>		
	SGM-BBPS Member Bank Contribution	-	1,127.83
NPCI International Payments Limited	<b>Income</b>		
	Reimbursement of Staff Welfare expenses	6.40	5.29
	Shared Services cost	100.97	79.40
	Royalty	20.60	11.70
	<b>Expense</b>		
	Service Fees	1,814.51	1,170.10
	Others	-	0.94
NSDL Payments Bank Limited	Receiving of services	-	196.72
	Rendering of services	-	287.74
The Saraswat Co-operative Bank Ltd.	Rendering of services	290.24	-
Ujjivan Small Finance Bank Limited	Rendering of services	-	50.11
	SGM contribution received	-	17.00
	SGM contribution Refunded	-	17.00
Union Bank of India	Receiving of services	840.21	666.26
	Rendering of services	9,696.23	7,833.28
	SGM contribution received	540.92	1,458.47
	SGM contribution refunded	579.29	-
	Purchase of Investments	1,04,424.01	33,985.00
	Redemption of Investments	57,308.00	32,370.00
	Interest Earned	1,888.33	1,440.68
Yes Bank Limited	Receiving of services	-	100.18
	Rendering of services	-	1,823.38
<b>Total</b>		<b>4,64,716.72</b>	<b>2,64,818.14</b>



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Details of Amounts Due to or Due from Related Parties as at 31st March, 2023

### Amount Payable to Related Parties:

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
Bank of Baroda	SGM Contribution	3,053.71	2,459.63
	Trade Payables	13.02	120.90
India Infoline Finance Limited	SGM Contribution	-	2.00
Indian Bank	SGM Contribution	1,928.01	1,374.99
	Trade Payables	70.74	34.48
Kerala Gramin Bank	SGM Contribution	-	28.55
NPCI Bharat BillPay Limited	Trade Payables	16.31	54.00
NPCI International Payments Limited	Trade Payables	509.00	412.20
The Saraswat Co-operative Bank Ltd.	SGM Contribution	125.69	-
Union Bank of India	SGM Contribution	2,355.58	2,393.74
	Trade Payables	-	78.75
<b>Total</b>		<b>8,072.05</b>	<b>6,959.25</b>

### Amount Receivable from Related Parties:

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
Bank of Baroda	Investment	54,222.00	28,687.00
	Accured Interest	570.19	169.63
	Trade receivable	715.87	206.95
India Infoline Finance Limited	Trade receivable	-	1.32
Indian Bank	Investment	15,300.00	28,924.00
	Accured Interest	111.97	195.67
	Trade receivable	1,109.15	90.60
Kerala Gramin Bank	Trade receivable	-	2.70
NPCI Bharat BillPay Limited	Trade receivable	0.28	37.52
NPCI International Payments Limited	Trade receivable	38.37	22.09
The Saraswat Co-operative Bank Ltd.	Trade receivable	52.82	-
Union Bank of India	Investment	69,634.01	22,518.00
	Accured Interest	721.58	205.00
	Trade receivable	642.74	127.37
<b>Total</b>		<b>1,43,118.98</b>	<b>81,187.85</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## Transactions with Key Managerial Personnel:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Sitting Fees	56.50	72.00
Honorarium Fees	4.20	1.75
<b>Total</b>	<b>60.70</b>	<b>73.75</b>

## 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	394.48	351.80
Post-Employment Benefits*	-	-
Other Long Term Benefits	-	-
<b>Total</b>	<b>394.48</b>	<b>351.80</b>

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

## 2.40 Contingent Liabilities and Capital Commitments

(Amount ₹ in Lakh)

Contingent Liabilities and Capital Commitments (to the extent not provided for)	As at 31-Mar-2023	As at 31-Mar-2022
<b>(i) Capital Commitments</b>		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	10,859.53	24,119.46
<b>Sub Total</b>	<b>10,859.53</b>	<b>24,119.46</b>
<b>(ii) Contingent Liabilities on Account of Tax Demand</b>		
Income Tax Demand for AY 2011-2012	183.27	183.27
Income Tax Demand for AY 2013-2014	578.22	578.22
Income Tax Demand for AY 2015-2016	467.50	467.50
Income Tax Demand for AY 2016-2017	1,304.48	1,304.48
Income Tax Demand for AY 2017-2018	114.45	-
Income Tax Demand for AY 2018-2019	1,523.12	1,523.12
Income Tax Demand for AY 2019-2020	3,622.93	3,622.93
<b>Sub Total</b>	<b>7,793.97</b>	<b>7,679.52</b>
<b>(iii) Contingent Liabilities - Other Matters</b> (refer note 1 & 2)	2,598.52	2,598.52
<b>Sub Total</b>	<b>2,598.52</b>	<b>2,598.52</b>
<b>Total</b>	<b>21,252.02</b>	<b>34,397.50</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## (ii) Contingent Liability for Income Tax:

As advised, the Company will be eligible to claim exemption u/s. 11 and 12 of the Income Tax Act, 1961 and hence the Management has not provided for additional demand raised by Income tax authorities during assessment / penalty proceedings although it is providing for Income tax on a conservative basis.

There are tax demand arising due to Assessment orders passed u/s 143 (3) of Income Tax Act, 1961 where the Assessing Officer has disallowed the claim for exemption u/s. 11 and 12 on the grounds that the objects of the company are commercial in nature and are hit by the provisions of section 2(15) and without prejudice applied section 13(1)(c)(ii) of the Income Tax Act, 1961 on the grounds that the Income has directly or indirectly been applied for the benefit of the related parties in terms of section 13 (3) of the Income Tax Act, 1961. However, the Hon'ble Income Tax Appellate Tribunal, Mumbai in AY 2010-11 and 2012-13 has passed orders in favour of the company, allowing the claim of exemption u/s. 11 and 12 of the Income Tax Act, 1961 and stating that the provisions of section 13(1)(c)(ii) of the Income Tax Act, 1961 are not applicable. For AY 2011-12, AY 2013-14 and AY 2014-15, the Company has filed appeals against the order to Commissioner of Income Tax (Appeals), Mumbai (CIT(A)) which is pending. For AYs 2015-16 to 2019-20, the Company had filed appeals against the assessment orders to CIT(A). The CIT (A) decided appeals against the Assessee without giving reasonable opportunity . Against the CIT (A) orders , the company filed appeals before ITAT , who has restored back the same to CIT (A) for fresh adjudication and submissions vide order dated 8th February 2023. In view of this, Management is of the opinion that the outcome of these appeals will be in favour of the company and accordingly has not provided for additional demand raised by Income tax authorities during assessment / penalty proceedings although it is providing for Income tax and paid the taxes on a conservative basis. The Contingent liability is difference between the tax liability determined by the revenue authority against provision in the books of accounts.

## (iii) (a) 1. Contingent liabilities – other matters

One of the customers namely Bank of Maharashtra using a payment service namely Unified Payment Interface (UPI) has faced a fraud of Rs.2,597 lakh due to a technical glitch in the software developed by third party which has been subsequently rectified by the Bank. The said Bank has taken various step for recovery of the amount from fraudulent customers. In some of the correspondence with the Company the bank has asked for sharing the fraud amount on a pro-rata basis if not wholly. The Company through its various correspondence has made it clear that the loss to the bank was on account of technical glitch at the bank and the third party vendor end. The Company has no liability whatsoever for the loss suffered by the bank and hence is not required to make any provision in books of account and the management is confident that no claim will arise on the company. As a matter of conservative reporting the Company has stated an amount of Rs.2,597 lakh as contingent liability above.

## (iii) (a) 2. Contingent liabilities – other matters

M/s Unwani Subhakaran has filed a case against Punjab National Bank & Ors in Permanent Lok Adalat , Sikar (Rajasthan) and made NPCI a party to it. The case is on account of transfer of funds to wrong account amounting to Rs.50,000/-. The total claim is for Rs.1,51,820/- on account of principal, interest, legal expenses and mental harassment.

## (iii) (b) Status of Legal Cases (Other than Income Tax)

Apart from the above case, there are a total of 73 litigation cases involving the company. In our view, in all these legal cases the possibility of an order being passed directing NPCI to make any payment is remote. Therefore, there is no contingent liability to be reported for these cases.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.41 Value of Import of Services

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Software License / Consultancy Charges	24.37	-
CWIP - Building And Premises	371.91	-
<b>Total</b>	<b>396.28</b>	<b>-</b>

## Revenue Expenditure in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Annual Maintenance Charges - Network & IT Equipment	92.55	58.11
Professional Fees	59.17	142.19
Membership and Subscription Fees	2.56	24.99
Training and Seminar	211.71	46.85
Marketing Expenses	42.02	221.66
Recruitment Expenses	7.61	4.74
Other Operating Expenses	-	3,955.39
Miscellaneous Expenses	8.78	-
<b>Total</b>	<b>424.40</b>	<b>4,453.93</b>

## Income in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Other Operating Income	467.97	656.33
<b>Total</b>	<b>467.97</b>	<b>656.33</b>

## Accounting for Foreign Currency Transactions:

Expenditure in foreign currencies are recorded in INR 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.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

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

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

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
a. (i) Principal amount remaining unpaid to any supplier / service provider at the end of the accounting year	466.86	19.16
(ii) Interest due on above	-	3.10
b. Amount of Interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
c. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	29.61	-
d. Amount of interest accrued and remaining unpaid at the end of the financial year.	32.71	3.10
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.	3.10	-

## 2.43 Provision for Tax

The Company was incorporated as a 'Not for Profit Company' under Section 25 of the Companies Act, 1956 (now Section 8 of Companies Act, 2013) and was granted registration under Section 12AB of the Income Tax Act, 1961 by the Office of Director of Income Tax (Exemptions). The Company was granted license by RBI under Payment and Settlement Systems Act, 2007 to operate the Retail Payment Systems in India.

As per Memorandum and Articles of Association of the Company, no objects shall be carried out on a commercial basis. The Management is of the view that the income received while implementing the Retail Payment Systems is only incidental as the Company has not carried out the same on commercial basis. However, as a matter of prudence, the Management had decided to pay Income Tax and claim refund of the tax paid. In view of the same, the Management had decided to make a provision towards tax liability. Accordingly, an amount of Rs.27,600.00 lakh has been provided for the year ended 31st March, 2023, being the amount of Income Tax computed under the provisions of the Income Tax Act, 1961 and recognised deferred tax expense of Rs.1,598.45 lakh as per the applicable Accounting Standards.

## 2.44 Misappropriation of funds

There was a case of misappropriation of funds by one of the outsourced resource (Accounts Executive) working for finance department, he was involved in processing of employee reimbursements. As per the evidence he created fake claims in ERP system in the name of other NPCI employees and also tampered payment file details, while sending it to the bank for payment. The amount involved was Rs.158,518/- which was subsequently recovered from the said outsourced resource. Also, NPCI had filed an FIR with the BKC Cyber fraud police station on 12th November 2021.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.45 Other Statutory Compliances

- a. The Company has neither traded or nor invested in crypto currency or virtual currency during the current financial year 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 financial year or previous financial year.
- e. Loans and Advances
  - The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), which are either repayable on demand or without specifying any terms or period of repayment during the current financial year 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.
- 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 financial year or previous financial year.
  - The company has not taken any secured borrowings during the current financial year 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 transaction relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (43 of 1961)

## 2.46 Relationship with Struck Off Companies

(Amount ₹ in Lakh)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31-Mar-2023	Relationship with the Struck off company, if any
G I Technology Private Limited*	Investments in securities	-	Customer
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances (to be specified)	-	

\*The company does not have any outstanding balance with the struck-off company. However, the value of transaction entered during the year was Rs.2.30 lakh.

# Notes to Standalone Financial Statements

 for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Name of Struck Off Company	Nature of transactions with Struck-Off Company	Balance outstanding as on 31-Mar-2022	Relationship with the Struck Off Company, if any
G I Technology Private Limited *	Investments in securities	-	Customer
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances (to be specified)	-	

\*The company does not have any outstanding balance with the struck-off company. However, the value of transaction entered during the year was Rs.4.96 lakh.

## 2.47 Key Financial Ratios

Ratios	Formula	31-Mar-2023	31-Mar-2022
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	4.05	4.43
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	$\frac{\text{Net profit after taxes}}{\text{Average Shareholder's Equity}}$	24.41%	28.96%
Inventory Turnover Ratio	Not applicable considering the nature of business of the company	N.A.	N.A.
Trade Receivables Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Average trade receivables}}$	17.40	20.61
Trade Payables Turnover Ratio	$\frac{\text{Operating expenses}}{\text{Average Trade Payables}}$	8.68	7.46
Net Capital Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Working Capital}}$	0.90	0.62
Net Profit Ratio	$\frac{\text{Net Profit}}{\text{Revenue from operations}}$	40.74%	48.59%
Return on Capital Employed	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	29.80%	35.00%
Return on Investment	$\frac{\text{Net return on Investment}}{\text{Cost of Investment}}$	5.38%	4.54%

### Net Capital Turnover Ratio:

The Net Capital Turnover Ratio has increased due to the increase in revenue from operations by 1.26 times as against the increase in working capital by 0.86 times.

## 2.48 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, it may impact the payment industry in which the Company operates. On the basis of the company's monitoring, it has identified that there is no material impact of Covid 19 on its financial position.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2023

## 2.49 Other Notes

- a. Trade receivables, Trade payables, Loans and Advances are subject to confirmation and reconciliation, if any. Trade receivables, Trade payables, Loans and Advances are stated approximately at the value, if realised in ordinary course of business.
- b. There are no material prior period errors which can impact the financial position of the company as per Ind AS 8.
- c. Previous year's figures have been regrouped, reclassified and rearranged to correspond with the current year figures / presentation wherever necessary.
- d. Numbers are rounded off to the nearest lakh.

### As per our report attached

#### For Banshi Jain & Associates

Chartered Accountants  
Registration No.: 100990W

#### CA Parag Jain

Partner  
Membership No: 078548

Place : Mumbai  
Date : 11-May-2023

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

#### Biswamohan Mahapatra

Chairman  
DIN: 06990345

#### Dilip Asbe

Managing Director & CEO  
DIN: 02990724

#### Priyanka Agrawal

Company Secretary

#### Venkatraman Srinivasan

Director  
DIN: 00246012

#### Rupesh H. Acharya

Chief Financial Officer



# Independent Auditor’s Report

To  
The Members of National Payments Corporation of India

## Report on the Audit of the Ind AS Consolidated Financial Statements

### Opinion

We have audited the accompanying Ind AS consolidated financial statements of **NATIONAL PAYMENTS CORPORATION OF INDIA** (“the Holding Company”) and **NPCI Bharat Bill Pay Limited, NPCI International Payments Limited** its subsidiaries, (the Holding Company and its subsidiaries together referred to as the “Group”) which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Income & Expenditure, including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow year ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Ind AS consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS consolidated 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 Standard under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2023, its Consolidated surplus including other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS consolidated financial statements’ section of our report. We are independent of the Group 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 Ind AS consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Audit Procedures followed to address the Key Matters
<p><b>Litigations and Contingencies</b></p> <p><b>Reasons why the matter was determined to be a key audit matter</b></p> <p>The company is subject to income tax related claims which have been disclosed / provided for in the financial statements, Taxation litigation exposures have been identified as a key audit matter due to the timescales involved for resolution and the potential financial impact arising out of these on the financial statements given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures. Further significant management judgement is involved in assessing the exposure of each case and eventual obligation on the company,</p> <p>Refer note 2.19, 2.27 and 2.40 to the Ind AS Consolidated financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of key tax matters, and</li> <li>• The audit team, along with our internal tax experts:               <ul style="list-style-type: none"> <li>• Read and analysed select key correspondences, external legal opinions / consultations obtained by the company for tax matters</li> <li>• Evaluated and challenged the assumptions made by the company in estimating the current and deferred tax balances;</li> <li>• Assessed company’s estimate of the possible outcome of the disputed cases by considering current Favourable Legal Decisions and</li> <li>• Assessed and tested the presentation and disclosures relating to taxes.</li> </ul> </li> </ul>

### Information Other than the Ind AS Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises of the all information included in the Annual Report, but does not include the Ind AS consolidated financial statements and our auditor's report there on.

Our opinion on the Ind AS consolidated 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 Ind AS consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors Responsibility for the Ind AS Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated surplus / deficit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 Ind AS consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS consolidated financial statements, the respective management and Board of Directors of the companies included in the Group is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Ind AS Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS consolidated 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 Ind AS consolidated 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 Ind AS consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 in Ind AS consolidated financial statements made by Management and Board of Directors.
- 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 Group'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 Ind AS consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS consolidated financial statements, including the disclosures, and whether the Ind AS consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of Rs. 283.36 crore as at March 31, 2023, total revenues of Rs. 90.65 crore and net cash outflows amounting to Rs. 39.71 crore for the year ended on that date, as considered in the Ind AS consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the Ind AS consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory

### Requirements

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Income and Expenditure including the Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Ind AS consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to Ind AS consolidated financial statements with reference to these Ind AS consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements. Refer note 2.40 to the Consolidated Ind AS financial statements;
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023.
- iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries,
- c. Based on such audit procedures as 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 (iv)(a) and (iv)(b) contain any material mis statement.
- v. The Holding Company is incorporated under Section 25 of the Companies Act, 1956 (currently governed under section 8 of the Companies Act, 2013) as a Non-Profit Organisation. Accordingly as per Section 123 of the Companies Act, 2013, the Holding Company is prohibited by their constitution from paying any dividend to its members. They apply the surplus in promoting the objects of the Holding Company. There was no dividend declared or paid during the year by the subsidiary companies incorporated in India.
2. The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of section 143 of the Act is not applicable to the Holding Company as it is a company licensed to operate under Section 25 of the Companies Act, 1956 (currently governed under section 8 of the Companies Act, 2013). However, with respect to the same, based on the CARO reports issued by auditors of subsidiary companies, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks.
3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

4. As per the requirements of section 143 (5), in our opinion and to the best of our information and according to the explanations given to us, books of accounts and other records produced before us for verification and on the basis of management representation; the said accounts, read together with the group's accounting policies and the Notes there to are given below:

Sr. No	DIRECTIONS	ANSWER
1.	Whether the Group 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.	<p><b>In respect of Holding Company (NPCI) our comments are as follows :</b></p> <p>The Holding Company has system in place to process all the accounting transactions through IT systems except for the following:-</p> <ul style="list-style-type: none"> <li>• Recognition and measurement of Lease Liability and right of use and depreciation of right to use asset</li> </ul>

Sr. No	DIRECTIONS	ANSWER
		<p>in accordance with Ind AS 116 and Recognition and measurement of Financial Assets in accordance with Ind AS 109.</p> <ul style="list-style-type: none"> <li>Function of treasury management is carried through separate software (TMS) which is integrated with the IT system. The entry from the software is posted in the IT system on approval of the authorised person.</li> <li>HR Related processing of data has been outsourced by the company to a third party. The processed data received by the company is then integrated with the main IT System.</li> <li>Measurement of Operational Income is done through separate software which is not integrated with the IT system. Recognition of revenue in the IT system is being done through report generated from separate software.</li> </ul> <p>Though manual controls are available with respect to the aforementioned functions, they may not suffice and the said functions are required to be routed through IT system.</p> <p><b>In respect of Subsidiary Company (NIPL) the statutory auditor of the company has commented as follows :</b></p> <p>Yes, the Company has system in place to process all the accounting transactions through IT Systems (Tally ERP 9)</p> <p><b>In respect of Subsidiary Company (NBBL) the statutory auditor of the company has commented as follows :</b></p> <p>The Company has system in place to process all the accounting transactions through IT systems (Tally ERP 9). We found that GST Returns have been filed using a GST Software tool and details related to GST are maintained within that software. Also, the clearing and settlement for the business is done in application developed for Bharat Bill Payment System (BBPS) for booking daily party wise revenue, the entity being licensed under the Payment and Settlement Systems Act, 2007 for the said function of BBPS.</p> <p>Not Applicable</p> <p>Group has not availed any loan.</p>
2.	<p>Whether there are any restructuring of an existing loan or cases of waiver / Write off of debts / loans / Interest etc. made by lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is Government Company, then this direction is also applicable for statutory auditor of the lender company)</p>	<p>Not Applicable</p> <p>Group has not availed any loan.</p>
3.	<p>Whether funds (grants / subsidy) received / receivable for specific schemes from central / state agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.</p>	<p>Not Applicable</p> <p>There are no case of funds received / receivable for specific schemes from Central / State agencies.</p>

**Additional directions issued by C&AG as applicable to Holding Company - National Payments Corporation of India (NPCI) and its subsidiaries - NPCI International Payments Ltd (NIPL) and NPCI Bharat Bill Pay Limited (NBBL) for the year 2022-23.**

Sr. No	ADDITIONAL DIRECTIONS	ANSWER
1	<p>NBFC dealing with digital payment products and services</p> <p>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?</p>	<p><b>In respect of Holding Company (NPCI) our comments are as follows:</b></p> <p>The Company has identified the various controls to be followed as per the RBI Master Direction for Digital Payment Security Controls dated 18th February, 2021 and accordingly appointed a Cert-In empanelled Third Party Expert (M/s. TÜV SÜD South Asia) to conduct the audit and certify whether the security controls for digital payments and services are in compliance with the aforementioned directions.</p> <p>We have relied on the said third party expert as engaged by the company for the Audit of Digital Payment Security Controls vide report dated 8th May, 2023 and the report issued there under stated that out of the 112 controls tested, 89 are compliant, 22 are partly compliant and one control is not applicable to the company.</p> <p>Basis the above report, we confirm that the company is compliant with the control checks with certain exceptions to the RBI circular no. RBI / 2020-21 / 74 DoS. CO.CSITE.SEC.No.1852 / 30015 / 2020-21 issued by Reserve bank of India dated 18th February, 2021.</p> <p><b>In respect of Subsidiary Company (NIPL) the statutory auditor of the company has commented as follows :</b></p> <p>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.</p> <p>All business applications (including NIPL's applications under RuPay &amp; UPI) were included in the scope of the assessment.</p> <p>The audit was concluded dated 5th July, 2022 and we 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 exception has been complied and closed.</p> <p>Since business applications managed by NIPL was covered under initial scope of audit, No separate assessment for NIPL was conducted.</p> <p><b>In respect of Subsidiary Company (NBBL) the statutory auditor of the company has commented as follows :</b></p> <p>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.</p> <p>All business applications (including NBBL's applications under BBPS) were included in the scope of the assessment.</p> <p>The audit was concluded dated 5th July, 2022 and we rely on the same and the system report has few exceptions notified by System Auditor, on which Management has responded with reasonable justification and said exceptions has been complied and closed.</p> <p>Since business applications managed by NBBL was covered under initial scope of audit, No separate assessment for NBBL was conducted.</p>

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants  
FRN: 100990W

**Parag Jain**

Partner

Membership No: 078548  
UDIN:23078548BGUSJX8312

Place: Mumbai  
Date:11<sup>th</sup> May 2023

# Annexure A to Independent Auditors' Report

(Referred to in Paragraph 2 (f) UNDER 'REPORT ON Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls 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 with reference to Ind AS consolidated financial statements of **NATIONAL PAYMENTS CORPORATION OF INDIA** ("the Holding company") and its subsidiaries as of 31st March, 2023 in conjunction with our audit of the Ind AS consolidated financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The respective management of the Holding Company and its subsidiary companies is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS consolidated financial statements (the "Guidance Notes") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards, issued by ICAI on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both are applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS consolidated financial statements 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 with reference to Ind AS consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS consolidated financial statements included obtaining an understanding of internal financial controls with reference to the Ind AS consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS consolidated 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 internal financial controls system with reference to the Ind AS consolidated financial statements.

## Meaning of Internal Financial Controls with reference to Ind AS consolidated financial statements

6. A company's internal financial control with reference to Ind AS consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS consolidated financial statements includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Ind AS consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to Ind AS consolidated financial statements, including the possibility of collusion or

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

### Opinion

8. In our opinion, to the best of our information and according to the explanation given to us, the Holding Company and its subsidiary companies has, in all material respects, an adequate internal financial controls system with reference to Ind AS consolidated financial statements and such internal financial controls with reference to Ind AS consolidated financial statements were operating effectively as at 31st March, 2023, based on the internal

control with reference to Ind AS consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS consolidated financial statements issued by the Institute of Chartered Accountants of India.

**For BANSHI JAIN & ASSOCIATES**

Chartered Accountants

FRN: 100990W

**Parag Jain**

Partner

Membership No: 078548

UDIN:23078548BGUSJX8312

Place: Mumbai

Date: 11<sup>th</sup> May 2023



# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Particulars	Note No.	As at 31-Mar-2023	As at 31-Mar-2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a. Property, Plant and Equipment	2.01	75,538.85	25,822.46
b. Capital Work-In-Progress	2.02	12,885.44	37,219.14
c. Right of Use Assets	2.03	4,536.13	4,513.58
d. Intangible Assets	2.04	7,092.67	9,860.14
e. Intangible Assets Under Development	2.05	8,137.87	2,090.33
f. Financial Assets			
i. Investments	2.06	47,935.76	37,315.02
ii. Other Financial Assets	2.07	95,422.88	1,370.11
g. Other Non-Current Assets	2.08	397.17	186.74
<b>Total Non-Current Assets</b>		<b>2,51,946.77</b>	<b>1,18,377.52</b>
<b>Current Assets</b>			
a. Financial Assets			
i. Investments	2.09	37,454.71	29,851.80
ii. Trade Receivables	2.10	15,002.37	7,726.20
iii. Cash and Cash Equivalents	2.11	24,671.76	21,973.02
iv. Bank Balances other than (iii) above	2.12	1,48,157.02	2,03,160.91
v. Other Financial Assets	2.13	68,286.19	66,086.51
b. Other Current Assets	2.14	19,006.73	22,663.33
<b>Total Current Assets</b>		<b>3,12,578.78</b>	<b>3,51,461.77</b>
<b>TOTAL ASSETS</b>		<b>5,64,525.55</b>	<b>4,69,839.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	2.15	14,036.69	14,036.69
b. Other Equity	2.16	3,58,821.34	2,78,282.52
<b>Total Equity</b>		<b>3,72,858.03</b>	<b>2,92,319.21</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a. Financial Liabilities			
i. Lease Liabilities	2.17	4,097.48	4,106.05
ii. Others Financial Liabilities	2.18	1,10,413.00	95,293.97
b. Deferred Tax Liabilities (net)	2.19	3,090.90	1,438.61
c. Other Non-Current Liabilities	2.20	685.27	814.37
d. Provisions	2.21	528.79	480.96
<b>Total Non-Current Liabilities</b>		<b>1,18,815.44</b>	<b>1,02,133.96</b>
<b>Current Liabilities</b>			
a. Financial Liabilities			
i. Lease Liabilities	2.22	1,209.12	920.30
ii. Trade Payables Due to:	2.23		
Micro and Small Enterprises		466.86	23.88
Other than Micro and Small Enterprises		6,678.47	9,977.50
iii. Other Financial Liabilities	2.24	6,760.15	9,233.36
b. Other Current Liabilities	2.25	6,853.51	7,525.03
c. Provisions	2.26	32,634.30	22,694.75
d. Current Tax Liabilities (net)	2.27	18,249.67	25,011.30
<b>Total Current Liabilities</b>		<b>72,852.08</b>	<b>75,386.12</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,64,525.55</b>	<b>4,69,839.29</b>
Significant Accounting Policies and Notes on Accounts	1 & 2		

## As per our report attached

### For Banshi Jain & Associates

Chartered Accountants  
Registration No.: 100990W

### CA Parag Jain

Partner  
Membership No.: 078548

Place : Mumbai  
Date : 11-May-2023

## For and on behalf of the Board of Directors

### Biswamohan Mahapatra

Chairman  
DIN: 06990345

### Dilip Asbe

Managing Director & CEO  
DIN: 02990724

### Priyanka Agrawal

Company Secretary

### Venkatraman Srinivasan

Director  
DIN: 00246012

### Rupesh H. Acharya

Chief Financial Officer

# Consolidated Statement of Income and Expenditure

for the year ended 31<sup>st</sup> March, 2023

(Amount ₹ in Lakh)

Particulars	Note No.	Year ended 31-Mar-2023	Year ended 31-Mar-2022
<b>Income</b>			
Revenue from Operations	2.28	2,06,488.11	1,62,951.91
Other Income	2.29	24,647.92	23,091.41
<b>Total Income</b>		<b>2,31,136.03</b>	<b>1,86,043.32</b>
<b>Expenses</b>			
Operating Expenses	2.30	13,312.23	11,447.25
Employee Benefits Expenses	2.31	24,173.13	19,959.70
Depreciation and Amortisation Expenses	2.32	17,143.19	15,433.90
CSR Expenditure	2.33	1,326.77	947.45
Administrative and Other Expenses	2.34	62,384.35	39,017.87
<b>Total Expenses</b>		<b>1,18,339.67</b>	<b>86,806.17</b>
<b>Surplus / (Deficit) Before Tax</b>		<b>1,12,796.36</b>	<b>99,237.15</b>
<b>Tax Expense</b>	2.27		
Current Tax		28,386.00	26,925.00
Deferred Tax		1,659.48	(397.33)
Prior Year Tax Adjustment		(53.28)	(1,317.44)
<b>Total Tax Expenses</b>		<b>29,992.20</b>	<b>25,210.23</b>
<b>Surplus / (Deficit) for the period before exceptional items</b>		<b>82,804.16</b>	<b>74,026.92</b>
Exceptional items	2.36	-	<b>3,312.30</b>
<b>Surplus / (Deficit) for the period</b>		<b>82,804.16</b>	<b>77,339.22</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to Income and Expenditure			
Remeasurement of defined employee benefit plans		(6.42)	96.51
Return on plan assets (excluding interest)	2.16	3.70	(3.08)
Income Tax relating to items that will not be reclassified to Income and Expenditure		7.20	0.12
B (i) Items that will be reclassified to Income and Expenditure		-	-
(ii) Income Tax relating to items that will be reclassified to Income and Expenditure		-	-
<b>Total Other Comprehensive Income</b>		<b>4.48</b>	<b>93.55</b>
<b>Total Comprehensive Income for the Year</b>		<b>82,808.64</b>	<b>77,432.77</b>
<b>Earnings per equity share</b>			
(i) Basic earnings per share (Rs.)	2.35	589.91	550.98
(ii) Diluted earnings per share (Rs.)		589.91	550.98

**As per our report attached****For Banshi Jain & Associates**Chartered Accountants  
Registration No.: 100990W**CA Parag Jain**Partner  
Membership No.: 078548Place : Mumbai  
Date : 11-May-2023**For and on behalf of the Board of Directors****Biswamohan Mahapatra**Chairman  
DIN: 06990345**Dilip Asbe**Managing Director & CEO  
DIN: 02990724**Priyanka Agrawal**

Company Secretary

**Venkatraman Srinivasan**Director  
DIN: 00246012**Rupesh H. Acharya**

Chief Financial Officer

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

## 2.15 Equity Share Capital

(Amount ₹ in Lakh)

Balance as at 01-Apr-2022	Changes in equity share capital due to prior period errors	Restated Balance as at 01-Apr-2022	Changes in equity share capital during the year	Balance as at 31-Mar-2023
14,036.69	-	14,036.69	-	14,036.69

(Amount ₹ in Lakh)

Balance as at 01-Apr-2021	Changes in equity share capital due to prior period errors	Restated Balance as at 01-Apr-2021	Changes in equity share capital during the year	Balance as at 31-Mar-2022
14,036.69	-	14,036.69	-	14,036.69

## 2.16 Other Equity

(Amount ₹ in Lakh)

Particulars	Reserves and Surplus							Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Technology Reserve	NFS SGM Reserve	Risk Cover Reserve	RuPay SGM Reserve	Sustainability Reserve	Retained Earnings		
<b>Balance as at 01-Apr-2022</b>	<b>16,048.39</b>	<b>27,500.00</b>	<b>1,000.00</b>	<b>15,647.00</b>	<b>100.00</b>	<b>30,000.00</b>	<b>1,88,159.05</b>	<b>(171.92)</b>	<b>2,78,282.52</b>
Total Comprehensive Income	-	-	-	-	-	-	82,804.16	4.48	82,808.64
Transfer to Technology Reserve	-	5,000.00	-	-	-	-	(5,000.00)	-	-
Transfer to Risk Cover Reserve	-	-	-	4,000.00	-	-	(4,000.00)	-	-
Transfer to Sustainability Reserve	-	-	-	-	-	10,000.00	(10,000.00)	-	-
Transfer to SGM - NFS Other	-	-	-	-	-	-	(347.66)	-	(347.66)
Transfer to SGM - IMPS Other	-	-	-	-	-	-	(1,123.99)	-	(1,123.99)
Transfer to SGM - AePS Other	-	-	-	-	-	-	(114.44)	-	(114.44)
Transfer to SGM - NETC Other	-	-	-	-	-	-	(7.99)	-	(7.99)
Transfer to SGM - UPI Other	-	-	-	-	-	-	(397.78)	-	(397.78)
Transfer to SGM - RuPay Other	-	-	-	-	-	-	(101.41)	-	(101.41)
Transfer to SGM - NACH Other	-	-	-	-	-	-	(96.75)	-	(96.75)
Transfer to SGM - BBPS Other	-	-	-	-	-	-	(79.80)	-	(79.80)
<b>Balance as at 31-Mar-2023</b>	<b>16,048.39</b>	<b>32,500.00</b>	<b>1,000.00</b>	<b>19,647.00</b>	<b>100.00</b>	<b>40,000.00</b>	<b>2,49,693.39</b>	<b>(167.44)</b>	<b>3,58,821.34</b>

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2023

## 2.16 Other Equity (Contd..)

(Amount ₹ in Lakh)

Particulars	Reserves and Surplus							Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Technology Reserve	NFS SGM Reserve	Risk Cover Reserve	RuPay SGM Reserve	Sustainability Reserve	Retained Earnings		
<b>Balance as at 01-Apr-2021</b>	16,048.39	22,500.00	1,000.00	11,647.00	100.00	20,000.00	1,30,669.90	(265.47)	2,01,699.82
Total Comprehensive Income	-	-	-	-	-	-	77,339.22	93.55	77,432.77
Transfer to Technology Reserve	-	5,000.00	-	-	-	-	(5,000.00)	-	-
Transfer to Risk Cover Reserve	-	-	-	4,000.00	-	-	(4,000.00)	-	-
Transfer to Sustainability Reserve	-	-	-	-	-	10,000.00	(10,000.00)	-	-
Transfer to SGM - NFS Other	-	-	-	-	-	-	(287.56)	-	(287.56)
Transfer to SGM - IMPS Other	-	-	-	-	-	-	(943.16)	-	(943.16)
Transfer to SGM - AePS Other	-	-	-	-	-	-	59.68	-	59.68
Transfer to SGM - NETC Other	-	-	-	-	-	-	(4.37)	-	(4.37)
Transfer to SGM - UPI Other	-	-	-	-	-	-	243.41	-	243.41
Transfer to SGM - RuPay Other	-	-	-	-	-	-	67.16	-	67.16
Transfer to SGM - NACH Other	-	-	-	-	-	-	38.55	-	38.55
Transfer to SGM - BBPS Other	-	-	-	-	-	-	(23.78)	-	(23.78)
<b>Balance as at 31-Mar-2022</b>	<b>16,048.39</b>	<b>27,500.00</b>	<b>1,000.00</b>	<b>15,647.00</b>	<b>100.00</b>	<b>30,000.00</b>	<b>1,88,159.05</b>	<b>(171.92)</b>	<b>2,78,282.52</b>

The Company has created reserves namely, RuPay SGM Reserve, NFS SGM Reserve, Sustainability Reserve, Risk Cover Reserve and Technology Reserve over period of years by way of appropriation from the Surplus after Tax as per the policy approved by the Board in this regard.

### As per our report attached

#### For Banshi Jain & Associates

Chartered Accountants  
Registration No.: 100990W

#### CA Parag Jain

Partner  
Membership No.: 078548

Place : Mumbai  
Date : 11-May-2023

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

#### Biswamohan Mahapatra

Chairman  
DIN: 06990345

#### Dilip Asbe

Managing Director & CEO  
DIN: 02990724

#### Priyanka Agrawal

Company Secretary

#### Venkatraman Srinivasan

Director  
DIN: 00246012

#### Rupesh H. Acharya

Chief Financial Officer

# Consolidated Statement of Cash Flows

 for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
<b>Cash flow from operating activities</b>		
Net surplus / (deficit) for the year	1,12,796.36	99,237.15
Exceptional items	-	3,312.30
<b>Adjustment to reconcile net surplus / (deficit) to net cash by operating activities</b>		
Depreciation	17,143.19	15,433.90
PPE written off	0.08	0.41
Unrealised foreign exchange (gain) / loss (net)	20.37	10.98
Interest Income	(23,169.62)	(15,250.48)
<b>Operating surplus / (deficit) before working capital changes</b>	<b>1,06,790.38</b>	<b>1,02,744.26</b>
<b>Adjustment for:</b>		
Trade and other receivables	(5,696.01)	(16,308.32)
Trade and other payables	16,963.80	36,037.72
<b>Cash generated from / (used in) operations</b>	<b>1,18,058.17</b>	<b>1,22,473.65</b>
Adjustment for Income Tax	(33,470.05)	(27,039.28)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>84,588.12</b>	<b>95,434.37</b>
<b>Cash flow from investing activities</b>		
Expenditure on Property, plant and equipment	(45,828.58)	(40,168.55)
Redemption / (Investment) in earmarked funds	(77,140.02)	(1,254.75)
Redemption / (Investment) in own fund in Bank FD	(5,003.99)	(30,789.17)
Redemption / (Investment) with Financial Institutions	45,049.89	(46,377.36)
Redemption / (Investment) in Government Securities (quoted)	(21,015.96)	(5,162.33)
Redemption / (Investment) in T-Bills	1,292.31	45.05
Redemption / (Investment) in Government Bonds	1,500.00	-
Interest Income	19,257.15	15,250.48
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>(81,889.20)</b>	<b>(1,08,456.63)</b>
<b>Cash flow from financing activities</b>		
Net asset directly associated - Discontinued operations	-	128.10
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>-</b>	<b>128.10</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,698.92</b>	<b>(12,894.16)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>21,973.02</b>	<b>34,867.18</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>24,671.94</b>	<b>21,973.02</b>

## As per our report attached

### For Banshi Jain & Associates

Chartered Accountants  
 Registration No.: 100990W

### CA Parag Jain

Partner  
 Membership No: 078548

Place : Mumbai

Date : 11-May-2023

## For and on behalf of the Board of Directors

### Biswamohan Mahapatra

Chairman  
 DIN: 06990345

### Dilip Asbe

Managing Director & CEO  
 DIN: 02990724

### Priyanka Agrawal

Company Secretary

### Venkatraman Srinivasan

Director  
 DIN: 00246012

### Rupesh H. Acharya

Chief Financial Officer

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

## Company Overview

National Payments Corporation of India (NPCI / The Company), an umbrella organisation for operating retail payments and settlement systems in India, is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, for creating a robust Payment & Settlement Infrastructure in India. The Company has its registered office at 1001A, B Wing, 10th Floor, The Capital, Bandra - Kurla Complex, Bandra (East) Mumbai, 400051, Maharashtra, India.

Considering the utility nature of the objects of NPCI, it has been incorporated as a "Not for Profit" Company under the provisions of Section 25 of Companies Act, 1956 (now Section 8 of Companies Act, 2013), with an intention to provide infrastructure to the entire Banking system in India for physical as well as electronic payment and settlement systems.

The Company has two wholly owned subsidiaries "NPCI International Payments Limited (NIPL)" and "NPCI Bharat BillPay Limited (NBBL)" which were incorporated on April 03, 2020 and December 10, 2020 respectively. 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. The Bharat Bill Payment System (BBPS) is an authorized payment system operated by NBBL. BBPS ecosystem offers integrated, accessible and interoperable bill payment services to consumers across geographies with certainty, reliability and safety of transactions to customers through a network of channels, enabling multiple payment modes, and providing instant confirmation of receipt of payment. The Group is focused on bringing innovations in the retail payment systems through the use of technology for achieving greater efficiency in operations and widening the reach of payment systems.

The 10 promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank Limited, HDFC Bank Limited, Citibank N. A. and HSBC. In 2016 the shareholding was broad-based to 56 member banks to include more banks representing all sectors. In 2020, new entities regulated by RBI were inducted, consisting of Payment Service Operators, Payment banks, Small Finance banks, etc. The shares were allotted pursuant to issuance of equity shares on private placement basis in compliance to the applicable provisions of the Companies Act, 2013. There are 65 shareholders comprising of 11 Public Sector banks, 18 Private banks, 5 Foreign banks, 10 Co-operative banks and 6 Regional Rural banks, 4 Small Finance banks, 1 Payments bank, and 10 Payment System Operators holding shares in the Group.

The Group's initiatives in the Retail Payment System are in the form of providing National Financial Switch (NFS), Cheque Truncation System (CTS), Immediate Payment Service (IMPS),

Card Scheme (RuPay), National Automated Clearing House (NACH), Aadhaar Enabled Payment System (AePS), Unified Payments Interface (UPI), National Electronic Toll Collection (NeTC), Bharat Interface for Money (BHIM), Aadhaar Payment Bridge System (APBS), National Common Mobility Card (NCMC), etc. The above initiatives will contribute towards achieving Less-cash society. The Group through its product and services is continuously participating in the Financial Inclusion programme and Direct Benefit Transfer (DBT) initiatives. The Group has arrangement with International Card schemes such as Discover Financial Services, JCBI, China Union Pay International and Mercury to provide the Global acceptance. The Group has set up Innovation Council comprising of industry leaders from payment industry for activities related to innovation in payment systems. NPCI has built its own data centres for hosting the Information Technology infrastructure.

The Group has also conducted various workshops at various locations and imparted trainings by connecting with large footprint institutions to undertake cascade style trainings. The key objective of NPCI's training is to increase use of digital means of transactions as step towards promoting Digital India Initiative thus supporting Less-cash society. The Group has been organizing digital financial literacy trainings for the customers of various organisation.

The training activities comprises meaning of Less-cash society and reasons to go cash-lite, and primarily focuses on NPCI's products such as RuPay, Aadhaar enabled Payment System (AePS), Bharat Interface for Money (BHIM), Unified Payments Interface (UPI). The products are explained to the users with the help of video clips and live practical demonstration to use these products. Also, the activation program aims to enable customer to download BHIM UPI onto their phones thus carry out a transaction from their phones. These trainings are conducted in the vernacular / local language depending upon the location and type of language including Hindi, Gujarati, Kannada, Tamil, etc. The Group has conducted training outreach campaigns at various places with the state governments to promote digital financial literacy.

## 1. Significant Accounting Policies

### 1.1. Basis of Preparation & Presentation of financial statements

The consolidated 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 consolidated 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

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

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

The consolidated financial statements include the Balance Sheet, the Statement of Income and Expenditure, 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 consolidated 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. Basis of consolidation

The Group consolidates all entities which are controlled by NPCI. The consolidated Ind AS financial statements comprise the financial statements of the NPCI and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable

returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary.

## 1.3. Consolidation Procedure

The consolidated Ind AS financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These consolidated Ind AS financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or Loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

## 1.4. Group Information

The consolidated financial statements of the Group include subsidiaries listed in the table below:

Name	Principal Activities	Country of Incorporation	% of Equity Interest	
			31-Mar-2023	31-Mar-2022
NPCI International Payments Limited	Internationalise RuPay and UPI products.	India	100%	100%
NPCI Bharat BillPay Limited	Conceptualise ecosystem which offers integrated, accessible and interoperable recurring payment services to consumers across geographies with certainty, reliability and safety of transactions.	India	100%	100%

## 1.5. Statement of Cash flow

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 Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

## 1.6. Operating cycle

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

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

The preparation of consolidated 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

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

of the consolidated 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 consolidated 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.

## 1.7.1. 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 Group 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 Group.

## 1.7.2. Useful lives of Property, Plant and Equipment

The Group 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.

## 1.7.3. Valuation of Deferred Tax Assets

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

## 1.7.4. 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.

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

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group 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 Group 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 Consolidated 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 Consolidated Income Statement when the PPE is de-recognised.



# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

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

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 Tangible Assets	Estimated useful life (In years)
1	Network Equipment / Central Switching	6
2	Office Equipment #	5
3	Computers and Printers	3
4	Furniture and Fittings	10
5	Vehicles	8
6	Leasehold Improvements*	-
7	Buildings (Other than Factory Building)	60
8	Plant machinery and equipment	8 - 15
9	Electrical Installations	10
10.	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 Income and Expenditure.

## 1.9. 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 Companies Act, 2013:

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

## 1.10. Leases as per Ind AS 116

The Group 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 Group 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 Group 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 Group measures the lease liability at the present value of the lease payments. The lease payments are discounted using incremental borrowing rate applicable to the Group for a similar term. Subsequently the lease

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

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.

## 1.11. Research and development expenditure

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

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 Group has intention to complete the intangible asset and use or sell it.
- iii. The Group has ability to use or sell the intangible asset.
- iv. The manner in which the probable future economic benefits will be generated including 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 Group has 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.

## 1.12. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will

be withdrawn. Management expects that the sale will be completed within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of Income & Expenditure.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## 1.13. 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.

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

## 1.14. Share Capital

### Ordinary Shares

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

## 1.15. Provisions

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

## 1.16. Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Group 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:

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

#### (ii) Fair Value through Profit or Loss

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

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

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

### Impairment of Financial Assets:

- The Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.
- The Group has invested in Central Government Securities, T-Bills, and Government of India Bonds, which are sovereign in nature. Hence, impairment is not required.

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

- The contractual rights to the cash flows from the financial asset expire;
- 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 Group 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.

## 1.17. 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

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

which the company expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional as per Ind AS 115 – Revenue from Contracts with Customers.

## 1.17.1. Income from Operations

The Group derives revenue primarily from operating Retail Payment Systems. The Group operates various retail payment systems for member banks through its services like NFS, CTS, IMPS, RuPay Card, NACH, AePS, UPI, NeTC, BHIM, APBS, NCMC, BBPS, etc. Revenue from such products and services is accounted for all transactions during the reporting period.

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

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

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

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

## 1.17.2. Other Income

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

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

## 1.18. Employee Benefits

### 1.18.1. 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 Group are recognised during the period in which the employee renders such related services.

The Group 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.

### 1.18.2. Post-employment benefits

#### i. Defined Contribution Plans

**Provident Fund:** The Group 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 Group 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 Group.

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

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

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 income & expenditure.

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 of the group and not the date of transfer to the Company. Further, in case of such inter-company transfer, the transferee company cross charges to the transferor company the amount of Gratuity / Leave Encashment payable to the employee as on the date of transfer to transferor company. In case, the employee leaves before the eligible period of payment of gratuity, the above cross charge will be reversed.

## 1.19. Income Tax

The Company has been incorporated as a 'Not for Profit Company' under section 25 of the Companies Act, 1956 (now section 8 of Companies Act, 2013) and granted registration under section 12AB of the Income Tax Act, 1961. The Company is prohibited by its objects to carry out any activity on commercial basis and it operates on a non-commercial basis and thereby claims to be eligible for tax exemption. On a conservative basis the Management has decided to provide for current tax including deferred tax; if any.

Tax expense (tax income) is the aggregate amount included in the determination of surplus or deficit 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 Group 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 recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. The Group 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 Income and Expenditure, either in other comprehensive income or in equity, if any is recorded along with the tax as applicable.

## 1.20. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group 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.

## 1.21. 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.

# Significant Accounting Policies and Notes to Accounts

for the year ended 31<sup>st</sup> March 2023

## 1.22. 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 recognised 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.

## 1.23. 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.

## 1.24. Foreign Currency Transactions

- i. The functional currency of the Group 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 income and expenditure in the period in which they arise.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2 NOTES TO ACCOUNTS

### 2.01 Property, Plant and Equipment

Following are the changes in the carrying value of the Property, Plant and Equipment for the year ended 31st March 2023

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2022
Land	3,995.04	-	-	3,995.04	-	-	-	-	3,995.04	3,995.04
Building	4,022.39	15,843.11	-	19,865.50	474.43	211.20	-	685.63	19,179.87	3,547.96
Computers	3,058.59	755.55	11.75	3,802.39	1,844.34	656.69	11.27	2,489.76	1,312.63	1,214.27
Network Equipment	13,305.73	4,587.70	44.22	17,849.21	7,853.98	2,312.33	44.22	10,122.09	7,727.12	5,451.77
Switching Equipment / Central Processors	27,419.55	18,866.66	-	46,286.21	16,921.64	5,563.83	-	22,485.47	23,800.74	10,497.91
Furniture and Fixture	546.60	171.69	-	718.29	208.60	64.08	-	272.68	445.61	338.00
Electrical Installation	208.83	14,617.15	-	14,825.98	81.49	811.80	-	893.29	13,932.69	127.33
Office Equipment	639.02	339.80	-	978.82	447.67	104.77	-	552.44	426.38	191.32
Leasehold improvement	569.42	17.79	-	587.21	110.54	103.03	-	213.57	373.64	458.86
Plant and Machinery	-	4,509.10	-	4,509.10	-	163.97	-	163.97	4,345.13	-
<b>As at 31-Mar-2023</b>	<b>53,765.17</b>	<b>59,708.55</b>	<b>55.97</b>	<b>1,13,417.75</b>	<b>27,942.69</b>	<b>9,991.70</b>	<b>55.49</b>	<b>37,878.90</b>	<b>75,538.85</b>	<b>25,822.46</b>

Following are the changes in the carrying value of the Property, Plant and Equipment for the year ended 31st March 2022

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 31-Mar-2022	As at 31-Mar-2021
Land	3,995.04	-	-	3,995.04	-	-	-	-	3,995.04	3,995.04
Building	4,022.39	-	-	4,022.39	406.70	67.73	-	474.43	3,547.96	3,615.69
Computers	2,037.39	1,081.48	60.28	3,058.59	1,521.15	383.11	59.94	1,844.32	1,214.27	516.24
Network Equipment	11,850.11	1,637.62	182.00	13,305.73	6,062.92	1,973.04	182.00	7,853.96	5,451.77	5,787.19
Switching Equipment / Central Processors	26,195.00	1,654.89	430.36	27,419.53	13,200.16	4,151.81	430.35	16,921.62	10,497.91	12,994.84
Furniture and Fixture	497.29	49.60	0.29	546.60	154.43	54.39	0.22	208.60	338.00	342.86
Electrical Installation	155.49	53.34	-	208.83	45.05	36.45	-	81.50	127.33	110.44
Office Equipment	541.27	99.96	2.22	639.01	377.07	72.85	2.23	447.69	191.32	164.20
Leasehold improvement	293.38	276.03	-	569.41	20.34	90.21	-	110.55	458.86	273.04
<b>As at 31-Mar-2022</b>	<b>49,587.36</b>	<b>4,852.92</b>	<b>675.15</b>	<b>53,765.13</b>	<b>21,787.82</b>	<b>6,829.59</b>	<b>674.74</b>	<b>27,942.67</b>	<b>25,822.46</b>	<b>27,799.54</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2 NOTES TO ACCOUNTS (Contd..)

Notes:

- There has been no revaluation of Property, Plant and Equipment during the current and previous year.
- The title deed of all the Immovable properties are held in the name of the company.
- The management has carried out physical verification of Property, Plant and Equipment through an independent third party consultant. The consultant has vide their report dated 4th February 2023 reported that certain assets are not traceable / unavailable at their respective locations. The management is in the process of verification of the aforesaid assets and has identified and dealt with majority of the assets as at the date of signing of the financials. Exercise to identify the balance of untraced assets amounting to Rs.151.39 Lakh is in process.

### 2.02 Capital Work-In-Progress

#### Capital Work in Progress ( CWIP ) as on Mar'23

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
Projects in progress	12,527.67	290.31	67.46	-	12,885.44
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>12,527.67</b>	<b>290.31</b>	<b>67.46</b>	<b>-</b>	<b>12,885.44</b>

#### Details of Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compared to Original Plan as on 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
	To be completed in				
<b>Projects in progress</b>					
Smart Data Centre - Project*	645.44	85.79	-	-	731.23
<b>Total</b>	<b>645.44</b>	<b>85.79</b>	<b>-</b>	<b>-</b>	<b>731.23</b>

\*The project has been over due as original project date given was January'2022.

#### Capital Work in Progress ( CWIP ) as on Mar'2022

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
Projects in progress	30,675.68	6,234.12	294.12	15.22	37,219.14
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>30,675.68</b>	<b>6,234.12</b>	<b>294.12</b>	<b>15.22</b>	<b>37,219.14</b>

#### Details of Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compared to Original Plan as on 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	Total
	To be completed in				
<b>Projects in progress</b>					
Smart Data Centre - Project*	36,611.21	-	-	-	36,611.21
<b>Total</b>	<b>36,611.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,611.21</b>

\*The project has been over due as original project date given was January'2022.



# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.03 Right of Use Assets

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2022
Right of Use Assets	9,256.11	1,540.13	-	10,796.24	4,742.53	1,517.58	-	6,260.11	4,536.13	4,513.58
<b>As at 31-Mar-2023</b>	<b>9,256.11</b>	<b>1,540.13</b>	<b>-</b>	<b>10,796.24</b>	<b>4,742.53</b>	<b>1,517.58</b>	<b>-</b>	<b>6,260.11</b>	<b>4,536.13</b>	<b>4,513.58</b>

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 31-Mar-2022	As at 31-Mar-2021
Right of Use Assets	6,834.37	2,421.74	-	9,256.11	3,192.82	1,549.71	-	4,742.53	4,513.58	3,641.55
<b>As at 31-Mar-2022</b>	<b>6,834.37</b>	<b>2,421.74</b>	<b>-</b>	<b>9,256.11</b>	<b>3,192.82</b>	<b>1,549.71</b>	<b>-</b>	<b>4,742.53</b>	<b>4,513.58</b>	<b>3,641.55</b>

## 2.04 Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March 2023

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 31-Mar-2023	As at 31-Mar-2022
Computer Software	38,670.93	2,866.63	-	41,537.56	31,496.57	5,014.52	-	36,511.09	5,026.47	7,174.36
BBPS	0.01	-	-	0.01	0.01	-	-	0.01	-	-
IPR - BHARAT BILLPAY	1,888.00	-	-	1,888.00	377.60	377.60	-	755.20	1,132.80	1,510.40
Contracts with Customers	1,210.00	-	-	1,210.00	242.00	242.00	-	484.00	726.00	968.00
Goodwill on Purchase	207.40	-	-	207.40	-	-	-	-	207.40	207.40
Consideration	-	-	-	-	-	-	-	-	-	-
<b>As at 30-Sep-2022</b>	<b>41,976.34</b>	<b>2,866.63</b>	<b>-</b>	<b>44,842.97</b>	<b>32,116.18</b>	<b>5,634.12</b>	<b>-</b>	<b>37,750.30</b>	<b>7,092.67</b>	<b>9,860.14</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.04 Intangible Assets (Contd..)

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March 2022

(Amount ₹ in Lakh)

Asset Group	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 31-Mar-2022	As at 31-Mar-2021
Computer Software	34,153.22	5,189.62	671.90	38,670.94	25,726.56	6,441.77	671.74	31,496.59	7,174.34	8,426.65
BBPS	-	0.01	-	0.01	-	0.01	-	0.01	-	-
IPR - BHARAT	-	1,888.00	-	1,888.00	-	377.60	-	377.60	1,510.40	-
BILLPAY										
Contracts with Customers	-	1,210.00	-	1,210.00	-	242.00	-	242.00	968.00	-
Goodwill on Purchase Consideration	-	207.40	-	207.40	-	-	-	-	207.40	-
<b>As at 30-Sep-2022</b>	<b>34,153.22</b>	<b>8,495.03</b>	<b>671.90</b>	<b>41,976.35</b>	<b>25,726.56</b>	<b>7,061.38</b>	<b>671.74</b>	<b>32,116.20</b>	<b>9,860.14</b>	<b>8,426.63</b>

\*There has been no revaluation of Intangible Assets during the current and previous year.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.05 Intangible Assets Under Development (IAUD) as on 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress	6,686.05	1,356.99	31.31	63.52	8,137.87
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6,686.05</b>	<b>1,356.99</b>	<b>31.31</b>	<b>63.52</b>	<b>8,137.87</b>

## Intangible Assets Under Development whose completion is overdue or has exceeded its cost compared to Original Plan as on 31st March 2023

(Amount ₹ in Lakh)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
<b>Projects in progress</b>					
Smart Data Centre - Project*	-	63.52	-	-	63.52
Project - Project Innovation*	-	378.61	-	-	378.61
Unified Presentation and Management System(UPMS) Phase 3 and UPMS Support**	-	68.00	-	-	68.00
Billar On boarding and Automated Testing Deployment**	10.50	-	-	-	10.50
<b>Total</b>	<b>10.50</b>	<b>510.13</b>	<b>-</b>	<b>-</b>	<b>520.63</b>

\*The project has been over due as original project date for :

- Smart Data Centre was January'2022.
- Project Innovation was March'2022.

\*\*The project has been over due as original project date for :

- (i) Due to COVID 19 and resource attrition, the services from the vendor providing UPMS Phase 3 and UPMS Support project got impacted resulting in delay in the project.
- (ii) Billar On boarding and Automated Testing Deployment Project got delayed due to technical issues during the deployment.

## Intangible Assets Under Development (IAUD) as on 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress	1,880.72	129.54	63.52	-	2,073.78
Projects temporarily suspended	16.55	-	-	-	16.55
<b>Total</b>	<b>1,897.27</b>	<b>129.54</b>	<b>63.52</b>	<b>-</b>	<b>2,090.33</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to Original Plan as on 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
<b>Projects in progress</b>					
Smart Data Centre - Project*	65.42	-	-	-	65.42
Project - Project Innovation*	378.61	-	-	-	378.61
Project - Tokenization*	14.19	-	-	-	14.19
<b>Total</b>	<b>458.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>458.22</b>

\*The project has been over due as original project date for :

- Smart Data Centre was January'2022.
- Project Innovation was March'2022.
- Tokenisation was May'2021.

## 2.06 Investments (Non-Current)

(Amount ₹ in Lakh)

Particulars	Face Value per unit (In ₹)	Qty as at		As at 31-Mar-2023	As at 31-Mar-2022
		31-Mar-2023	31-Mar-2022		
<b>Quoted Investment carried at amortised cost</b>					
<b>I. Investment in Government Securities with Maturity more than 12 months</b>					
G-Sec 7.68% 2023	100	-	12,00,000	-	1,198.04
G-Sec 7.35% 2024	100	4,00,000	4,00,000	398.29	396.45
G-Sec 8.40% 2024	100	4,00,000	4,00,000	401.91	403.34
G-Sec 7.72% 2025	100	4,00,000	4,00,000	400.27	400.37
G-Sec 8.15% 2026	100	6,00,000	6,00,000	604.59	605.63
G-Sec 8.60% 2028	100	4,00,000	4,00,000	410.16	411.89
G-Sec 7.88% 2030	100	8,00,000	8,00,000	797.60	797.27
G-Sec 7.95% 2032	100	8,00,000	8,00,000	805.46	805.85
G-Sec 8.24% 2033	100	14,00,000	14,00,000	1,441.24	1,443.76
G-Sec 7.59% 2029	100	8,00,000	8,00,000	796.43	795.79
G-Sec 7.61% 2030	100	4,00,000	4,00,000	398.80	398.67
G-Sec 7.37% 2023	100	-	6,00,000	-	596.13
G-Sec 7.17% 2028	100	2,00,000	2,00,000	193.20	191.39
G-Sec 7.59% 2026	100	4,00,000	4,00,000	398.35	397.63
G-Sec 7.26% 2029	100	12,00,000	12,00,000	1,206.99	1,203.63
G-Sec 7.32% 2024	100	-	12,00,000	-	1,207.80
G-Sec 8.24% 2027	100	6,00,000	6,00,000	612.86	615.72
G-Sec 7.27% 2026	100	20,00,000	20,00,000	2,027.47	2,037.06
G-Sec 7.57% 2033	100	20,00,000	20,00,000	2,095.15	2,102.57
G-Sec 6.45% 2029	100	10,00,000	10,00,000	997.90	997.54
G-Sec 6.18% 2024	100	4,00,000	4,00,000	402.47	403.95
G-Sec 5.79% 2030	100	6,00,000	6,00,000	599.33	599.22
G-Sec 6.19% 2034	100	33,45,000	33,50,000	3,317.39	3,315.70
G-Sec 5.77% 2030	100	14,00,000	14,00,000	1,384.05	1,382.05
G-Sec 5.85% 2030	100	12,00,000	12,00,000	1,186.38	1,185.08
G-Sec 6.22% 2035	100	32,85,000	33,00,000	3,242.98	3,241.39
G-Sec 5.63% 2026	100	11,00,000	11,00,000	1,099.24	1,099.01
G-Sec 6.64% 2035	100	6,00,000	6,00,000	600.09	600.13

# Notes Forming Part of the Consolidated Balance Sheet

 for the year ended 31<sup>st</sup> March 2023

## 2.06 Investments (Non-Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	Face Value per unit (In ₹)	Qty as at		As at	As at
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
G-Sec 4.26% 2023	100	-	6,00,000	-	598.81
G-Sec 4.56% 2023	100	-	12,00,000	-	1,195.50
G-Sec 5.74% 2026	100	23,00,000	17,00,000	2,270.59	1,687.65
G-Sec 6.69% 2024	100	19,00,000	-	1,898.31	-
G-Sec 6.54% 2032	100	2,00,000	-	188.52	-
G-Sec 7.38% 2027	100	21,50,000	-	2,164.56	-
G-Sec 7.10% 2029	100	73,10,000	-	7,215.16	-
G-Sec 7.26% 2032	100	30,00,000	-	2,997.19	-
G-Sec 7.38% 2037	100	2,00,000	-	201.60	-
G-Sec 6.89% 2025	100	22,00,000	-	2,191.59	-
G-Sec 7.26% 2033	100	30,00,000	-	2,989.64	-
<b>Sub Total (A)</b>				<b>47,935.76</b>	<b>32,315.02</b>
<b>Unquoted Investments carried at amortised cost</b>					
Govt of India 8% Savings Bond	100	50,00,000	50,00,000	-	5,000.00
<b>Sub Total (B)</b>				<b>-</b>	<b>5,000.00</b>
<b>Total (A+B)</b>				<b>47,935.76</b>	<b>37,315.02</b>
Aggregate amount of quoted investments				47,935.76	32,315.02
Market Value of quoted investments				47,149.52	32,011.83
Aggregate amount of unquoted investments				-	5,000.00
Aggregate amount of impairment in value of investments				-	-

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

## 2.07 Other Financial Assets (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Security Deposits*	733.16	613.59
Unamortised Advance Rental	115.20	119.87
Settlement Guarantee Fund (with International Alliances)	113.51	101.65
<b>Sub Total (A)</b>	<b>961.87</b>	<b>835.11</b>
<b>Earmarked Deposits</b>		
<b>Term Deposits with Banks</b>		
<b>Original maturity more than 12 months and with current maturity more than 12 months (Callable)</b>		
- Technical Reserve	27,250.00	199.00
- Risk Reserve	1,000.00	-
- Sustainability Reserve	2,500.00	-
- SGM IMPS	8,000.00	-
- SGM AePS	1,650.00	-
- SGM NETC	205.00	38.00
- SGM UPI	3,315.00	-
- SGM RuPay	3,400.00	-

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.07 Other Financial Assets (Non-Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
- SGM NACH	2,970.00	199.00
- SGM BBPS	1,620.00	-
<b>Sub Total (B)</b>	<b>51,910.00</b>	<b>436.00</b>
<b>Deposits with Banks</b>		
Original maturity more than 12 months and with current maturity more than 12 months (Callable)	42,551.01	99.00
<b>Sub Total (C)</b>	<b>42,551.01</b>	<b>99.00</b>
<b>Total (A + B + C)</b>	<b>95,422.88</b>	<b>1,370.11</b>

\*Security deposits includes deposits given for leased office premises and utilities like electricity supplies, hospitals for employee benefits, etc.

## 2.08 Other Non-Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Capital Advance	22.98	3.94
Prepaid Expenses*	374.19	182.80
<b>Total</b>	<b>397.17</b>	<b>186.74</b>

\*The prepaid expenses consist of un-expired portion of RuPay Card holder's and other insurance premium, annual maintenance expenses, subscription, etc.

## 2.09 Investments (Current)

(Amount ₹ in Lakh)

Particulars	Face Value per unit (In ₹)	Qty as at		As at 31-Mar-2023	As at 31-Mar-2022
		31-Mar-2023	31-Mar-2022		
<b>Quoted Investments carried at amortised cost</b>					
<b>Investments in Government Securities with maturity less than 12 months</b>					
G-Sec 4.26% 2023	100	6,00,000	-	599.87	-
G-Sec 4.56% 2023	100	18,00,000	-	1,792.64	-
G-Sec 7.37% 2023	100	6,00,000	-	599.89	-
G-Sec 7.32% 2024	100	6,00,000	-	1,203.50	-
G-Sec 7.68% 2023	100	12,00,000	-	1,199.32	-
<b>Sub Total (A)</b>				<b>5,395.22</b>	<b>-</b>
<b>Treasury Bill</b>					
with maturity less than 3 months	100	1,50,00,000	-	13,306.10	-
with maturity more than 3 months but less than 12 months	100	1,77,00,000	2,95,00,000	13,753.39	28,351.80
<b>Sub Total (B)</b>				<b>27,059.49</b>	<b>28,351.80</b>
<b>Unquoted Investments carried at amortised cost</b>					
Government of India 8% Savings Bond	100	-	15,00,000	5,000.00	1,500.00
<b>Sub Total (C)</b>				<b>5,000.00</b>	<b>1,500.00</b>
<b>Total (A+B+C)</b>				<b>37,454.71</b>	<b>29,851.80</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.09 Investments (Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Aggregate amount of quoted investments	32,454.71	28,351.80
Market Value of quoted investments	33,462.48	28,587.65
Aggregate amount of unquoted investments	5,000.00	1,500.00
Aggregate provision for diminution in value of Investments		

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

## 2.10 Trade Receivables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Unsecured considered good</b>		
Receivables for Settlement Fees	13,611.57	6,684.18
Receivables for Network / IIN recoveries	45.43	270.81
Receivables for Certification / Others	1,188.63	37.61
Receivables for RuPay (others)	188.88	733.60
Less : Allowance for Credit Losses	(32.14)	-
<b>Total</b>	<b>15,002.37</b>	<b>7,726.20</b>

The Company has exposure to regulated entities, hence the credit risk is limited. All trade receivables are reviewed and assessed for default on a monthly basis and the risk is mitigated by timely monitoring of receivables. Based on historical experience of collecting receivables, supported by the level of default, the credit risk is low. Accordingly, our provision for expected credit loss (ECL) on trade receivable is not material.

### Ageing of Trade Receivables as at 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	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	13,209.92	297.45	450.32	507.26	32.14	534.73	2.69	15,034.51
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	-	-	-	-	-	-	-	-
Less: Allowance for Credit Losses	-	-	-	-	(32.14)	-	-	(32.14)
<b>Total</b>	<b>13,209.92</b>	<b>297.45</b>	<b>450.32</b>	<b>507.26</b>	<b>-</b>	<b>534.73</b>	<b>2.69</b>	<b>15,002.37</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Ageing of Trade Receivables as at 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	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	6,390.86	422.42	421.10	113.02	-	376.11	2.69	7,726.20
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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,390.86</b>	<b>422.42</b>	<b>421.10</b>	<b>113.02</b>	<b>-</b>	<b>376.11</b>	<b>2.69</b>	<b>7,726.20</b>

## 2.11 Cash and Cash Equivalents

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Balances with Banks</b>		
Balance in Current account with Reserve Bank of India	1.10	1.10
Current account (Own Fund)	4,826.08	3,615.84
Current account (Flexi Facility with Bank )	-	20.00
Current account (International Settlements)	4,389.58	6,281.08
<b>Deposits with Banks</b>		
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)	15,455.00	7,055.00
<b>Total</b>	<b>24,671.76</b>	<b>21,973.02</b>

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

## 2.12 Other Bank Balances

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Earmarked Funds</b>		
<b>Balances with Banks</b>		
Current account (SGM Contribution)	640.88	1,659.86
<b>Term deposits with banks</b>		
<b>Original maturity less than 3 months and current maturity less than 3 months (Callable)</b>		
- SGM IMPS	2,100.00	-



# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.12 Other Bank Balances (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
- SGM AePS	100.00	-
- SGM UPI	200.00	-
- SGM RuPay	60.00	-
- SGM NACH	245.00	-
<b>Original maturity 3 months to 12 months and current maturity less than 3 months (Non-Callable)</b>		
- Technical Reserve	-	5,500.00
- Risk Reserve	-	2,000.00
- SGM BBPS	180.00	1,149.89
<b>Original maturity 3 months to 12 months and current maturity less than 3 months (Callable)</b>		
- Technical Reserve	-	4,378.00
- Risk Reserve	-	4,975.00
- SGM NFS	-	2,598.00
- SGM IMPS	2,378.00	25,450.00
- SGM AePS	985.00	-
- SGM UPI	8,870.00	-
<b>Original maturity 3 months to 12 months and current maturity 3 months to 12 months (Callable)</b>		
- Technical Reserve	5,250.00	13,491.00
- NFS SGM Reserve	1,000.00	513.00
- Risk Reserve	11,147.00	3,989.00
- RuPay SGM Reserve	100.00	84.00
- Sustainability Reserve	31,500.00	22,152.00
- SGM NFS	8,400.00	8,097.00
- SGM IMPS	12,499.00	15,294.00
- SGM AePS	3,000.00	3,385.00
- SGM NETC	-	125.00
- SGM UPI	3,000.00	18,205.00
- SGM RuPay	900.00	5,457.00
- SGM NACH	2,000.00	2,022.00
- SGM BBPS	1,295.00	1,394.00
<b>Sub Total (A)</b>	<b>95,849.88</b>	<b>1,41,918.75</b>
<b>Deposits with Banks</b>		
Original maturity 3 months to 12 months but current maturity less than 3 months (Callable)	11,796.00	21,890.00
Original maturity 3 months to 12 months but current maturity more than 3 months to 12 months (Callable)	40,511.14	39,352.16
<b>Sub Total (B)</b>	<b>52,307.14</b>	<b>61,242.16</b>
<b>Total (A+B)</b>	<b>1,48,157.02</b>	<b>2,03,160.91</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.13 Other Financial Assets (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advances to Employees	164.63	120.04
Unamortised Advance Rental	46.12	37.50
Deposit with insurance companies	10.33	10.33
Settlement Guarantee Fund (with International Alliances)	20.55	16.56
Security deposit*	251.41	176.46
Prepaid Card	1.39	-
HDFC Group Gratuity Receivable	-	6.97
HDFC Group Leave Encashment Receivable	-	6.75
Receivable from HDFC Life Insurance Company Ltd.	5.50	-
Interest Receivable on Income Tax Refund	3,038.52	1,424.41
<b>Interest Accrued but not due</b>		
- Other than SGM contribution deposits	2,741.13	1,596.41
- Government Securities	946.04	563.04
- SGM NFS Contributions	9.28	16.31
- SGM IMPS Contributions	392.03	67.32
- SGM AePS Contributions	11.73	-
- SGM NETC Contributions	2.31	-
- SGM UPI Contributions	395.69	-
- SGM RuPay Contributions	3.64	-
- SGM NACH Contributions	25.81	-
- SGM BBPS Contributions	12.08	8.41
<b>Earmarked Funds</b>		
<b>Term deposits with banks</b>		
<b>Original maturity more than 12 months and current maturity less than 3 months (Callable)</b>		
- Technical Reserve	-	1,194.00
- Sustainability Reserve	-	4,776.00
- SGM NFS	300.00	199.00
- SGM AePS	-	170.00
- SGM NETC	38.00	19.00
- SGM RuPay	285.00	-
- SGM NACH	199.00	-
- SGM BBPS	1,409.00	-
<b>Original maturity more than 12 months and current maturity more than 3 months to 12 months (Callable)</b>		
- Technical Reserve	-	2,738.00
- NFS SGM Reserve	-	487.00
- Risk Reserve	7,500.00	4,683.00
- RuPay SGM Reserve	-	16.00
- Sustainability Reserve	6,000.00	3,072.00
- SGM NFS	800.00	597.00
- SGM IMPS	12,300.00	1,990.00
- SGM AePS	1,578.00	32.00
- SGM NETC	120.00	56.00
- SGM UPI	15,400.00	-
- SGM RuPay	700.00	-
- SGM NACH	590.00	-
- SGM BBPS	490.00	995.00

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.13 Other Financial Assets (Current) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Term Deposits with Banks</b>		
Original maturity more than 12 months but current maturity less than 3 months (Callable)	2,499.00	11,343.00
Original maturity more than 12 months but current maturity more than 3 months to 12 months (Callable)	10,000.00	29,669.00
<b>Total</b>	<b>68,286.19</b>	<b>66,086.51</b>

\*Security deposits includes deposits given for leased office premises and utilities like electricity supplies, hospitals for employee benefits, etc.

The company maintains exposure in cash and cash equivalents, term deposits with banks, investments in marketable debt instruments including government securities. The company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter-party based on credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the company's Treasury team. The investment of the Company is in high grade investment categories reducing the credit risk exposure to near minimal.

## 2.14 Other Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Prepaid Expenses*	1,255.71	3,293.56
GST Input / Cenvat Credit	13,139.05	9,821.81
Advances to Vendors	4,611.97	9,502.80
Accrued Income	-	45.16
<b>Total</b>	<b>19,006.73</b>	<b>22,663.33</b>

\*The prepaid expenses consist of un-expired portion of RuPay Card holder's and other insurance premium, annual maintenance expenses, subscription, etc.

## EQUITY AND LIABILITIES

### 2.15 Equity Share Capital

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Authorised Share Capital</b>		
3,00,00,000 Equity Shares of Rs. 100 each (PY 3,00,00,000 Equity Share of Rs.100 each)	30,000.00	30,000.00
<b>Issued Share Capital</b>		
1,45,26,600 Equity Shares of Rs. 100 each (PY 1,45,26,600 Equity Share of Rs.100 each)	14,526.60	14,526.60
<b>Subscribed and Paid up Share Capital</b>		
1,40,36,692 Equity Shares of Rs.100 each fully paid up (PY 1,40,36,692 Equity share of Rs.100 each)	14,036.69	14,036.69
<b>Total</b>	<b>14,036.69</b>	<b>14,036.69</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

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

(Amount ₹ in Lakh)

Particulars	Equity Shares			
	As at 31-Mar-2023		As at 31-Mar-2022	
	Number	Amount	Number	Amount
Shares outstanding as at the beginning of the year	1,40,36,692	14,036.69	1,40,36,692	14,036.69
Addition during the year	-	-	-	-
Shares outstanding as at the end of the year	1,40,36,692	14,036.69	1,40,36,692	14,036.69

### Terms / Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of Rs.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

Particulars	Equity Shares			
	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares held	% of holding	No. of shares held	% of holding
State Bank of India	10,00,000	7.12%	10,00,000	7.12%
Union Bank of India	12,84,000	9.15%	12,84,000	9.15%
Bank of India	10,00,000	7.12%	10,00,000	7.12%
Bank of Baroda	12,84,000	9.15%	12,84,000	9.15%
Punjab National Bank	12,84,000	9.15%	12,84,000	9.15%
Canara Bank	11,42,000	8.14%	11,42,000	8.14%
ICICI Bank Limited	10,00,000	7.12%	10,00,000	7.12%
HDFC Bank Limited	10,00,000	7.12%	10,00,000	7.12%
HSBC Limited	10,00,000	7.12%	10,00,000	7.12%
Citibank N.A	10,00,000	7.12%	10,00,000	7.12%

### Details of shareholding of promoters as at 31-Mar-2023

Particulars	Equity Shares				% of change during the year
	As at 31-Mar-2023		As at 31-Mar-2022		
	No. of shares held	% of holding	No. of shares held	% of holding	
State Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Union Bank of India	12,84,000	9.15%	12,84,000	9.15%	-
Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Bank of Baroda	12,84,000	9.15%	12,84,000	9.15%	-
Punjab National Bank	12,84,000	9.15%	12,84,000	9.15%	-
Canara Bank	11,42,000	8.14%	11,42,000	8.14%	-
ICICI Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HDFC Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HSBC Limited	10,00,000	7.12%	10,00,000	7.12%	-
Citibank N.A	10,00,000	7.12%	10,00,000	7.12%	-

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Details of shareholding of promoters as at 31-Mar-2022

Particulars	Equity Shares				% of change during the year
	As at 31-Mar-2022		As at 31-Mar-2021		
	No. of shares held	% of holding	No. of shares held	% of holding	
State Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Union Bank of India	12,84,000	9.15%	12,84,000	9.15%	-
Bank of India	10,00,000	7.12%	10,00,000	7.12%	-
Bank of Baroda	12,84,000	9.15%	12,84,000	9.15%	-
Punjab National Bank	12,84,000	9.15%	12,84,000	9.15%	-
Canara Bank	11,42,000	8.14%	11,42,000	8.14%	-
ICICI Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HDFC Bank Limited	10,00,000	7.12%	10,00,000	7.12%	-
HSBC Limited	10,00,000	7.12%	10,00,000	7.12%	-
Citibank N.A	10,00,000	7.12%	10,00,000	7.12%	-

## 2.17 Lease Liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liabilities	4,097.48	4,106.05
<b>Total</b>	<b>4,097.48</b>	<b>4,106.05</b>

## 2.18 Other financial liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
SGM - NFS Contribution	8,124.71	11,171.26
SGM - IMPS Contribution	37,218.24	35,829.83
SGM - AePS Contribution	7,312.79	6,424.09
SGM - NETC Contribution	359.40	340.38
SGM - UPI Contribution	30,781.93	19,506.39
SGM - RuPay Contribution	5,335.50	5,778.20
SGM - NACH Contribution	5,915.32	2,564.77
SGM - BBPS Contribution	4,909.99	3,677.83
Deposit- Collateral AePS / NETC / UPI	439.61	439.61
Deposit - Collateral RuPay International alliances	4,149.73	5,965.65
SGM - NFS (Other)*	2,418.96	2,071.30
SGM - IMPS (Other)*	3,014.13	1,890.14
SGM - AePS (Other)*	54.76	(59.68)
SGM - NETC (Other)*	12.36	4.37
SGM - UPI (Other)*	154.37	(243.41)
SGM - RuPay (Other)*	34.25	(67.16)
SGM - NACH (Other)*	58.20	(38.55)
SGM - BBPS (Other)*	118.75	38.95
<b>Total</b>	<b>1,10,413.00</b>	<b>95,293.97</b>

\*Pertains to the net income on SGM - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## SGM - NFS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NFS Contribution balance at the beginning</b>	<b>11,171.26</b>	<b>13,974.52</b>
Add : Contribution received during the year	6,035.68	5,948.84
Less : Contribution refunded during the year	(9,082.23)	(8,752.10)
<b>SGM - NFS Contribution balance at the end</b>	<b>8,124.71</b>	<b>11,171.26</b>
<b>SGM - NFS (Other) balance at the beginning</b>	<b>2,071.30</b>	<b>1,783.75</b>
Interest received on SGM- NFS investments	605.35	504.43
Less: LOC charges	(137.45)	(114.17)
Less: Salary expense	(3.31)	(3.61)
Less: Income Tax	(116.93)	(99.10)
<b>SGM - NFS (Other) balance at the end</b>	<b>2,418.96</b>	<b>2,071.30</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines proposed by the Company. In line with the guidelines, the Company has collected from banks availing NFS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is ₹ 8,124.71 Lakh. The SGM Contribution is placed as earmarked fixed deposits.

The amount in SGM - NFS (Other) is the net income on SGM NFS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM - IMPS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - IMPS Contribution balance at the beginning</b>	<b>35,829.83</b>	<b>42,817.16</b>
Add : Contribution received during the year	23,861.43	18,903.49
Less : Contribution refunded during the year	(22,473.02)	(25,890.82)
<b>SGM - IMPS Contribution balance at the end</b>	<b>37,218.24</b>	<b>35,829.83</b>
<b>SGM - IMPS (Other) balance at the beginning</b>	<b>1,890.14</b>	<b>946.98</b>
Interest received on SGM- IMPS investments	2,178.19	1,717.88
Less: LOC charges	(660.26)	(435.88)
Less: Salary expense	(15.92)	(13.80)
Less: Income Tax	(378.03)	(325.04)
<b>SGM - IMPS (Other) balance at the end</b>	<b>3,014.13</b>	<b>1,890.14</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for IMPS proposed by the Company. In line with the guidelines, the Company has collected from banks availing IMPS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is ₹ 37,218.24 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - IMPS (Other) is the net income on SGM IMPS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## SGM Contribution – AePS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - AePS Contribution balance at the beginning</b>	<b>6,424.09</b>	<b>453.00</b>
Add : Contribution received during the year	2,180.51	6,372.25
Less : Contribution refunded during the year	(1,291.80)	(401.16)
<b>SGM - AePS Contribution balance at the end</b>	<b>7,312.80</b>	<b>6,424.09</b>
<b>SGM - AePS (Other) balance at the beginning</b>	<b>(59.68)</b>	-
Interest received on SGM- AePS investments	331.53	56.10
Less: LOC charges	(174.39)	(132.17)
Less: Salary expense	(4.21)	(4.18)
Less: Income Tax	(38.49)	20.57
<b>SGM - AePS (Other) balance at the end</b>	<b>54.76</b>	<b>(59.68)</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for AePS proposed by the Company. In line with the guidelines, the Company has collected from banks availing AePS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.7,312.79 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - AePS (Other) is the net income on SGM AePS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM Contribution – NETC

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NETC Contribution balance at the beginning</b>	<b>340.38</b>	<b>99.00</b>
Add : Contribution received during the year	124.48	288.38
Less : Contribution refunded during the year	(105.46)	(47.00)
<b>SGM - NETC Contribution balance at the end</b>	<b>359.40</b>	<b>340.38</b>
<b>SGM - NETC (other) balance at the end</b>	<b>4.37</b>	-
Interest received on SGM- NETC investments	17.10	8.48
Less: LOC charges	(6.27)	(2.52)
Less: Salary expense	(0.15)	(0.08)
Less: Income Tax	(2.69)	(1.51)
<b>SGM - NETC (other) balance at the end</b>	<b>12.36</b>	<b>4.37</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for NETC proposed by the Company. In line with the guidelines, the Company has collected from banks availing NETC services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.359.40 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - NETC (Other) is the net income on SGM NETC - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM Contribution – UPI

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - UPI Contribution balance at the beginning</b>	<b>19,506.39</b>	<b>500.00</b>
Add : Contribution received during the year	13,611.86	19,384.45
Less : Contribution refunded during the year	(2,336.32)	(378.06)
<b>SGM - UPI Contribution balance at the end</b>	<b>30,781.93</b>	<b>19,506.39</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.18 Other financial liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - UPI (other) balance at the beginning</b>	<b>(243.41)</b>	-
Interest received on SGM- UPI investments	1,379.74	214.29
Less: LOC charges	(828.20)	(524.97)
Less: Salary expense	(19.97)	(16.62)
Less: Income Tax	(133.79)	83.89
<b>SGM - UPI (other) balance at the end</b>	<b>154.37</b>	<b>(243.41)</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for UPI proposed by the Company. In line with the guidelines, the Company has collected from banks availing UPI services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.30,781.93 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - UPI (Other) is the net income on SGM UPI - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

### SGM Contribution - RuPay

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - RuPay Contribution balance at the beginning</b>	<b>5,778.20</b>	-
Add : Contribution received during the year	2,334.24	6,736.62
Less : Contribution refunded during the year	(2,776.94)	(958.42)
<b>SGM - RuPay Contribution balance at the end</b>	<b>5,335.50</b>	<b>5,778.20</b>
<b>SGM - RuPay (other) balance at the beginning</b>	<b>(67.16)</b>	-
Interest received on SGM- RuPay investments	271.10	61.75
Less: LOC charges	(132.39)	(147.40)
Less: Salary expense	(3.19)	(4.66)
Less: Income Tax	(34.11)	23.15
<b>SGM - RuPay (other) balance at the end</b>	<b>34.25</b>	<b>(67.16)</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for RuPay proposed by the Company. In line with the guidelines, the Company has collected from banks availing RuPay services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.5,335.50 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - RuPay (Other) is the net income on SGM RuPay - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

### SGM Contribution - NACH

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - NACH Contribution balance at the beginning</b>	<b>2,564.77</b>	-
Add : Contribution received during the year	6,943.12	2,574.77
Less : Contribution refunded during the year	(3,592.57)	(10.00)
<b>SGM - NACH Contribution balance at the end</b>	<b>5,915.32</b>	<b>2,564.77</b>
<b>SGM - NACH (other) balance at the beginning</b>	<b>(38.55)</b>	-
Interest received on SGM- NACH investments	222.00	10.48
Less: LOC charges	(90.53)	(60.40)



# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.18 Other financial liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Less: Salary expense	(2.18)	(1.91)
Less: Income Tax	(32.54)	13.28
<b>SGM - NACH (other) balance at the end</b>	<b>58.20</b>	<b>(38.55)</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines for NACH proposed by the Company. In line with the guidelines, the Company has collected from banks availing NACH services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.5,915.32 Lakh. The SGM contribution is placed as earmarked fixed deposits.

The amount in SGM - NACH (Other) is the net income on SGM NACH - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## SGM - BBPS

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>SGM - BBPS Contribution balance at the beginning</b>	<b>3,677.83</b>	-
Add : Contribution received during the year	1,232.16	4,073.70
Less : Contribution refunded during the year	-	(395.87)
<b>SGM - BBPS Contribution balance at the end</b>	<b>4,909.99</b>	<b>3,677.83</b>
<b>SGM - BBPS (other) balance at the beginning</b>	<b>38.95</b>	-
Transfer from NPCI as part of Business Transfer Agreement	-	15.17
Less: LOC charges	225.59	64.34
Less: Salary expense	(110.48)	(30.54)
Less: Income Tax	(2.53)	(2.02)
<b>Sub Total (B)</b>	<b>(32.79)</b>	<b>(8.00)</b>
<b>SGM BBPS (other) balance at the end (A+B)</b>	<b>118.75</b>	<b>38.95</b>

RBI vide letter CO.DPSS.OVRST.No.S57 / 06-07-012 / 2021-2022 dated 01st May, 2021 had given consent for the Settlement Guarantee Mechanism Guidelines proposed by the Company. In line with the guidelines, the Company has collected from banks availing BBPS services, deposits towards the Settlement Guarantee Mechanism (SGM). The amount of SGM contribution as on 31st March, 2023 is Rs.4,909.99 Lakh. The SGM Contribution is placed as earmarked fixed deposits.

The amount in SGM - BBPS (Other) is the net income on SGM BBPS - earmarked Investments (net off SGM and Income Tax expenses) since inception of SGM Contribution for the purpose of SGM.

## 2.19 Deferred Tax Liabilities (net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	3,628.15	1,874.98
Right of Use Assets	1,141.76	1,136.47
Other Comprehensive Income	-	5.57
<b>Deferred Tax Assets</b>		
Lease Liabilities	(1,335.69)	(1,265.58)
Provision for Gratuity	(81.01)	(99.09)
Provision for Leave Encashment	(104.22)	(98.07)
Investment in Government Securities and Treasury Bills	(53.68)	(5.45)

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.19 Deferred Tax Liabilities (net) (Contd..)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Share Issue Expenses	(2.84)	(4.26)
Income Tax Loss	(80.25)	(74.40)
Preliminary Expenses	(21.14)	(31.56)
Other Comprehensive Income	(0.18)	-
<b>Total</b>	<b>3,090.90</b>	<b>1,438.61</b>

## 2.20 Other Non-Current Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Service Charges (Network) received in advance	685.27	814.37
<b>Total</b>	<b>685.27</b>	<b>814.37</b>

## 2.21 Provisions (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Gratuity (net)	185.27	206.18
Provision for Leave Encashment (net)	343.52	274.78
<b>Total</b>	<b>528.79</b>	<b>480.96</b>

## 2.22 Lease Liabilities (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease Liabilities	1,209.12	920.30
<b>Total</b>	<b>1,209.12</b>	<b>920.30</b>

## 2.23 Trade Payables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Micro and Small Enterprises	466.86	23.88
Other than Micro and Small Enterprises	6,678.47	9,977.50
<b>Total</b>	<b>7,145.33</b>	<b>10,001.38</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Ageing of Trade Payables as at 31-Mar-2023

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Unbilled	Not Due	Total
Micro and Small Enterprises	466.86	-	-	-	466.86	-	-	466.86
Other than Micro and Small Enterprises	4,287.68	-	2,295.30	-	6,582.98	-	95.49	6,678.47
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-	-
Disputed dues - Other than Micro and Small Enterprises	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,754.54</b>	<b>-</b>	<b>2,295.30</b>	<b>-</b>	<b>7,049.84</b>	<b>-</b>	<b>95.49</b>	<b>7,145.33</b>

## Ageing of Trade Payables as at 31-Mar-2022

(Amount ₹ in Lakh)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Unbilled	Not Due	Total
Micro and Small Enterprises	23.88	-	-	-	23.88	-	-	23.88
Other than Micro and Small Enterprises	7,315.31	2,195.99	-	-	9,511.30	-	466.20	9,977.50
Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-	-
Disputed dues - Other than Micro and Small Enterprises	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,339.19</b>	<b>2,195.99</b>	<b>-</b>	<b>-</b>	<b>9,535.18</b>	<b>-</b>	<b>466.20</b>	<b>10,001.38</b>

## 2.24 Other Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Payable for Ministry of Rural Development (MORD)	0.76	5.01
Security Deposits	1.57	1.58
Earnest Money Deposits	325.99	310.41
Capital Creditors	297.92	5,155.66
Other Payables	6,133.91	3,760.70
<b>Total</b>	<b>6,760.15</b>	<b>9,233.36</b>

## 2.25 Others Current Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Liabilities*	5,897.14	6,802.65
Advance for Centralised Promotion of IMPS (Net)**	-	0.40
Advance from Customers	585.82	518.68
Service Charges (Network) received in advance	370.55	203.30
<b>Total</b>	<b>6,853.51</b>	<b>7,525.03</b>

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

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

\*\*The Company had received advance amount from banks for Centralised Promotion of IMPS. The balance amount is as follows:

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Opening balance	0.40	7.90
Less : Expenses towards Centralised Promotion of IMPS	(0.40)	(7.50)
<b>Total</b>	<b>-</b>	<b>0.40</b>

## 2.26 Provisions (Current)

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Expenses	32,634.30	22,684.35
Provision for Gratuity	-	3.58
Provision for Leave encashment	-	6.82
<b>Total</b>	<b>32,634.30</b>	<b>22,694.75</b>

The movement in the provision for expenses 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	23,175.71	27,338.10
Provision during the year	31,130.95	20,317.67
Less : Provision utilised / reversed during the year	(21,143.58)	(24,480.06)
<b>Balance as at the end of the Year</b>	<b>33,163.08</b>	<b>23,175.71</b>

## 2.27 Current Tax Liabilities (Net)

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Tax - (Net of Advance Income Tax and TDS)	18,249.67	25,011.30
<b>Total</b>	<b>18,249.67</b>	<b>25,011.30</b>

Advance Income Tax and TDS as at 31-Mar-2023 of Rs.1,21,476.98 Lakh and as at 31-Mar-2022 of Rs.86,554.37 Lakh

## Income Taxes

Income Tax expense in the statement of Income and Expenditure comprises of the following:

(Amount ₹ in Lakh)		
Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Current Tax	28,386.00	26,925.00
Deferred Tax	1,659.48	(397.33)
Prior Year Tax Adjustment	(53.28)	(1,317.44)
<b>Total</b>	<b>29,992.20</b>	<b>25,210.23</b>

# Notes Forming Part of the Consolidated Balance Sheet

 for the year ended 31<sup>st</sup> March 2023

A Reconciliation of tax expense and the accounting surplus multiplied by India's domestic tax rate for the year ended 31<sup>st</sup> March, 2023 is as follows:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Surplus before tax (including exceptional items)	1,13,252.38	1,02,436.79
Applicable Tax Rate	25.17%	25.17%
<b>Computed expected Tax Expense</b>	<b>28,488.78</b>	<b>25,798.82</b>
Interest Income on Security Deposits(FV)	(11.51)	(8.26)
Increase in Interest on G Sec-EIR	(8.76)	(3.82)
Interest income taxable as INCOME from other source	(5,871.05)	(4,207.95)
Set-off of carry forward Business Loss	(16.40)	(23.16)
Prior Year Tax Adjustment	(53.28)	(1,317.44)
Deferred Taxes	1,659.48	(397.33)
<b>Items of Income and Expenses not considered for Tax purposes</b>	<b>(4,301.53)</b>	<b>(5,957.96)</b>
Provision for Straight Lining of Leases reversed	107.51	104.98
Rental Expenses (Security Deposits)	12.32	21.98
CSR Expenses	332.34	257.50
Other Disallowances - Gratuity and Leave Encashment Provisions and others	593.16	84.21
<b>Items of Expense not deductible for Tax purposes</b>	<b>1,045.33</b>	<b>468.67</b>
Excess Depreciation as per Income Tax	(1,152.65)	780.33
1 / 5th Amortisation of Share Issue Expenses	(12.53)	(11.92)
Others	-	(77.00)
<b>Items of Expense deductible for Tax purposes</b>	<b>(1,165.18)</b>	<b>691.41</b>
Interest Income	5,871.05	4,207.95
Others	53.73	1.33
<b>Income from other sources</b>	<b>5,924.78</b>	<b>4,209.28</b>
<b>Total</b>	<b>29,992.20</b>	<b>25,210.23</b>
<b>Tax Expense recognised during the year</b>	<b>29,992.20</b>	<b>25,210.23</b>

The applicable Indian statutory tax rate for financial year 2022-23 & 2021-22 is 25.17%

## 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
<b>Measured at Amortised Cost</b>		
Trade Receivables	15,002.37	7,726.20
Cash and Cash Equivalents	24,671.76	21,973.02
Bank balances other than Cash and Cash Equivalents	1,48,157.02	2,03,160.91
Investments	85,390.47	67,166.82
Other Financial Assets	1,63,709.07	67,456.62
<b>Total</b>	<b>4,36,930.69</b>	<b>3,67,483.57</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Financial Liabilities

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Measured at Amortised Cost</b>		
Trade Payables	7,145.33	10,001.38
Lease Liabilities	5,306.60	5,026.35
Other Financial Liabilities	1,17,173.15	1,04,527.33
<b>Total</b>	<b>1,29,625.08</b>	<b>1,19,555.06</b>

## 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	80,612.00	60,599.48
<b>Total</b>	<b>80,612.00</b>	<b>60,599.48</b>

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

## Financial Risk Management

### Financial Risk Factors

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

### Liquidity Risk

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

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

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

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Credit Risk

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

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Revenue from Top Customer	15%	16%
Revenue from Top 5 Customers	43%	44%

The Company provides certain mandated services like Cheque Truncation System (CTS) and National Automated Clearing House (NACH) and accordingly is sole provider of such kind of services. The clients mentioned above are likely to depend on these services till these are solely handled by the company.

## Credit Risk Exposure

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

## Market risk

Under the current changing dynamics of the market, there is always a business or market risk for the Company. As company venture towards a more cashless society, services like UPI, NeTC, AePS, etc., will be the major revenue generators. More innovation and R&D for new products, will be made so as to maintain its competitiveness. Value addition on the existing products will be carried out so as to maintain its leadership in the market. As per our existing risk management framework, NPCI evaluates its Strategic, Compliance, Financial, Operational risks so as to maintain its effectiveness in delivery.

## Foreign Currency Risk Exposures

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
<b>Financial Assets</b>		
Trade Receivables	122.88	615.76
Other Financial Assets	134.06	118.21

## 2.28 Revenue from Operations

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Income from Payment services	1,97,169.76	1,56,664.47
Certification income	1,479.50	1,039.00
Network income	2,224.17	1,730.74
Sub license Fees	245.14	-
Other operating income*	5,369.54	3,517.70
Grants and Donations	-	-
<b>Total</b>	<b>2,06,488.11</b>	<b>1,62,951.91</b>

\*includes Compliance Fees, Membership Fees, Income from International Alliances, Hologram Charges, Card Fees etc.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.29 Other Income

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest Income on deposits	10,544.98	9,660.11
Interest Income on Govt Securities and Bonds	3,068.31	2,517.65
Income from Treasury Bills	2,701.50	434.93
<b>Interest Income on earmarked fund</b>		
- SGM NFS	605.35	504.44
- SGM IMPS	2,178.19	1,717.88
- SGM AePS	331.53	56.10
- SGM NETC	17.11	8.47
- SGM UPI	1,379.74	214.29
- SGM RuPay	271.10	61.75
- SGM NACH	222.00	10.48
- BBPS SGM	225.59	64.38
Interest on Income Tax Refund	1,624.22	1,425.13
Liabilities no longer required - written back	1,177.51	6,378.38
Liquidated damages	2.66	2.14
Miscellaneous Income	298.13	35.28
<b>Total</b>	<b>24,647.92</b>	<b>23,091.41</b>

## 2.30 Operating Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Annual Maintenance Charges - Network & IT Equipment	6,664.35	6,722.89
Network Expenses	3,632.06	3,114.14
Testing and Certification Charges	711.44	546.13
Data Centre Rentals	518.72	167.23
Data Centre Power and Fuel	1,441.27	785.93
Other Operating Expenses	344.39	110.93
<b>Total</b>	<b>13,312.23</b>	<b>11,447.25</b>

## 2.31 Employee Benefits Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Salary and Allowances	20,129.05	16,606.12
Contribution to Employee Benefits	1,068.40	878.46
Gratuity and Leave Encashment	392.25	358.06
Outsourcing Cost	1,453.73	1,107.93
Staff Welfare	1,129.70	1,009.13
<b>Total</b>	<b>24,173.13</b>	<b>19,959.70</b>

### Gratuity and Leave Encashment

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

The summarized position of post-employment benefits is recognised in the Income and expenditure account and Balance Sheet are as under:



# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Gratuity 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	385.94	417.10
Total Expense / (Income) Recognised in Income & Expenditure	263.39	281.73
Actual Employer Contributions	(333.09)	(219.47)
Total Remeasurements Recognised in Other Comprehensive (Income) / Loss	2.72	(93.42)
<b>Closing Balance Sheet (Asset) / Liability</b>	<b>318.96</b>	<b>385.94</b>

(Amount ₹ in Lakh)

Amounts in Balance Sheet	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (DBO)*	1,304.30	1,163.27
Fair Value of Plan Assets	985.33	777.32
Funded Status - (Surplus) / Deficit	318.97	385.95
<b>Liability / (Asset) recognised in the Balance Sheet</b>	<b>318.97</b>	<b>385.95</b>

(Amount ₹ in Lakh)

Amount recognised in the Statement of Income and Expenditure Account	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	243.73	260.22
Interest Cost	70.57	66.71
Expected Return on Plan Asset	(50.91)	(45.20)
<b>Total Expense / (Income) charged to Income and Expenditure Account</b>	<b>263.39</b>	<b>281.73</b>

(Amount ₹ in Lakh)

Amount recognised in other comprehensive income	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Amount recognised in OCI at the beginning of year	230.98	324.39
Re-measurements due to :		
Effect of Change in Financial Assumption	(39.46)	(24.18)
Effect of Change in Demographic Assumption	-	-
Effect of Experience Adjustments	45.88	(72.32)
<b>Actuarial (Gain) / Losses</b>	<b>6.42</b>	<b>(96.50)</b>
Return on Plan Assets (excluding interest)	3.70	(3.08)
<b>Total Re-measurements recognised in OCI</b>	<b>2.72</b>	<b>(93.42)</b>
<b>Amount recognised in OCI at the end of the year</b>	<b>233.70</b>	<b>230.97</b>

(Amount ₹ in Lakh)

Actual Return on Plan Assets	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest Income Plan Asset	50.91	45.20
Actuarial Gains / (Losses) on Plan Assets	3.70	(3.08)
Actual Return on Plan Assets	54.61	42.12

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Change in Present Value of Obligation during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation (DBO) at the beginning of the year	1,163.27	1,151.99
Current Service Cost	243.73	260.22
Interest Cost	70.57	66.71
Actuarial (Gain) / Loss on Obligation	6.42	(96.50)
Actual Benefits Paid	(179.70)	(219.15)
<b>Present Value of Obligation at the end of the year</b>	<b>1,304.29</b>	<b>1,163.27</b>

(Amount ₹ in Lakh)

Change in Fair Value of Plan Assets during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Fair Value of Plan Assets at the beginning of the year	777.32	734.89
Interest Income Plan Asset	50.92	45.20
Actual Enterprise's Contributions	333.09	219.47
Actual Benefits Paid	(179.70)	(219.15)
Actuarial Gain / (Loss) on Plan Assets	3.70	(3.08)
<b>Fair value of Plan Assets at the end of the year</b>	<b>985.33</b>	<b>777.33</b>

(Amount ₹ in Lakh)

Current / Non-Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	14.77
Non-Current Liability	318.97	371.18
<b>Liability / (Asset) Recognised in the Balance Sheet</b>	<b>318.97</b>	<b>385.95</b>

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Expected Contributions for the next financial year	211.08	-
Decrement adjusted estimated tenure of Actuarial liability (years)	19.33	19.21

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

(Amount ₹ in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	1,304.30	1,163.27	1,151.98	783.37	579.86
Plan Assets	985.33	777.32	734.89	604.67	443.97
(Surplus) / Deficit	318.97	385.95	417.09	178.70	135.89
Exp Adj. - Plan Liabilities (Gain) / Loss	3.70	(3.08)	3.47	0.32	(0.95)
Assumptions (Gain) / Loss	(39.46)	(24.18)	101.79	37.87	8.53
Exp Adj. - Plan Liabilities (Gain) / Loss	45.88	(72.32)	49.92	31.79	56.17
Total Actuarial (Gain) / Loss	6.42	(96.50)	151.72	69.66	64.69

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

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Recognition of Actuarial Gain / Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain) / Loss arising on DBO	6.42	(96.50)
Actuarial (Gain) / Loss arising on Plan Assets	(3.70)	3.08
Total (Gain) / Loss recognised during the period	(21.53)	(74.27)

(Amount ₹ in Lakh)

Particulars	31-Mar-2023	31-Mar-2022
Year 1	182.78	171.71
Year 2	163.02	167.56
Year 3	158.20	151.07
Year 4	153.95	147.58
Year 5	144.17	136.94
Year 6 to 10	522.24	493.84

Particulars	31-Mar-2023	31-Mar-2022
<b>Actuarial assumptions</b>		
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Return on Assets	7.15%	6.55%
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	384.20	374.82
Total Expense / (Income) Recognised in Income & Expenditure	114.38	25.94
Actual Employer Contributions	(85.20)	(16.55)
<b>Closing Balance Sheet (Asset) / Liability</b>	<b>413.38</b>	<b>384.21</b>

(Amount ₹ in Lakh)

Amounts in Balance Sheet	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation (DBO)	800.44	753.35
Fair value of Plan Assets	387.06	369.15
Funded Status - (Surplus) / Deficit	413.38	384.20
<b>Net Liability / (Asset) recognised in the Balance Sheet</b>	<b>413.38</b>	<b>384.20</b>

(Amount ₹ in Lakh)

Amount recognised in the Statement of Income and Expenditure Account	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	167.33	223.12
Interest Cost	46.42	47.58
Expected Return on Plan Asset	(21.58)	(29.53)
Net Actuarial Losses / (Gains)	(77.80)	(215.23)
<b>Total Expense / (Income) charged to Income and Expenditure Account</b>	<b>114.37</b>	<b>25.94</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Actual Return on Plan Assets	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Expected Return on Plan Assets	21.58	29.53
Actuarial Gains / (Losses) on Plan Assets	0.24	5.47
Actual Return on Plan Assets	22.40	35.00

(Amount ₹ in Lakh)

Change in Present Value of Obligation during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation at the beginning of year	753.35	854.96
Current Service Cost	167.33	223.12
Interest Cost	46.43	47.58
Actuarial (Gain) / Loss on Obligation	(77.56)	(209.76)
Actual Benefits Paid	(89.11)	(162.54)
<b>Defined Benefit Obligation at the end of the year</b>	<b>800.44</b>	<b>753.36</b>

(Amount ₹ in Lakh)

Change in Fair value of Plan Assets during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Fair Value of Plan Assets at the beginning of the year	369.15	480.14
Expected Return on Plan Assets	21.58	29.53
Actual Enterprise's Contributions	85.20	16.55
Actual Benefits Paid	(89.11)	(162.54)
Actuarial Gain / (Loss) on Plan Assets	0.24	5.47
<b>Fair Value of Plan Assets at the end of the year</b>	<b>387.06</b>	<b>369.15</b>

(Amount ₹ in Lakh)

Current / Non-Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	12.33
Non-Current Liability	413.38	371.88
<b>Liability / (Asset) Recognised in the Balance Sheet</b>	<b>413.38</b>	<b>384.21</b>

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Expected Contributions for the next financial year	-	-
Decrement adjusted estimated tenure of Actuarial Liability (years)	19.33	19.02

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

(Amount ₹ in Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	800.45	753.35	854.96	652.17	577.07
Plan Assets	387.06	369.15	480.14	202.77	69.27
(Surplus) / Deficit	413.39	384.20	374.82	449.40	507.80
Exp Adj. - Plan Liabilities (Gain) / Loss	0.24	5.47	65.70	13.37	(2.16)
Assumptions (Gain) / Loss	(23.68)	(16.65)	89.72	30.88	7.97
Exp Adj. - Plan Liabilities (Gain) / Loss	(53.87)	(193.10)	(15.94)	60.09	368.73
Total Actuarial (Gain) / Loss	(77.56)	(209.76)	73.78	90.97	376.70

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

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

(Amount ₹ in Lakh)

Recognition of Actuarial Gain / Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain) / Loss arising on DBO	(86.87)	(178.52)
Actuarial (Gain) / Loss arising on Plan Assets	0.24	5.47
Total (Gain) / Loss recognised during the period	(86.69)	(173.12)

(Amount ₹ in Lakh)

Particulars	31-Mar-2023	31-Mar-2022
Year 1	133.35	127.61
Year 2	113.51	108.81
Year 3	103.22	97.20
Year 4	95.20	89.72
Year 5	83.51	78.52
Year 6 to 10	317.82	303.44

Particulars	31-Mar-2023	31-Mar-2022
<b>Actuarial Assumptions</b>		
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Rate of Return on Assets	7.15%	6.55%
Withdrawal Rate	15.00%	15.00%
Retirement Age	60 years	60 years

## 2.32 Depreciation and Amortisation expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Depreciation on Property Plant and Equipment	9,991.49	6,829.57
Amortisation of Intangible assets	5,634.12	7,061.38
Depreciation on Right of Use assets	1,517.58	1,542.95
<b>Total</b>	<b>17,143.19</b>	<b>15,433.90</b>

## 2.33 CSR Expenditure

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
CSR expenditure	1,326.77	947.45
<b>Total</b>	<b>1,326.77</b>	<b>947.45</b>

The Company contributes 2% of the Net surplus after tax to Corporate Social Responsibility (CSR) activities as per provisions of the Companies Act, 2013. The amount spent on CSR activities are based on the approvals received from the CSR Committee.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Particulars	Amount paid	Amount yet to be paid	Total
i) Construction / Acquisition of any asset	-	-	-
ii) On Purpose Other than (i) above	1,326.77	172.51	1,499.28

(Amount ₹ in Lakh)

Amount Spent during the year :	Year ended 31-Mar-2023	Year ended 31-Mar-2022
i) Amount required to be spent by the company during the year	1,499.28	1,051.00
ii) Amount of expenditure incurred	1,326.77	947.45
iii) Shortfall at the end of the year	172.51	103.55
iv) Total of previous years shortfall / (excess)	103.55	-
v) Reason for shortfall	*	
vi) Nature of CSR activities	1. Education and Livelihood ** 2. Environmental Sustainability 3. Humanitarian Assistance	1. Education and Livelihood 2. Environmental Sustainability 3. Humanitarian Assistance
vii) Details of Related Party Transactions		
viii) Details related to movement of Provision	-	-

\*1. Delay in implementation of work plan as submitted by NGO partners is one of the main reason for shortfall. Delay happens due to various external and internal factors and being long term project sometimes, it's favourable to delay the planned activity and build the required environment in community first for sustainability of the project.

2. The unspent amount has been transferred to Unspent CSR account as per the MCA FAQ guidelines.

\*\* School Transformation Project-1 School in Gadchiroli through an entity empanelled by the Board for this activity.

## 2.34 Administrative and Other Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Rent, Rates and Taxes	328.74	464.79
Travelling and Conveyance Expenses	1,124.44	596.46
Computer Consumables	159.57	65.61
Power and Fuel	274.38	189.96
Telephone and Communication Expenses	114.90	102.99
General Office Expenses	799.75	486.41
Sitting Fees to Directors	66.50	80.00
Insurance*	511.08	317.01
Repair and Maintenance Charges	151.22	82.33
Internal Audit Fees	71.68	45.48
Postage, Printing and Stationery	75.46	65.18
Professional Fees	6,297.95	2,625.62
Legal Fees	81.33	49.60
Marketing Expenses	44,540.45	26,154.34
UPI Media Campaign Expenses	-	1,905.84
Contribution to Payment Infrastructure Development Fund-RBI	2,284.97	2,158.59
Paper to Follow - CTS Charges	408.29	250.74
Training and Seminar	1,763.76	667.83
Membership and Subscription Fees	117.89	246.62
Line of Credit and Other SGM Expenses	2,067.86	1,448.03

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.34 Administrative and Other Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Recruitment Expenses	403.16	216.92
Foreign Exchange (gain) / loss	20.37	10.98
(Gain) / Loss on sale or disposal of assets	0.08	0.41
Payment to the Statutory Auditors**	18.77	11.51
Tax Audit fees	2.55	2.30
Interest Charge (Ind AS Lease)	427.15	417.10
Allowance for Credit Losses	32.14	-
Interest on MSME	29.61	120.00
Miscellaneous Expenses	210.30	78.77
Preliminary Expenses	-	156.45
<b>Total</b>	<b>62,384.35</b>	<b>39,017.87</b>

\*Insurance - RuPay card consists of premium paid for providing accidental insurance coverage for RuPay card holders.

\*\* Payment to the Statutory Auditors

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Statutory Audit Fees	12.80	7.75
Audit Fees for Limited Review	5.40	3.65
Other Certification Charges	0.20	-
Out of Pocket Expenses (OPE)	0.37	0.11
<b>Total</b>	<b>18.77</b>	<b>11.51</b>

## 2.35 Earnings per Share (EPS)

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Net Surplus as per statement of Income and Expenditure	82,804.16	77,339.22
Weighted Average Number of Equity Shares	1,40,36,692	1,40,36,692
<b>EPS :</b>		
(i) Basic EPS (Face value Rs.100 per Equity Share)	589.91	550.98
(ii) Diluted EPS (Face value Rs.100 per Equity Share)	589.91	550.98

## 2.36 Exceptional items

Exceptional items of Rs.3,312.30 Lakh for financial year 2021-22 pertains to gain on transfer of BBPCU unit of the company to its wholly owned subsidiary NPCI Bharat BillPay Limited.

## 2.37 Lease disclosure

The Company has recognised Interest on Lease Liability and Amortisation of Right of Use Asset as per Ind AS 116 'Lease' in the statement of Income and Expenditure as under:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest on Lease Liability	427.15	417.10
Amortisation of Lease Liability	1,517.58	1,542.95
The total outstanding cash outflow for lease as per the agreement	6,237.31	6,133.78

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

The Company has taken premises under lease and license agreement, the rent and escalation depends upon the lease by the Company. The Company has given refundable interest free security deposits under certain agreements.

i) The net carrying amount of Right of Use Asset:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Balance at the beginning of the year	4,513.58	3,641.55
Add: Addition during the year	1,540.13	2,421.74
Less: Deletion / Amortisation during the year	(1,517.58)	(1,549.71)
Balance at the end of the year	4,536.13	4,513.58

ii) Reconciliation between the total minimum lease payment and their present value is as below:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Lease Liability as at balance sheet date	5,306.60	5,026.35
Add: Interest	930.71	1,107.43
<b>Minimum lease payment</b>	<b>6,237.31</b>	<b>6,133.78</b>

iii) Maturity Analysis of the minimum lease payment for the following years is as follows:

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Not Later than 1 year	1,562.11	1,250.08
Later than 1 year but not more than 5 year	4,098.74	3,874.90
More than 5 year	576.46	1,008.80
<b>Total</b>	<b>6,237.31</b>	<b>6,133.78</b>

## 2.38 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 Managing Director and 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.

## 2.39 Related Party Disclosures

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

Key Managerial Personnel- Directors	Title	Date of Appointment	Date of Retirement / Cessation
Mr. Biswamohan Mahapatra	Chairman (Non-Executive & Independent Director)	08-Feb-2018	-
Mr. Deepak Kumar	Nominee Director from Reserve Bank of India	02-May-2019	29-Sep-2022
Mr. Shailendra Trivedi	Nominee Director from Reserve Bank of India	29-Sep-2022	-
Dr. Amitha Sehgal	Independent Director	26-Dec-2018	-
Mr. Venkatraman Srinivasan	Independent Director	15-Jul-2020	-
Prof. Umesh Bellur	Independent Director	21-Jun-2021	23-Feb-2023



# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.39 Related Party Disclosures (Contd..)

Key Managerial Personnel- Directors	Title	Date of Appointment	Date of Retirement / Cessation
Prof. Rishikesh T. Krishnan	Independent Director	09-Nov-2021	-
Mr. Rana Ashutosh Kumar Singh	Nominee Director from State Bank of India	12-Aug-2021	-
Mr. Nitesh Ranjan	Nominee Director from Union Bank of India	20-Nov-2020	-
Mr. Ajay Khurana	Nominee Director from Bank of Baroda	01-Mar-2021	-
Mr. Hemant Verma	Nominee Director from Punjab National Bank	17-Jan-2022	-
Mr. Ajay Kumar Kapoor	Nominee Director from HDFC Bank Limited	20-Mar-2018	19-Mar-2023
Mr. Pankaj Gadgil	Nominee Director from ICICI Bank Limited	08-Aug-2019	17-Aug-2022
Mr. Bijith Bhaskar	Nominee Director from ICICI Bank Limited	02-Sep-2022	-
Mr. Siddharth Rungta	Nominee Director from HSBC	12-Oct-2022	-
Ms. Mridula Iyer	Nominee Director from Citibank, N.A.	05-Nov-2020	29-Sep-2022
Mr. Sumit Bali	Nominee Director from Axis Bank Limited	15-Dec-2021	-
Mr. Jayaprakash C.	Nominee Director from Kerala Gramin Bank	17-Feb-2021	29-Sep-2022
Mr. Imran Amin Siddiqui	Nominee Director from Indian Bank	27-Apr-2021	-
Mrs. Arti Ajit Patil	Nominee Director from The Saraswat Co-operative Bank Limited	10-Nov-2022	-
Mr. Arif Khan	Non-Independent Non-Executive	27-Jan-2022	30-Jun-2022
Ms. Vishakha Mulye	Independent Non-Executive	01-Dec-2022	-
Ms. Praveena Rai	Non-Independent Non-Executive	27-Jan-2022	-

Key Managerial Personnel of the Company	Designation	Date of Appointment	Date of Retirement / Cessation
Mr. Dilip Asbe	Managing Director & CEO	08-Jan-2018	-
Mr. Ritesh Shukla	Chief Executive Officer (NIPL)	01-Oct-2020	-
Ms. Noopur Chaturvedi	Chief Executive Officer (NBBL)	06-Aug-2021	-
Mr. Rupesh H Acharya	Chief Financial Officer (NPCI)	19-Mar-2020	-
Mr. Ashish Pai	Chief Financial Officer (NBBL)	08-Mar-2021	-
Ms. Priyanka Agrawal	Company Secretary (NPCI)	14-May-2018	-
Mr. Pravin Jogani	Company Secretary (NIPL)	01-Oct-2020	-
Ms. Supreetha Shetty	Company Secretary (NBBL)	01-Dec-2021	-

Name of Related Parties	Nature of Relationship
Bank of Baroda	Entity with common director
Indian Bank	Entity with common director
India Infoline Finance Limited	Entity with common director
Union Bank of India	Entity with common director
ICICI Merchant Services Private Limited (Ceased to be related party from 17-Aug-2022)	Entity with common director
Canara Bank (Ceased to be related party as on 29-Sep-2022)	Entity with common director
Indian Financial Technology and Allied Services (Related party from 29-Sep-2022)	Entity with common director
Kerala Gramin Bank (Ceased to be related party from 29-Sep-2022)	Entity with common director
The Saraswat Co-operative Bank Ltd. (Related party from 10-Nov-2022)	Entity with common director
Central Depository Service (India) Limited (Ceased to be related party from 23-Feb-2023)	Entity with common director

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Transactions with Related Parties

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

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Transactions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Axis Bank Limited	Receiving of services	-	125.22
	Rendering of services	-	511.95
	SGM contribution received	-	1,002.00
	SGM contribution refunded	-	1,007.00
	Purchase of Investments	-	34,650.00
	Redemption of Investments	-	20,256.00
	Interest earned	-	1,200.29
Bank of Baroda	Rendering of services	10,144.98	7,753.19
	Receiving of services	178.43	347.29
	Purchase of Investments	57,446.00	32,493.00
	Redemption of Investments	31,911.00	11,534.00
	Interest earned	2,023.31	710.56
	SGM contribution received	1,055.29	1,400.67
	SGM contribution refunded	461.21	-
Canara Bank	Rendering of services	1,404.81	-
	SGM contribution received	261.74	-
	SGM contribution refunded	428.43	-
	Purchase of Investments	58,912.00	-
	Redemption of Investments	56,831.00	-
	Interest earned	822.83	-
C-Edge Technologies Limited	Rendering of services	-	13.05
Central Depository Service (India) Limited	Receiving of services	0.75	0.75
ICICI Merchant Services Private Limited	Receiving of services	-	84.75
India Infoline Finance Limited	Rendering of services	1.50	1.12
Indian Bank	Rendering of services	6,016.50	4,910.86
	Receiving of services	756.04	329.68
	SGM contribution received	586.63	1,115.87
	SGM contribution refunded	33.61	84.00
	Purchase of Investments	21,362.00	30,368.00
	Redemption of Investments	34,986.00	27,041.00
	Interest earned	1,134.02	1,151.66
Indian Financial Technology and Allied Services	Receiving of services	6.00	-
Kerala Gramin Bank	Receiving of services	-	-
	Rendering of services	71.35	156.38
	SGM contribution received	11.99	23.55
	SGM contribution refunded	1.71	-
National Securities Depository Limited	Receiving of services	-	0.75
NSDL Payments Bank Limited	Receiving of services	-	196.72
	Rendering of services	-	287.74
The Saraswat Co-operative Bank Ltd.	Rendering of services	290.24	-

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.39 Related Party Disclosures (Contd..)

(Amount ₹ in Lakh)

Name of Related Parties	Nature of Transactions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Ujjivan Small Finance Bank Limited	Rendering of services	-	50.11
	SGM contribution received	-	17.00
	SGM contribution refunded	-	17.00
Union Bank of India	Receiving of services	840.21	666.26
	Rendering of services	9,696.23	7,833.28
	SGM contribution received	540.92	1,458.47
	SGM contribution refunded	579.29	-
	Purchase of Investments	1,04,424.01	33,985.00
	Redemption of Investments	57,308.00	32,370.00
	Interest earned	1,888.33	1,440.68
Yes Bank Limited	Receiving of services	-	100.18
	Rendering of services	-	1,826.65
<b>Total</b>		<b>4,62,416.35</b>	<b>2,58,521.65</b>

### Details of Amounts Due to or Due from Related Parties

#### Amount Payable to Related Parties:

(Amount ₹ in Lakh)

Name of Related Party	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
Indian Bank	SGM Contribution	1,928.01	1,374.99
	Trade Payables	70.74	34.48
Union Bank of India	SGM Contribution	2,355.58	2,393.74
	Trade Payables	-	78.75
Kerala Gramin Bank	SGM Contribution	-	28.55
Bank of Baroda	SGM Contribution	3,053.71	2,459.63
	Trade Payables	13.02	120.90
The Saraswat Co-operative Bank Ltd.	SGM Contribution	125.69	-
India Infoline Finance Limited	SGM Contribution	-	2.00
<b>Total</b>		<b>7,546.74</b>	<b>6,493.05</b>

#### Amount Payable to Related Parties:

(Amount ₹ in Lakh)

Name of Related Party	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
Bank of Baroda	Investment	54,222.00	28,687.00
	Accrued Interest	570.19	169.63
	Trade receivable	715.87	206.95
India Infoline Finance Limited	Trade receivable	-	1.32
Indian Bank	Investment	15,300.00	28,924.00
	Accrued Interest	111.97	195.67
	Trade receivable	1,109.15	90.60

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Name of Related Party	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
Kerala Gramin Bank	Trade receivable	-	2.70
The Saraswat Co-operative Bank Ltd.	Trade receivable	52.82	-
Union Bank of India	Investment	69,634.01	22,518.00
	Accrued Interest	721.58	205.00
	Trade receivable	642.74	127.37
<b>Total</b>		<b>1,43,080.33</b>	<b>81,128.24</b>

## Transactions with Key Managerial Personnel:

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Sitting Fees	66.50	80.00
Honorarium Fees	4.20	1.75
Advance for Security Deposit paid / (repayment)	(3.50)	7.00
<b>Total</b>	<b>67.20</b>	<b>88.75</b>

## 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	811.48	728.01
Post-Employment Benefits*	-	19.60
Other Long Term Benefits	-	-
<b>Total</b>	<b>811.48</b>	<b>747.61</b>

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

## 2.40 Contingent Liabilities and Capital Commitments

(Amount ₹ in Lakh)

Contingent Liabilities and Capital Commitments (to the extent not provided for)	As at 31-Mar-2023	As at 31-Mar-2022
<b>(i) Capital Commitments</b>		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	11,362.06	24,297.46
<b>Sub Total</b>	<b>11,362.06</b>	<b>24,297.46</b>
<b>(ii) Contingent Liabilities on Account of Tax Demand</b>		
Income Tax Demand for AY 2011-2012	183.27	183.27
Income Tax Demand for AY 2013-2014	578.22	578.22
Income Tax Demand for AY 2015-2016	467.50	467.50
Income Tax Demand for AY 2016-2017	1,304.48	1,304.48
Income Tax Demand for AY 2017-2018	114.45	-
Income Tax Demand for AY 2018-2019	1,523.12	1,523.12
Income Tax Demand for AY 2019-2020	3,622.93	3,622.93
<b>Sub Total</b>	<b>7,793.97</b>	<b>7,679.52</b>
<b>(iii) Contingent Liabilities - Other Matters (refer note 1 &amp; 2)</b>	<b>2,628.52</b>	<b>2,598.52</b>
<b>Sub Total</b>	<b>2,628.52</b>	<b>2,598.52</b>
<b>Total</b>	<b>21,784.55</b>	<b>34,575.50</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.40 Contingent Liabilities and Capital Commitments (Contd..)

### (ii) Contingent Liability for Income Tax:

As advised, the Company will be eligible to claim exemption u / s. 11 and 12 of the Income Tax Act, 1961 and hence the Management has not provided for additional demand raised by Income tax authorities during assessment / penalty proceedings although it is providing for Income tax on a conservative basis.

There are tax demand arising due to Assessment orders passed u / s 143 (3) of Income Tax Act, 1961 where the Assessing Officer has disallowed the claim for exemption u / s. 11 and 12 on the grounds that the objects of the company are commercial in nature and are hit by the provisions of section 2(15) and without prejudice applied section 13(1)(c)(ii) of the Income Tax Act, 1961 on the grounds that the Income has directly or indirectly been applied for the benefit of the related parties in terms of section 13 (3) of the Income Tax Act, 1961. However, the Hon'ble Income Tax Appellate Tribunal, Mumbai in AY 2010-11 and 2012-13 has passed orders in favour of the company, allowing the claim of exemption u / s. 11 and 12 of the Income Tax Act, 1961 and stating that the provisions of section 13(1)(c)(ii) of the Income Tax Act, 1961 are not applicable. For AY 2011-12, AY 2013-14 and AY 2014-15, the Company has filed appeals against the order to Commissioner of Income Tax (Appeals), Mumbai (CIT(A)) which is pending. For AYs 2015-16 to 2019-20, the Company had filed appeals against the assessment orders to CIT(A). The CIT (A) decided appeals against the Assessee without giving reasonable opportunity . Against the CIT (A) orders , the company filed appeals before ITAT , who has restored back the same to CIT (A) for fresh adjudication and submissions vide order dated 8th February 2023. In view of this, Management is of the opinion that the outcome of these appeals will be in favour of the company and accordingly has not provided for additional demand raised by Income tax authorities during assessment / penalty proceedings although it is providing for Income tax and paid the taxes on a conservative basis. The Contingent liability is difference between the tax liability determined by the revenue authority against provision in the books of accounts.

### (iii) (a) 1. Contingent liabilities – other matters

One of the customers namely Bank of Maharashtra using a payment service namely Unified Payment Interface (UPI) has faced a fraud of Rs.2,597 lakh due to a technical glitch in the software developed by third party which has been subsequently rectified by the Bank. The said Bank has taken various step for recovery of the amount from fraudulent customers. In some of the correspondence with the Company the bank has asked for sharing the fraud amount on a pro-rata basis if not wholly. The Company through its various correspondence has made it clear that the loss to the bank was on account of technical glitch at the bank and the third party vendor end. The Company has no liability whatsoever for the loss suffered by the bank and hence is not required to make any provision in books of account and the management is confident that no claim will arise on the company. As a matter of conservative reporting the Company has stated an amount of Rs.2,597 lakh as contingent liability above.

### (iii) (a) 2. Contingent liabilities – other matters

M/s Unwani Subhakaran has filed a case against Punjab National Bank & Ors in Permanent Lok Adalat , Sikar (Rajasthan) and made NPCI a party to it. The case is on account of transfer of funds to wrong account amounting to Rs.50,000/-. The total claim is for Rs.1,51,820/- on account of principal, interest, legal expenses and mental harassment.

### (iii) (a) 3. Contingent liabilities – other matters

Rs. 30 Lakh pertains to claim on account of settlement related issue with certain Operating Units(OU) on account of incorrect processing due to certain reasons but not acknowledged by the Company as debt.

### (iii) (b) Status of Legal Cases (Other than Income Tax)

Apart from the above case, there are a total of 73 litigation cases involving the company. In our view, in all these legal cases the possibility of an order being passed directing NPCI to make any payment is remote. Therefore, there is no contingent liability to be reported for these cases.

## 2.41 Value of Import of Services

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Software License / Consultancy Charges	24.37	-
CWIP - Building And Premises	371.91	-
<b>Total</b>	<b>396.28</b>	<b>-</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## Revenue Expenditure in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Annual Maintenance Charges - Network & IT Equipment	92.55	58.11
Professional Fees	95.14	144.55
Membership and Subscription Fees	12.98	26.45
Training and Seminar	211.71	46.85
Marketing Expenses	72.01	221.66
Recruitment Expenses	7.61	4.74
Other Operating Expenses	-	3,955.39
Testing and Certification Charges	4.29	-
Miscellaneous Expenses	8.78	-
<b>Total</b>	<b>505.07</b>	<b>4,457.75</b>

## Income in Foreign Currency

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Other Operating Income	467.97	656.33
Sub License Fees	245.14	-
<b>Total</b>	<b>713.11</b>	<b>656.33</b>

## Accounting for Foreign Currency Transactions:

Expenditure in foreign currencies are recorded in INR 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.

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

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

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
a. (i) Principal amount remaining unpaid to any supplier / service provider at the end of the accounting year	466.86	20.78
(ii) Interest due on above	-	3.10
b. Amount of Interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
c. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	29.61	-
d. Amount of interest accrued and remaining unpaid at the end of the financial year.	32.71	3.10
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.	3.10	-

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.43 Provision for Tax

The Company was incorporated as a 'Not for Profit Company' under Section 25 of the Companies Act, 1956 (now Section 8 of Companies Act, 2013) and was granted registration under Section 12AB of the Income Tax Act, 1961 by the Office of Director of Income Tax (Exemptions). The Company was granted license by RBI under Payment and Settlement Systems Act, 2007 to operate the Retail Payment Systems in India.

As per Memorandum and Articles of Association of the Company, no objects shall be carried out on a commercial basis. The Management is of the view that the income received while implementing the Retail Payment Systems is only incidental as the Company has not carried out the same on commercial basis. However, as a matter of prudence, the Management had decided to pay Income Tax and claim refund of the tax paid. In view of the same, the Management had decided to make a provision towards tax liability. Accordingly, an amount of Rs.28,386.00 lakh has been provided for the year ended 31st March, 2023, being the amount of Income Tax computed under the provisions of the Income Tax Act, 1961 and recognised deferred tax expense of Rs.1,659.48 lakh as per the applicable Accounting Standards.

## 2.44 Misappropriation of funds

There was a case of misappropriation of funds by one of the outsourced resource (Accounts Executive) working for finance department, he was involved in processing of employee reimbursements. As per the evidence he created fake claims in ERP system in the name of other NPCI employees and also tampered payment file details, while sending it to the bank for payment. The amount involved was Rs.158,518/- which was subsequently recovered from the said outsourced resource. Also, NPCI had filed an FIR with the BKC Cyber fraud police station on 12th November 2021.

## 2.45 Other Statutory Compliances

- a. The Group has neither traded or nor invested in crypto currency or virtual currency during the current financial year or previous financial year.
- b. The Group 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 Group is not declared as wilful defaulter by any bank or financial Institution or other lender during the current financial year or previous financial year.
- e. Loans and Advances
  - The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), which are either repayable on demand or without specifying any terms or period of repayment during the current financial year 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 group 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.
- f. Declaration regarding Borrowed funds
  - The Group has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.
  - The Group has not taken any borrowings from banks on the basis of security of current assets during the current financial year or previous financial year.

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

- The Group has not taken any secured borrowings during the current financial year 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 transaction relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (43 of 1961)

## 2.46 Relationship with Struck Off Companies

(Amount ₹ in Lakh)

Name of Struck Off Company	Nature of transactions with Struck Off Company	Balance outstanding as on 31-Mar-2023	Relationship with the Struck Off Company, if any
G I Technology Private Limited*	Investments in securities	-	Customer
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances (to be specified)	-	

\*The company does not have any outstanding balance with the struck-off company. However, the value of transaction entered during the year was Rs.2.30 lakh.

(Amount ₹ in Lakh)

Name of Struck Off Company	Nature of transactions with Struck Off Company	Balance outstanding as on 31-Mar-2022	Relationship with the Struck Off Company, if any
G I Technology Private Limited*	Investments in securities	-	Customer
	Receivables	-	
	Payables	-	
	Shares held by struck off company	-	
	Other outstanding balances (to be specified)	-	

\*The company does not have any outstanding balance with the struck-off company. However, the value of transaction entered during the year was Rs.4.96 lakh.

## 2.47 Key Financial Ratios

Ratios	Formula	31-Mar-2023	31-Mar-2022
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	4.29	4.66
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	$\frac{\text{Net profit after taxes}}{\text{Average Shareholder's Equity}}$	24.90%	29.14%
Inventory Turnover Ratio	Not applicable considering the nature of business of the company	N.A.	N.A.
Trade Receivables Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Average trade receivables}}$	18.17	24.19
Trade Payables Turnover Ratio	$\frac{\text{Operating expenses}}{\text{Average Trade Payables}}$	8.83	7.48



# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

## 2.47 Key Financial Ratios

Ratios	Formula	31-Mar-2023	31-Mar-2022
Net Capital Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Working Capital}}$	0.86	0.59
Net Profit Ratio	$\frac{\text{Net Profit}}{\text{Revenue from operations}}$	40.10%	47.46%
Return on Capital Employed	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	30.37%	35.22%
Return on Investment	$\frac{\text{Net return on Investment}}{\text{Cost of Investment}}$	6.07%	5.07%

### Net Capital Turnover Ratio:

The Net Capital Turnover Ratio has increased due to the increase in revenue from operations by 1.27 times as against the increase in working capital by 0.87 times.

## 2.48 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, it may impact the payment industry in which the Company operates. On the basis of the company's monitoring, it has identified that there is no material impact of Covid 19 on its financial position.

## 2.49 Other Notes

- Trade receivables, Trade payables, Loans and Advances are subject to confirmation and reconciliation, if any. Trade receivables, Trade payables, Loans and Advances are stated approximately at the value, if realised in ordinary course of business.
- There are no material prior period errors which can impact the financial position of the company as per Ind AS 8.
- 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 lakh.

## 2.50 Summary of net assets, share in consolidated surplus and share in other comprehensive income

(Amount ₹ in Lakh)

Name of Entity	Net Assets Total Assets minus Total Liabilities		Share in Income & Expenditure		Share in Other Comprehensive Income		Share in Total Comprehensive Income (TCI)	
	as at March 31, 2023		year ended March 31, 2023		year ended March 31, 2023		year ended March 31, 2023	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Surplus	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
<b>Parent Company</b>								
National Payments Corporation of India	94.14%	3,51,006.43	97.75%	80,939.05	509.15%	22.81	97.77%	80,961.86
<b>Subsidiaries</b>								
NPCI International Payments Limited	2.71%	10,098.63	0.48%	399.45	2.68%	0.12	0.48%	399.57
NPCI Bharat Bill Pay Limited	3.15%	11,752.97	1.77%	1,465.66	-411.83%	(18.45)	1.75%	1,447.21
	<b>100.00%</b>	<b>3,72,858.03</b>	<b>100.00%</b>	<b>82,804.16</b>	<b>100.00%</b>	<b>4.48</b>	<b>100.00%</b>	<b>82,808.64</b>

# Notes Forming Part of the Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March 2023

(Amount ₹ in Lakh)

Name of Entity	Net Assets		Share in Income & Expenditure		Share in Other Comprehensive Income		Share in Total Comprehensive Income (TCI)	
	Total Assets minus Total Liabilities		year ended March 31, 2022		year ended March 31, 2022		year ended March 31, 2022	
	as at March 31, 2022		As a % of Consolidated surplus		As a % of Consolidated OCI		As a % of Consolidated TCI	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated surplus	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
<b>Parent Company</b>								
National Payments Corporation of India	93.13%	2,72,234.59	99.44%	76,906.84	84.48%	79.03	99.42%	76,985.87
<b>Subsidiaries</b>								
NPCI International Payments Limited	3.32%	9,699.06	0.02%	17.62	0.75%	0.70	0.02%	18.32
NPCI Bharat Bill Pay Limited	3.55%	10,385.56	0.54%	414.76	14.77%	13.82	0.55%	428.58
	<b>100.00%</b>	<b>2,92,319.21</b>	<b>100.00%</b>	<b>77,339.22</b>	<b>100.00%</b>	<b>93.55</b>	<b>100.00%</b>	<b>77,432.77</b>

## As per our report attached

### For Banshi Jain & Associates

Chartered Accountants  
Registration No.: 100990W

### CA Parag Jain

Partner  
Membership No: 078548

Place : Mumbai  
Date : 11-May-2023

## For and on behalf of the Board of Directors

### Biswamohan Mahapatra

Chairman  
DIN: 06990345

### Dilip Asbe

Managing Director & CEO  
DIN: 02990724

### Priyanka Agrawal

Company Secretary

### Venkatraman Srinivasan

Director  
DIN: 00246012

### Rupesh H. Acharya

Chief Financial Officer