

Audit Report and Financial Statements

India1 Payments Limited

(formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

31 March 2023

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Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of India1 Payments Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of India1 Payments Limited (Formerly known as BTI Payments Private Limited and India1 Payments Private Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

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

5. The financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

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- 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 does not have any pending litigations which would impact its financial position as at 31 March 2023;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 23059139BGXSMV7831

Bengaluru
24 May 2023

Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of India1 Payments Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use asset.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property including investment properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 41 to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crore by banks and financial institutions based on the security of current assets during the year. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or security to any other entity during the year.

Further, the Company has provided guarantee to others during the year as per details given below:
(In ₹ millions)

Particulars	Guarantees
Aggregate amount provided during the year:	1.28
- Others	
Balance outstanding as at balance sheet date in respect of above cases:	1.22
- Others	

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Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of India1 Payments Limited on the financial statements for the year ended 31 March 2023 (cont'd)

- (b) The Company has not made any investment or granted any loans or advances in the nature of loans or provided security during the year.

Further, in our opinion, and according to the information and explanations given to us, guarantees provided and terms and conditions of guarantees provided are, prima facie, not prejudicial to the interest of the Company.

- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's services activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
CGST ACT, 2017	GST	5,854,141	557,008	2020-21	Additional Commissioner, State Tax(Appeal), Central Division, Patna
The Income-Tax Act, 1961	Income tax	5,912,381	-	2016-17	Commissioner of Income Tax (Appeals) Bengaluru

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of India1 Payments Limited on the financial statements for the year ended 31 March 2023 (cont'd)

- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has not entered into any transactions with the related parties covered under Section 177 or Section 188 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of Section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

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Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of India1 Payments Limited on the financial statements for the year ended 31 March 2023 (cont'd)

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
 - (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN : 23059139BGXSMV7831

Bengaluru
24 May 2023

Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of India1 Payments Limited on the financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of India1 Payments Limited (Formerly known as India1 Payments Private Limited and BTI Payments Private Limited) ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Annexure II to the Independent Auditor's Report of even date to the members of India1 Payments Limited on the financial statements for the year ended 31 March 2023 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 23059139BGXSMV7831

Bengaluru
24 May 2023

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Balance Sheet as at 31 March 2023

(All amounts in ₹ millions, unless otherwise mentioned)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	3,830.70	3,639.10
Right-of-use assets	5	1,617.02	1,706.85
Intangible Assets	6	46.67	20.28
Intangible asset under development	7	-	3.00
Financial Assets			
Other financial assets	8	183.94	260.38
Deferred-tax assets (net)	9	516.30	476.58
Non-current tax assets	10	7.28	5.42
Other non-current assets	11	14.90	7.21
Total non-current assets		6,216.81	6,118.82
Current assets			
Inventories	12	-	0.16
Financial Assets			
Trade receivables	13	8.61	8.99
Cash and cash equivalents	14	13,096.20	11,572.42
Bank balances other than cash and cash equivalents	15	888.74	880.04
Other financial assets	8	424.48	571.71
Other current assets	11	188.91	206.39
Total current assets		14,606.94	13,239.71
Total assets		20,823.75	19,358.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	162.14	162.14
Instruments entirely equity in nature	17	-	-
Other equity	18	1,957.52	1,904.26
Total equity		2,119.66	2,066.40
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	19	388.22	493.17
Lease liabilities	20	1,157.00	1,268.98
Other financial liabilities	21	1,381.16	981.51
Provisions	22	42.70	28.28
Other non-current liabilities	24	1,338.69	1,021.22
Total non-current liabilities		4,307.77	3,793.16
Current liabilities			
Financial Liabilities			
Borrowings	19	12,760.34	11,926.03
Lease liabilities	20	665.00	598.35
Trade payables	23		
(A) total outstanding dues of micro enterprises and small enterprises		28.89	23.10
(B) total outstanding dues of creditors other than (A) above		531.83	454.87
Other financial liabilities	21	159.40	294.56
Other current liabilities	24	221.72	176.45
Provisions	22	29.14	25.61
Total current liabilities		14,396.32	13,498.97
Total equity and liabilities		20,823.75	19,358.53

The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per report of even date

 For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration Number: 001076N / N500013

For and on behalf of the Board of Directors of India1 Payments Limited

(formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Vijay Vikram Singh

Partner

Membership No: 059139

Bengaluru

24 May 2023

K Srinivas

Managing Director

DIN: 03533535

Bengaluru

24 May 2023

Natrajan Ramkrishna

Chairman

DIN: 06597041

Bengaluru

24 May 2023

Sanjay Bajaj

Chief Financial Officer

Bengaluru

24 May 2023

Mohit Nagar

Company Secretary

M. No.: A27492

Bengaluru

24 May 2023

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)**Statement of Profit & Loss**

(All amounts in ₹ millions, unless otherwise mentioned)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	25	5,619.04	4,357.22
Other income	26	112.30	133.98
Total income		5,731.34	4,491.20
Expenses			
Operating expenses	27	2,374.47	1,790.62
Purchases of stock-in-trade	28	-	9.38
Changes in inventories of stock-in-trade	28	0.16	2.49
Employee benefits expense	29	521.06	778.56
Finance costs	30	939.41	801.56
Depreciation and amortisation expense	31	1,338.41	1,104.71
Other expenses	32	559.96	416.90
Total expenses		5,733.47	4,904.22
Loss before exceptional items and tax		(2.13)	(413.02)
Exceptional items	33	9.58	52.74
Loss before tax		(11.71)	(465.76)
Tax credit	9		
Current tax		-	-
Deferred tax credit		(39.39)	(322.24)
Total tax credit		(39.39)	(322.24)
Profit/(Loss) for the year		27.68	(143.52)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement of profit/(loss) on defined benefit plans		(1.30)	(0.17)
Deferred tax credit on above		0.33	0.04
Other comprehensive loss for the year		(0.97)	(0.13)
Total comprehensive profit/(loss) for the year		26.71	(143.65)
Earnings / (Loss) per equity share	34		
Basic (₹)		0.85	(4.43)
Diluted (₹)		0.85	(4.43)

The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per report of even dateFor **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration Number: 001076N / N500013

For and on behalf of the Board of Directors of **India1 Payments Limited**

(formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Vijay Vikram Singh

Partner

Membership No: 059139

Place : Bengaluru

24 May 2023

K Srinivas

Managing Director

DIN: 03533535

Place : Bengaluru

24 May 2023

Natrajan Ramkrishna

Chairman

DIN: 06597041

Place : Bengaluru

24 May 2023

Sanjay Bajaj

Chief Financial Officer

Place : Bengaluru

24 May 2023

Mohit Nagar

Company Secretary

M. No.: A27492

Place : Bengaluru

24 May 2023

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Statement of Cash Flows

(All amounts in ₹ millions, unless otherwise mentioned)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Net loss before tax	(11.71)	(465.76)
Adjustments for:		
Depreciation and amortisation expense	1,338.41	1,104.71
Employee Stock Option expense	26.55	172.42
Interest income (including unwinding of discount on deposits - asset)	(53.18)	(52.97)
Interest expense on lease obligation	184.33	169.97
Finance costs on borrowings	650.46	564.08
Provisions and liabilities no longer required written back	(38.74)	(68.16)
Advances written off	-	0.62
Gain on modification of financial instrument (net)	(10.66)	-
Unwinding of discounted deposits	104.62	67.51
Profit on sale of property, plant and equipment	-	(3.35)
Property, plant and equipment written off	71.00	22.26
	2,272.79	1,977.09
Cash flow from operating activities before working capital changes	2,261.08	1,511.33
Adjustments for changes in		
Inventories	0.16	2.49
Trade receivables	0.38	3.45
Other financial assets	225.98	325.80
Other current assets	17.48	(69.50)
Trade payables	82.75	124.55
Other financial liabilities	337.88	421.08
Other liabilities	362.74	511.75
Provisions	16.65	35.79
	1,044.02	1,355.41
Cash generated from operations	3,305.10	2,866.74
Net income tax refund / (paid)	(1.86)	2.08
Net cash generated from operating activities (A)	3,303.24	2,868.82
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,247.16)	(1,876.52)
Proceeds on disposal of property, plant and equipment	30.14	16.40
Investments in bank deposits (having original maturity of >3 months), net	(0.57)	(178.96)
Interest received	43.09	32.89
Net cash used in investing activities (B)	(1,174.50)	(2,006.19)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(109.82)	(109.82)
Net Proceeds/(Repayment) from/of short term borrowings	9.12	1,710.76
Interest and other bank charges paid	(644.99)	(560.26)
Payment of principal portion of lease liabilities	(499.53)	(422.92)
Interest paid on lease liabilities	(184.33)	(169.97)
Net cash (used) / generated from financing activities (C)	(1,429.55)	447.79
Net increase in cash and cash equivalents (A+B+C)	699.19	1,310.42
Cash and cash equivalents at the beginning of the year	7,957.02	6,646.60
Cash and cash equivalents at the end of the year	8,656.21	7,957.02
Components of cash and cash equivalents		
Cash and cash equivalents (Refer Note 14)	13,096.20	11,572.42
Less: Bank overdrafts (Refer Note 19)	(4,439.99)	(3,615.40)
	8,656.21	7,957.02

Note:

Bank Overdrafts is shown under cash and cash equivalent as per requirement of IND AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdrafts.

The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per report of even date

 For **Walker Chandio & Co LLP**
 Chartered Accountants
 Firm Registration Number: 001076N / N500013

 For and on behalf of the **Board of Directors of India1 Payments Limited**
 (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Vijay Vikram Singh
 Partner
 Membership No: 059139

 Place : Bengaluru
 24 May 2023

K Srinivas
 Managing Director
 DIN: 03533535

 Place : Bengaluru
 24 May 2023

Natrajan Ramkrishna
 Chairman
 DIN: 06597041

 Place : Bengaluru
 24 May 2023

Sanjay Bajaj
 Chief Financial Officer

 Place : Bengaluru
 24 May 2023

Mohit Nagar
 Company Secretary
 M. No.: A27492

 Place : Bengaluru
 24 May 2023

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Statement of Cash Flows

(All amounts in ₹ millions, unless otherwise mentioned)

Changes in financing liabilities arising from cash and non-cash changes for the year ended 31 March 2023

Liabilities	As at 01 April 2022	Cash flows	Non- cash adjustments				As at 31 March 2023
			Initial recognition of lease liability	Adjustment on account of interest accrued	Early termination of lease	Effective Interest Rate adjustments on long term borrowings	
Borrowings	12,419.20	723.89	-	0.60	-	4.87	13,148.56
Lease liabilities	1,867.33	(683.86)	605.60	184.33	(151.40)		1,822.00
	14,286.53	40.03	605.60	184.93	(151.40)	4.87	14,970.56

Changes in financing liabilities arising from cash and non-cash changes for the year ended 31 March 2022

Liabilities	As at 01 April 2021	Cash flows	Non- cash adjustments				As at 31 March 2022
			Initial recognition of lease liability	Adjustment on account of interest accrued	Early termination of lease	Effective Interest Rate adjustments on long term borrowings	
Borrowings	9,146.95	3,268.43	-	(2.01)	-	5.83	12,419.20
Lease liabilities	1,396.02	(592.89)	902.69	169.97	(8.47)	-	1,867.33
	10,542.97	2,675.54	902.69	167.96	(8.47)	5.83	14,286.53

The above statement should be read with the Summary of significant accounting policies and other explanatory information.

As per report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N / N500013

For and on behalf of the **Board of Directors of India1 Payments Limited**
(formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Vijay Vikram Singh
Partner
Membership No: 059139

K Srinivas
Managing Director
DIN: 03533535

Natrajan Ramkrishna
Chairman
DIN: 06597041

Sanjay Bajaj
Chief Financial Officer

Mohit Nagar
Company Secretary
M. No.: A27492

Place : Bengaluru
24 May 2023

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Statement of Changes in Equity

(All amounts in ₹ millions, unless otherwise mentioned)

A. Equity share capital

Particulars

Balance as at beginning of the year

Changes in equity share capital due to prior period errors

Balance at the beginning of year

Changes in equity share capital during the year

Balance as at end of the year

	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	162.14	92.49
Changes in equity share capital due to prior period errors	-	-
Balance at the beginning of year	162.14	92.49
Changes in equity share capital during the year	-	69.65
Balance as at end of the year	162.14	162.14

B. Instruments entirely equity in nature

Particulars

Balance as at beginning of the year

Changes in instruments entirely in nature due to prior period errors

Balance at the beginning of year

Changes in compulsory convertible preference shares during the period

Balance as at end of the year

Balance as at beginning of the year	-	49.38
Changes in instruments entirely in nature due to prior period errors	-	-
Balance at the beginning of year	-	49.38
Changes in compulsory convertible preference shares during the period	-	(49.38)
Balance as at end of the year	-	-

C. Other equity

Particulars

Balance as at 1 April 2021

Profit/(Loss) for the year

Remeasurement loss on defined benefit plans

Impact of conversion of CCPS

ESOPs issued during the year

Balance as at 31 March 2022

Balance as at 01 April 2022

Profit for the year

Remeasurement loss on defined benefit plans

ESOPs expenses during the year

Balance as at 31 March 2023

	Reserves and surplus			Other	Total other equity
	Securities premium	Retained earnings	ESOP Reserve	Comprehensive Income	
Balance as at 1 April 2021	4,394.75	(2,569.26)	-	(4.20)	1,821.29
Profit/(Loss) for the year		(143.52)	-	-	(143.52)
Remeasurement loss on defined benefit plans	-	-	-	(0.13)	(0.13)
Impact of conversion of CCPS	(20.27)				(20.27)
ESOPs issued during the year	-		246.89	-	246.89
Balance as at 31 March 2022	4,374.48	(2,712.78)	246.89	(4.33)	1,904.26
Balance as at 01 April 2022	4,374.48	(2,712.78)	246.89	(4.33)	1,904.26
Profit for the year		27.68	-	-	27.68
Remeasurement loss on defined benefit plans	-	-	-	(0.97)	(0.97)
ESOPs expenses during the year	-	-	26.55	-	26.55
Balance as at 31 March 2023	4,374.48	(2,685.10)	273.44	(5.30)	1,957.52

As per report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number: 001076N / N500013

For and on behalf of the Board of Directors of India1 Payments Limited

(formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Vijay Vikram Singh

Partner

Membership No: 059139

Bengaluru

24 May 2023

K Srinivas

Managing Director

DIN: 03533535

Bengaluru

24 May 2023

Natrajan Ramkrishna

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Bengaluru

24 May 2023

Sanjay Bajaj

Chief Financial Officer

Bengaluru

24 May 2023

Mohit Nagar

Company Secretary

M. No.: A27492

Bengaluru

24 May 2023

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise mentioned)

1 Corporate Information

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited, the Company) incorporated in India on Thirtieth day of June Two Thousand Six under the Companies Act, 1956 is a company owned by The Banktech Group PTY Ltd, Australia and BTI Payments Singapore Pte Ltd, Singapore as Promoters and India Advantage Fund S3 I, India Advantage Fund S4 I and Dynamic India Fund S4 US I as Investors. The Company is a public limited company, incorporated and domiciled in India and has its registered office situated at Corporate Tower B 8th floor, Diamond District, 150, Old Airport Road, Domlur, Bangalore – 560008.

The Company had changed its name from BTI Payments Private Limited to India1 Payments Private Limited pursuant to special resolution passed in extraordinary general meeting of the shareholders of the Company held on 17 August 2021 and approval from Registrar of Companies (ROC) dated 25 August 2021. Further, the Company has converted from Private Limited Company to Public Limited Company, pursuant to special resolution passed in extraordinary general meeting of the shareholders of the Company held on 26 August 2021 and consequently the name of the Company has changed to India1 Payments Limited pursuant to a fresh certificate of incorporation by the ROC on 02 September 2021.

The Company is a Reserve Bank of India (RBI) authorised leading White label ATM (Automated Teller Machine) Operator in India. The Company had obtained the renewal of authorization for setting and operating payment system for White Label ATMs and the license stands renewed on perpetual basis. The Company is also providing technical services for banks in Point of Sale (POS) payment solution and Micro ATM services along with digital offerings. The Company had earned comprehensive income of 26.71 million in the year ended 31 March 2023 and comprehensive loss of ₹ 143.65 million in the year ended 31 March 2022. No going concern risk is perceived.

2 Basis of preparation & significant accounting policies

2.1 Basis of preparation

The Company has prepared its financial statements as per the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS'). Accordingly, the Company has prepared these financial statements as at 31 March 2023, which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2023, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, which is in line with latest annual financial statements.

The financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

2.2 Statement of compliance with Ind AS

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Ind AS prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

For all periods up to and including the year ended 31 March 2021, the company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP'). The date of transition to Ind AS is 01 April 2020.

The Financial Statements were authorized by Board of Directors for issue on 24 May 2023.

2.3 Functional and presentation currency

The financial statements is presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest millions, unless otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.4 Use of estimates

The preparation of the financial statements is in conformity with generally accepted accounting principles which requires management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future year. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgements and the use of assumptions in these financial information have been disclosed in note 3 below.

2.5 Recent Accounting pronouncements.

Standards issued but not yet effective as on Balance sheet date:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

The Company has evaluated the aforementioned amendments and concluded that there is no material impact on the financial statements.

2.6 Current versus non-current classification

The Company presents assets and liabilities in the Financial Statement based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

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

(iv) All other liabilities are classified as non-current.

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

Based on the nature of service and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise mentioned)

2 Basis of preparation & significant accounting policies (cont'd)

2.7 Revenue recognition

Revenue from contracts with customers :

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised in the Statement of Profit and Loss to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

(i) Service revenues

Service revenues include amounts invoiced for a) Interchange fee for use of White Label ATM (WLA), b) Technical service fee for POS solution c) WLA fee towards Co-branding, d) Value Added Services (VAS), e) Transaction fees earned on Micro ATM services and f) Revenue earned from Digital offerings. Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes.

(ii) Interest income

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss. The expected cash flows are revisited on a yearly basis.

(iii) Sale of traded goods

The Company also derives revenue from sale of traded goods.

As per Ind AS 115, revenue is recognised to depict the transfer of promised goods to a customer in an amount that reflects the fair value of the consideration received or receivable which the entity expects to be entitled in exchange for those goods.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange of those products.

The amount recognised as sale is exclusive of GST and net of trade discounts and sales returns.

(iv) Provisions and liabilities no longer required written back

The Company written back liabilities older than 3 years to other income basis the Limitation Act, 1963.

2.8 Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

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 Company. All other repair and maintenance costs are recognised in the Statement of Profit and Loss, as incurred.

Where assets are installed on the premises of merchants, such assets continue to be treated as property, plant and equipment as the associated risks and rewards remain with the Company and management is confident of exercising control over them.

Subsequent measurement (Depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided on the straight line method based on useful lives of respective assets as estimated by the management or as prescribed under Schedule II of the Companies Act, 2013, whichever is higher. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Depreciation for assets purchased or sold during a period is proportionately charged to the Statement of Profit and Loss.

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

Asset Category	Useful Life (Years)
Automated Teller Machine (ATM) *	10
POS terminals *	6
Plant and equipment *	5
Electrical equipment	10
Computer hardware	3 to 10
Furniture & fixtures	10
Office equipment	5

The leasehold improvements are depreciated over the period of lease or life of asset; or 10 years, whichever is lower.

* For these classes of assets, based on internal assessment and technical evaluation carried out, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Further, any subsequent capitalisation to the base assets post initial capitalisation, useful life of the subsequent capitalisation is considered as balance life left of the base asset.

De-recognition

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

2.9 Intangible assets

Recognition and initial measurement

Separately acquired intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortization)

The cost of intangible assets is amortized over the useful life of the asset determined as follow on a straight line basis:

Softwares	3 to 6
Copyrights	10

De-recognition

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise mentioned)

2 Basis of preparation & significant accounting policies (cont'd)

2.10 Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of property, plant and equipment not ready for use and are carried at cost. Cost includes related acquisition expenses, borrowing costs and other direct expenditure.

2.11 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank, cash at ATMs, cash on hand and cheques on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash at ATMs includes cash withdrawn from bank but not deposited in ATMs and lying with third party (herein referred as "in-transit" balance).

2.13 Employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan and define the amount of benefit that an employee will receive on completion of services by reference of length of service and last drawn salary. The liability is recognised in the Balance Sheet for defined benefit plan, as the present value of the defined benefit obligation (DBO) at the reporting date is less than the fair value of the plan assets. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which such gain or loss arise. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Compensated absences

The Company also provides benefit of compensated absences to its employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the period in which such gains or losses arise.

The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.14 Share based payment transactions

The company had developed the Performance and Retention Incentive Scheme (PRI Scheme) for select employees. Performance Retention Units (PRUs) were granted at a notional value (called the Start Value) determined by committee of the Company's board of directors from time to time. The Company has issued Employee Stock Options through adoption of INDIA1 Employee Stock Option Scheme 2021, INDIA1 Employee Stock Option Plan 2021 and INDIA1 Employee Stock Option Plan 2022 (collectively, the 'Scheme') by replacing the existing Share Appreciation Rights (PRI scheme) with w.e.f. 26 August 2021. ESOP issued under this scheme to employees is measured at the fair value of the equity instruments. The fair value determined of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.15 Leases

Company as a lessee

The Company's lease asset classes consist of leases for ATM machines, land leases and leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially and subsequently measured at the present value of the future lease payments that are not paid at the commencement date/reporting date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the Company. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense in the Statement of Profit and Loss over the lease term.

2.16 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Subsequent measurement

Debt Instruments

(i) Debt instruments at amortized cost

A 'Debt instrument' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise mentioned)

2 Basis of preparation & significant accounting policies (cont'd)

2.16 Financial assets (cont'd)

Subsequent measurement (cont'd)

Debt Instruments (cont'd)

(ii) Debt Instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is subsequently measured at fair value through other comprehensive income if it 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 asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognised in other comprehensive income (OCI).

(iii) Debt instruments at Fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in the scope of Ind AS 109, 'Financial Instruments', are measured at fair value. The Company may make an irrevocable election to measure the equity investments at fair value through other comprehensive income (FVOCI). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investment in mutual funds

Investment in mutual funds are measured at fair value through profit or loss (FVTPL).

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.17 Financial liabilities

Initial recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

These liabilities include borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.18 Impairment

Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not carried at fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any Indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an Individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to Individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit ('CGU')) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.19 Tax expense

Income taxes

Income tax expense comprises of current tax and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current and deferred tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise mentioned)

2 Basis of preparation & significant accounting policies (cont'd)

2.20 Earnings / (loss) per share ('EPS')

The basic earnings per share is computed by dividing the net profit /loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.21 Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made at the reporting date.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial information.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

2.22 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated. Bank Overdrafts is shown under cash and cash equivalent as per requirement of IND AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdraft.

3 Significant judgements and estimates in applying accounting policies

- 3.1 Recoverability of advances/receivables** – At each balance sheet date, based on historical/default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- 3.2 Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.
- 3.3 Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- 3.4 Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- 3.5 Share based payments** - The Company initially measures the cost of cash-settled share-based payment transactions at fair value. The liability for such cash-settled share-based payment transactions needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. However, for equity-settled share-based payment, the Company measures the cost at grant date fair value and no subsequent remeasurement is required.
- 3.6 Contingent liabilities** – At each balance sheet date basis the management estimate, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding guarantees and litigations. However, the actual future outcome may be different from this estimate.
- 3.7 Recognition of deferred tax assets** – Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- 3.8 Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- 3.9 Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

4 Property, Plant and Equipment

	Automated Teller Machine (ATM)	POS terminals*	Plant and Equipment	Electrical equipment	Computer hardware	Furniture and fixtures	Leasehold improvements	Office equipment	Total
Gross block									
Balance as at 1 April 2021	1,598.79	52.22	528.37	0.08	7.15	0.10	572.99	0.61	2,760.31
Additions	1,000.45	-	379.54	-	4.98	-	470.15	0.56	1,855.68
Disposals	(27.11)	(0.20)	(45.12)	-	-	-	(19.94)	(0.09)	(92.46)
Balance as at 31 March 2022	2,572.13	52.02	862.79	0.08	12.13	0.10	1,023.20	1.08	4,523.53
Additions	482.07	-	294.70	0.14	3.85	0.57	285.51	1.04	1,067.88
Disposals	(84.64)	(52.02)	(62.57)	(0.08)	(0.07)	-	(47.50)	(0.19)	(247.07)
Balance as at 31 March 2023	2,969.56	-	1,094.92	0.14	15.91	0.67	1,261.21	1.93	5,344.34
Accumulated depreciation									
Balance as at 1 April 2021	165.28	26.42	70.59	0.02	2.71	0.03	94.57	0.31	359.93
Depreciation charge	265.39	8.64	145.13	0.02	3.31	0.01	158.78	0.37	581.65
Reversal on disposal of assets	(10.60)	(0.14)	(31.16)	-	-	-	(15.19)	(0.06)	(57.15)
Balance as at 31 March 2022	420.07	34.92	184.56	0.04	6.02	0.04	238.16	0.62	884.43
Depreciation charge	343.31	4.55	201.24	-	3.88	0.11	221.46	0.59	775.14
Reversal on disposal of assets	(37.16)	(39.47)	(37.09)	(0.04)	(0.01)	-	(32.01)	(0.15)	(145.93)
Balance as at 31 March 2023	726.22	-	348.71	-	9.89	0.15	427.61	1.06	1,513.64
Net block									
Balance as at 31 March 2022	2,152.06	17.10	678.23	0.04	6.11	0.06	785.04	0.46	3,639.10
Balance as at 31 March 2023	2,243.34	-	746.21	0.14	6.02	0.52	833.60	0.87	3,830.70

Note
a. Contractual obligations

Details of contractual obligations are given in Note 46

b. Property, plant and equipment pledged as security

Details of property, plant and equipment pledged are given in Note 43

c. Deemed carrying cost

The date of transition to Ind AS for the Company is 01 April 2020. The Company has made adjustments in relation to adoption of Ind AS for the year ended 31 March 2021 and had elected to measure all its property, plant and equipment at the previous GAAP carrying value (deemed cost) as at 01 April 2020.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

5 Right of use asset

	Automated Teller Machine (ATM)	Building	Total
Gross Block			
Balance as at 1 April 2021	573.97	1,795.77	2,369.74
Transfer			
Additions/Renewal	69.92	832.77	902.69
Disposals/ termination of agreements	(428.09)	(149.45)	(577.54)
Balance as at 31 March 2022	215.80	2,479.09	2,694.89
Transfer			
Additions/Renewal	31.61	573.99	605.60
Disposals/ termination of agreements	(159.63)	(374.43)	(534.06)
Balance as at 31 March 2023	87.78	2,678.65	2,766.43
Accumulated depreciation			
Balance as at 1 April 2021	495.08	542.83	1,037.91
Depreciation charge	75.88	442.63	518.51
Deletions	(428.19)	(140.19)	(568.38)
Balance as at 31 March 2022	142.77	845.27	988.04
Depreciation charge	34.90	523.00	557.90
Deletions	(149.08)	(247.45)	(396.53)
Balance as at 31 March 2023	28.59	1,120.82	1,149.41
Net block			
Balance as at 31 March 2022	73.03	1,633.82	1,706.85
Balance as at 31 March 2023	59.19	1,557.83	1,617.02

Note

The Company adopted Ind AS 116, "Leases", using the modified retrospective method of adoption with the date of initial application of 1 April 2020. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured the right of use asset as if the standard had been applied since the commencement date, but discounted using the Company's incremental borrowing rate at the date of initial application. Refer Note 42.

The company in the current period has renewed the lease agreement for ATM machines where the company has changed the lessor.

6 Intangible assets

	Softwares	Copyrights	Total
Gross block			
Balance as at 1 April 2021	14.04	0.44	14.48
Additions	13.89	0.01	13.90
Balance as at 31 March 2022	27.93	0.45	28.38
Additions	35.32	-	35.32
Disposals/Write off	(6.32)	-	(6.32)
Balance as at 31 March 2023	56.93	0.45	57.38
Accumulated amortisation			
Balance as at 1 April 2021	3.50	0.05	3.55
Amortisation charge	4.50	0.05	4.55
Balance as at 31 March 2022	8.00	0.10	8.10
Amortisation charge	5.32	0.05	5.37
Disposals/Write off	(2.76)	-	(2.76)
Balance as at 31 March 2023	10.56	0.15	10.71
Net Block			
Balance as at 31 March 2022	19.93	0.35	20.28
Balance as at 31 March 2023	46.37	0.30	46.67

7 Intangible asset under development

	As at 31 March 2023	As at 31 March 2022
Opening balance	3.00	-
Add- Additions during the year	32.21	3.00
Less- Transfer during the year to Intangible asset	(35.21)	-
	-	3.00

Intangible asset under development ageing schedule
Intangible asset under development as at 31 March 2022

Intangible asset under development	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	3.00	-	-	-	3.00
Project temporarily suspended	-	-	-	-	-

8 Other financial assets
A Non-current
Other financial assets carried at amortised cost

	As at 31 March 2023	As at 31 March 2022
Security deposits	79.22	149.36
Deposits with maturity of more than 12 months *	103.28	108.33
Interest accrued but not due on bank deposits	1.44	2.69
	183.94	260.38

* Note: Deposits are held as lien with the banks, in order to obtain working capital loans and bank overdrafts.

B Current
Other financial assets carried at amortised cost

	As at 31 March 2023	As at 31 March 2022
Security deposits	4.85	37.90
Insurance claim receivable	18.70	15.33
Employee advances	1.63	0.67
Cash dispensed recoverable*	399.30	517.81
	424.48	571.71

* Note: Working capital loan and bank overdrafts is secured by pari-passu charge on cash at ATM and cash dispensed recoverable availed from banks and NBFC to the extent of working capital loans drawn.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

	As at 31 March 2023	As at 31 March 2022
9 Income taxes		
Current income tax		
- For the year	-	-
Deferred tax		
- Origination and reversal of temporary differences	(39.39)	(322.24)
Income tax credit	(39.39)	(322.24)
Statement of Other Comprehensive Income		
Deferred tax credit related to items charged or credited to Other Comprehensive Income during the year:		
- Re-measurement gains on defined benefit plans	0.33	0.04
Deferred Tax charged to Other Comprehensive Income	0.33	0.04

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and income tax (credit) / expense is summarised below:

	As at 31 March 2023	As at 31 March 2022
Loss before tax	(11.71)	(413.02)
Effective tax rate	25.17%	25.17%
Tax credit	(2.95)	(103.95)
Adjustments:		
Set off of brought forward losses on which deferred tax was not created	22.36	-
Capital expenditure not allowed as deduction	20.68	5.60
True up of DTA	(13.70)	-
Deferred tax asset created on unabsorbed depreciation for the previous year	-	(223.93)
Others	10.38	-
Income tax credit	39.72	(322.28)
The analysis of deferred tax assets / (liabilities) is as follows:		
Deferred tax asset / (liability)*		
Deferred tax asset/(liability) arising on account of		
Provisions for employee benefits	24.55	17.58
Allowance for impairment of debtors / advances	0.15	0.38
Difference in carrying value of PPE / intangible assets	162.92	116.27
Unabsorbed depreciation	284.96	312.04
IPO Expenses	9.89	-
Leases	56.88	36.90
Fair valuation of financial instruments	(23.05)	(6.59)
	516.30	476.58

Note

* Company had opted for reduced corporate tax rate of 25.17% as per Section 115BAA of the Income Tax Act, 1961 during the year ended 31 March 2021. Basis the projections and the industry in which the Company operates, management believes that in accordance with Ind AS -12, Income Taxes, it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

	As at 31 March 2023	As at 31 March 2022
Deferred tax credit		
Provisions for employee benefits	6.97	(10.09)
Allowance for impairment of debtors / advances	(0.23)	(1.53)
Difference in carrying value of PPE / intangible assets	46.65	11.45
Unabsorbed depreciation	(27.08)	312.04
IPO Expenses	9.89	-
Leases	19.98	9.61
Fair valuation of financial instruments	(16.46)	0.79
Net deferred tax credit	39.72	322.28
The movement in deferred tax assets (net) during the year is as follows:		
Opening balance	476.58	154.30
Tax credit recognised in profit or loss	39.39	322.24
Tax credit recognised in OCI	0.33	0.04
Closing balance	516.30	476.58

The company has the following unused tax losses which arose on incurrance of business loss under the Income Tax Act, 1961, for which no deferred tax asset has been recognized in the Balance Sheet:

Financial Year	Nature of Loss	As at 31 March 2023	Expiry Date	As at 31 March 2022	Expiry Date
2021-22	Business Loss	295.65	31-Mar-30	295.65	31-Mar-30
2017-18	Business Loss	204.64	31-Mar-26	204.64	31-Mar-26
2016-17	Business Loss	462.74	31-Mar-25	462.74	31-Mar-25
2015-16	Business Loss	201.31	31-Mar-24	415.29	31-Mar-24
2014-15	Business Loss	-	-	38.98	31-Mar-23

	As at 31 March 2023	As at 31 March 2022
10 Non-current tax assets		
Tax deducted at source	7.28	5.42
	7.28	5.42
11 Other assets		
A Non-current		
(Unsecured, considered good)		
Capital advances	14.90	7.21
	14.90	7.21
B Current		
(Unsecured, considered good)		
Advance to suppliers	12.43	13.03
Prepaid expenses	67.16	69.19
Duties and taxes recoverable	108.82	123.67
Other advances	0.50	0.50
	188.91	206.39

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

	As at 31 March 2023	As at 31 March 2022
12 Inventories		
(Valued at lower of cost or net realisable value)		
Stock-in-trade	-	0.16
	<u>-</u>	<u>0.16</u>
13 Trade receivables		
Trade receivable - Unsecured and Considered good		
Trade receivables - WLA	3.24	7.08
Trade receivables - Others	5.95	3.40
Less : Loss allowance for expected credit loss	(0.58)	(1.49)
	<u>8.61</u>	<u>8.99</u>

Trade Receivables ageing schedule:
Trade Receivables as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	-	8.42	0.74	0.03	-	-	9.19
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-

Trade Receivables as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	0.08	9.03	0.01	0.24	0.06	1.06	10.48
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-

	As at 31 March 2023	As at 31 March 2022
14 Cash and cash equivalents		
Balances with banks		
- in current accounts	52.41	46.17
- in deposit account (with original maturity up to 3 months)	500.00	-
- Interest accrued but not due on bank deposits	0.18	-
Cheque on hand	0.21	-
Cash at ATM (also refer below note) #	12,543.40	11,526.25
	<u>13,096.20</u>	<u>11,572.42</u>

Note:

Working capital loan is secured by pari-passu charge on cash at ATM and cash dispensed recoverable availed from banks and NBFC to the extent of working capital loans drawn. Refer Note 41 & 43 # includes in-transit balances of ₹ 1,347.29 million and ₹ 2,345.86 million for the year ended 31 March 2023 and 31 March 2022 respectively which were subsequently deposited into ATMs.

15 Other bank balances		
Deposits with original maturity more than 3 months but not more than 12 months*	210.22	552.85
Deposits with original maturity for more than 12 months*	759.05	415.85
Interest accrued but not due on bank deposits	24.19	22.36
	<u>993.46</u>	<u>991.06</u>
Deposits disclosed under non-current financial assets	(103.28)	(108.33)
Interest accrued disclosed under non-current financial assets	(1.44)	(2.69)
	<u>888.74</u>	<u>880.04</u>

Note:

(*) Deposits are held as lien with the banks, in order to obtain term loan, working capital loans and bank overdrafts. Refer Note 41 & 43

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

19 Borrowings (Continued)
Non-current borrowings
Term loans from banks (Secured)

SN	Particulars	Nature of security	Repayment details	Interest Rate %	31 March 2023	31 March 2022
i.	IndusInd Bank Limited	Exclusive charge on fixed asset of the Company i.e., assets deployed at sites comprising of cash dispenser, VSAT equipment, CCTV equipment, Power Solution (UPS and Battery) with other infra items with assets cover of 1.25 times of outstanding loan amount. Asset coverage of 1.25 times, 10% margin money in the form of Fixed Deposit and 2 months' DSRA of the outstanding loan amount to be maintained during the entire tenor of the facility.	Repayable in 84 equated monthly instalments commenced from October 2020	8.45% - 9.80%	493.17	598.12
Total non-current borrowings					493.17	598.12

Current borrowings
Working capital loans from banks

SN	Particulars	Nature of security	Repayment details	Interest Rate %	31 March 2023	31 March 2022
i.	ANZ	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 10 days from sanction date	6.30% to 8.66%	1,950.00	2,850.00
ii.	RBL Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 30 days from sanction date	6.25% to 7.87%	900.00	360.00
iii.	IndusInd Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 360 days from sanction date	6.20% to 7.70%	1,080.00	300.00
iv.	IDFC Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 365 days from sanction date	6.75% to 8.80%	600.00	603.59
v.	Federal Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 20 days from sanction date	6.45% to 7.85%	870.00	570.00
vi.	Axis Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 31 days from sanction date	8.31% to 9.43%	-	240.00
vii.	Kotak Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 30 days from sanction date	6.31% to 8.19%	550.00	500.00
viii.	HDFC Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 30 days from sanction date	6.41% to 7.55%	500.00	1,500.00
ix.	ICICI Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 95 days from sanction date	7.05% to 9.15%	420.00	174.58
x.	Yes Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 30 days from sanction date	6.60% to 7.64%	300.00	-
xi.	SBI	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable in 30 days from sanction date	7.90% to 9.35%	540.00	602.30
Interest on working capital demand loan					5.11	4.80
Sub-total - (A)					7,715.11	7,705.27

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)
(All amounts in ₹ millions, unless otherwise mentioned)

19 Borrowings (Continued)

Working capital loans from financial institutions

SN	Particulars	Nature of security	Repayment details	Interest Rate %	31 March 2023	31 March 2022
i.	Bajaj Finance Limited	Secured by pari-passu charge on cash at ATMs , on the Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits	Repayable in 31 days from sanction date	6.48% to 7.85%	500.00	500.00
	Interest on working capital demand loan				0.29	0.41
	Sub-total - (B)				500.29	500.41

Overdraft from banks

SN	Particulars	Nature of security	Repayment details	Interest Rate %	31 March 2023	31 March 2022
i.	Federal Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	7.00% to 8.30%	513.36	346.16
ii.	RBL Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	8.00% to 9.57%	504.75	124.77
iii.	ANZ Banking Group Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	6.30% to 8.80%	757.82	938.96
iv.	IndusInd Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	6.70% to 7.70%	491.54	46.87
v.	IDFC Bank Limited	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	8.70% to 9.60%	43.37	281.42
vi.	Bank of Baroda	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	7.08% to 8.42%	851.21	692.54
vii.	Axis Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	8.34% to 9.84%	-	0.72
viii.	ICICI Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	7.45% to 9.45%	0.76	-
ix.	Kotak Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	7.55% to 9.12%	24.64	116.68
x.	HDFC Bank	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	7.05% to 8.32%	904.65	778.61
xii.	SBI	Secured by pari-passu charge on cash at ATMs, Cash dispensed recoverable from National Payments Corporation of India (NPCI) and margin money in the form of deposits.	Repayable on demand	7.90% to 9.35%	347.89	288.67
	Sub-total - (C)				4,439.99	3,615.40
	Total current borrowings - (A + B + C)				12,655.39	11,821.08

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

	As at 31 March 2023	As at 31 March 2022
20 Lease Liabilities		
A Non-current		
Lease liabilities (*)	1,157.00	1,268.98
	1,157.00	1,268.98
B Current		
Lease liabilities (*)	665.00	598.35
	665.00	598.35
(*) Refer Note 42		
21 Other financial liabilities		
A Non-current		
Security deposits	1,376.43	975.43
Retention money payable	4.73	6.08
	1,381.16	981.51
B Current		
Dues to employees (**)	44.59	23.76
Capital creditors	17.98	157.25
Accrued expenses	17.38	19.09
Overages	52.00	76.68
Retention money payable	27.45	17.78
	159.40	294.56
(**) Refer Note 40		
22 Provisions		
A Non-current		
Employee benefits		
Gratuity (*)	23.80	20.53
Provision for expenses		
Retirement of Property, plant and equipment	18.90	7.75
	42.70	28.28
(*) Refer Note 36		
B Current		
Employee benefits		
Gratuity (*)	8.26	6.71
Compensated absences (*)	20.88	18.90
	29.14	25.61
(*) Refer Note 36		
23 Trade payables		
Dues to micro enterprises and small enterprises		
Accrued expenses	25.42	20.01
Others	3.47	3.09
Dues to other than micro enterprises and small enterprises		
Accrued expenses	408.60	406.51
Others	123.23	48.36
	560.72	477.97

Note: Dues to micro enterprises and small enterprises :

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro Enterprises and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

The principal amount remaining unpaid	28.89	23.10
Interest due thereon remaining unpaid	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued during the year and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

23 Trade payables (cont'd)

Trade Payables ageing schedule:

Trade Payables as at 31 March 2023

Particulars	Outstanding for following period from date of transaction					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	25.42	3.47	-	-	-	28.89
(ii) Others	408.60	115.84	5.07	1.13	1.19	531.83
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

Trade Payables as at 31 March 2022

Particulars	Outstanding for following period from date of transaction					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	20.01	3.09	-	-	-	23.10
(ii) Others	406.51	44.54	2.47	1.19	0.16	454.87
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

24 Other liabilities

	As at 31 March 2023	As at 31 March 2022
A Non-current		
Deferred liability on security deposits	1,338.69	1,021.22
	1,338.69	1,021.22
B Current		
Statutory dues payable	32.56	43.01
Deferred liability on security deposits	182.56	133.40
Income received in advance	6.60	0.04
	221.72	176.45

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India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)**Notes to Financial Statements (cont'd)**

(All amounts in ₹ millions, unless otherwise mentioned)

	Year Ended 31 March 2023	Year ended 31 March 2022
25 Revenue from operations		
Sale of products		
Traded goods	-	9.19
Sale of services		
White label ATM	5,609.03	4,336.60
POS - Technical services	2.22	10.78
Micro ATM - Technical services	-	0.44
Digital Services	7.79	0.21
	5,619.04	4,357.22
26 Other income		
Interest income (including unwinding of discount on deposits - asset)	53.18	52.97
Profit on sale of property, plant and equipment	-	3.35
Provisions and liabilities no longer required written back	38.74	68.16
Gain on modification of financial instruments (net)	10.66	-
Miscellaneous income	9.72	9.50
	112.30	133.98
27 Operating expenses		
ATM running cost	624.93	488.02
Switching and connectivity expenses	152.91	134.14
Cash delivery and loading expenses	1,367.18	1,001.69
Security expenses	7.48	7.60
Power and fuel	221.97	159.17
	2,374.47	1,790.62
28 Changes in inventories of stock-in-trade		
Purchases of stock-in-trade:		
Micro ATM	-	6.40
Micro POS	-	2.98
	-	9.38
Changes in Inventories of stock-in-trade:		
Opening Stock:	0.16	2.65
Closing Stock:	-	(0.16)
	0.16	2.49
29 Employee benefits expense		
Salaries, wages and bonus	453.27	530.82
Share appreciation rights expense (Refer Note 45)	-	37.59
Employee stock option expense (Refer Note 45)	26.55	172.42
Gratuity (Refer Note 36)	6.31	5.70
Contribution to provident and other funds	20.07	16.70
Staff welfare expenses	14.86	15.33
	521.06	778.56
30 Finance costs		
Interest expense on borrowings	587.53	512.44
Interest expense on lease obligation	184.33	169.97
Unwinding of discounted deposits	104.62	67.51
Other borrowing costs	62.93	51.64
	939.41	801.56
31 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer Note 4)	775.14	581.65
Amortisation of intangible assets. (Refer Note 6)	5.37	4.55
Depreciation of right of use of assets (Refer Note 5)	557.90	518.51
	1,338.41	1,104.71

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

	Year Ended 31 March 2023	Year ended 31 March 2022
32 Other expenses		
Insurance	86.30	86.01
ATM Cleaning Expense	55.68	50.26
Rent	1.54	3.57
Rates and taxes	9.56	28.47
Payments to auditors	3.15	12.32
Travelling and conveyance	63.49	35.73
Outsourced manpower	15.11	13.06
Advertisement and sales promotion	86.88	75.99
Legal and professional	37.89	22.04
Property, plant and equipment written off	71.00	22.26
Advances written off	-	0.62
Communication charges	1.43	3.35
Marketing expenses	61.64	27.56
Computer software maintenance	15.34	5.97
Printing and stationery	1.65	1.03
Courier expenses	1.02	1.03
Bank charges	2.18	3.47
Penalties *	-	-
Relocation and re-deployment charges	19.99	9.76
Provision for retirement of property, plant and equipment	11.16	5.17
Loss on modification of financial instruments (net)	-	1.64
Loss on return of traded goods	6.80	-
Miscellaneous expenses	8.15	7.59
	559.96	416.90
33 Exceptional items		
Expenditure incurred for listing, fresh issue and offer for sale of shares	9.58	52.74
	9.58	52.74
34 Earnings / (Loss) per equity share		
Profit / (Loss) attributable to the equity shareholders for calculation of Basic EPS & Diluted EPS	27.68	(143.52)
Weighted average number of shares outstanding during the period for computing EPS (in numbers) (*)	32,428,310	24,451,441
Add: Effect of CCPS for computing basic EPS (in numbers) (*, **)	-	7,976,869
Weighted average number of shares outstanding during the period for computing EPS (in numbers) (*)	32,428,310	32,428,310
Add: Effect of potential shares for conversion of ESOP	56,377	-
Weighted average number of shares outstanding during the year for computing diluted EPS (in numbers)	32,484,687	32,428,310
Earnings / (Loss) per share		
Basic (In ₹)	0.85	(4.43)
Diluted (In ₹)	0.85	(4.43)
Nominal value per share (In ₹) (*)	5.00	5.00
* The equity shares of the Company were sub-divided from equity shares of face value of ₹ 10 each into equity shares of face value of ₹ 5 each, pursuant to our Board and Shareholders' resolution passed on 13 August 2021 which resulted into increase in number of equity shares issued from 9,248,817 to 18,497,296. Similarly the impact on potential shares for conversion of CCPS has increased from 6,965,507 to 13,931,014.		
** In compliance with IND AS 33 "Earnings per share", for the purpose of calculating weighted average number of shares outstanding at each reporting date for computing basis EPS effect of CCPS has been included.		
35 Payments to auditors *		
Statutory audit	2.50	1.85
IPO related fees charged (Refer note 33)	-	10.47
Other assurance services	0.65	-
	3.15	12.32
* Excluding Goods and Services Tax		

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

36 Employee benefits

A Defined benefit plan

The Company has gratuity as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. The plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial information:

	<u>31 March 2023</u>	<u>31 March 2022</u>
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	32.06	27.24
Net liability recognized in the Balance Sheet	32.06	27.24
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the reporting year	27.24	22.93
Current service cost	4.58	4.14
Interest cost	1.96	1.56
Actuarial (gains) / losses		
- change in demographic assumptions	(1.37)	(0.27)
- change in financial assumptions	(0.31)	(0.43)
- experience variance (i.e. actual experiences assumptions)	2.98	0.87
Benefits paid	(3.02)	(1.56)
Defined benefit obligation as at the end of the reporting year	32.06	27.24
Non-current	23.80	20.53
Current	8.26	6.71
3 Net gratuity cost		
Current service cost	4.58	4.14
Net interest cost on the net defined benefit liability	1.96	1.56
Components of defined benefit costs recognized in statement of profit and loss	6.54	5.70
4 Other Comprehensive Income		
Actuarial loss for the year on PBO (Projected benefit obligation)	(1.30)	(0.17)
Components of defined benefit costs recognized in other comprehensive income	(1.30)	(0.17)
5 Assumptions used in the above valuations are as under:		
Discount rate	7.36%	7.18%
Future salary increase	9.00%	9.00%
Retirement age (years)	58-65	58-65
Mortality table	IALM (2012-14)	IALM (2012-14)
Attrition rate:		
Up to 30 years	42.60%	22.00%
From 31 to 44 years	29.00%	18.90%
Above 44 years	8.90%	10.00%
6 Experience adjustments	31 March 2023	31 March 2022
Present value of obligation as at the end of year	32.06	27.24
Surplus / (Deficit)	(32.06)	(27.24)
Experience adjustment on plan Liabilities (loss) / gain	(1.30)	(0.17)
7 Maturity profile of defined benefit obligation	31 March 2023	31 March 2022
Year		
0 to 1 Year	8.26	6.71
1 to 2 Year	4.09	2.78
2 to 3 Year	2.97	2.44
3 to 4 Year	2.38	2.00
4 to 5 Year	2.71	1.71
5 to 6 Year	1.40	1.99
6 Year onwards	10.24	9.60

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

36 Employee benefits (cont'd)

B Compensated absences

Assumptions used in accounting for compensated absences:

	<u>31 March 2023</u>	<u>31 March 2022</u>
i) Discounting Rate	7.36%	7.18%
ii) Future salary Increase	9.00%	9.00%
iii) Retirement Age (Years)	58-65	58/65
iv) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
v) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
Up to 30 Years	42.60%	22.00%
From 31 to 44 years	29.00%	18.90%
Above 44 years	8.90%	10.00%
vi) Leave		
Leave Availment Rate	5%	5%
Leave Lapse rate while in service	Nil	Nil
Leave Lapse rate on exit	Nil	Nil
Leave encashment rate while in service	5%	5%

C Sensitivity analysis

Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- A) Salary Increases** - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk** - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability** - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Sensitivity Analysis of the defined benefit obligation.

	<u>31 March 2023</u>	<u>31 March 2022</u>
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the year	32.06	27.24
Impact due to increase of 0.50%	(0.70)	(0.68)
Impact due to decrease of 0.50 %	(0.74)	0.72
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the year	32.06	27.24
Impact due to increase of 0.50%	0.54	0.57
Impact due to decrease of 0.50 %	(0.53)	(0.55)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation as compared to prior years.

D Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made for the year ended 31 March 2023 ₹ 20.07 million and 31 March 2022: ₹ 16.70 million.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

38 Financial instruments

Financial instruments by category

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

As at 31 March 2023

		FVTPL ₹	FVTOCI ₹	Amortized cost ₹	Total carrying value ₹	Total fair value ₹
Particulars						
Financial assets :						
Trade receivables	Note 13	-	-	8.61	8.61	8.61
Cash and cash equivalents including other bank balances (*)	Note 8, 14 & 15	-	-	14,089.66	14,089.66	14,089.66
Other financial assets	Note 8	-	-	503.70	503.70	503.70
Total financial assets		-	-	14,601.97	14,601.97	14,601.97
Financial liabilities :						
Borrowings (**)	Note 19	-	-	13,148.56	13,148.56	13,148.56
Lease Liability	Note 20	-	-	1,822.00	1,822.00	1,822.00
Trade payables	Note 23	-	-	560.72	560.72	560.72
Other financial liabilities	Note 21	-	-	1,540.56	1,540.56	1,540.56
Total financial liabilities		-	-	17,071.84	17,071.84	17,071.84

(*) including non-current bank deposits classified as other financial assets

(**) including current maturities of long term borrowings

As at 31 March 2022

		FVTPL ₹	FVTOCI ₹	Amortized cost ₹	Total carrying value ₹	Total fair value ₹
Particulars						
Financial assets :						
Trade receivables	Note 13	-	-	8.99	8.99	8.99
Cash and cash equivalents including other bank balances (*)	Note 8, 14 & 15	-	-	12,563.48	12,563.48	12,563.48
Other financial assets	Note 8	-	-	721.07	721.07	721.07
Total financial assets		-	-	13,293.54	13,293.54	13,293.54
Financial liabilities :						
Borrowings (**)	Note 19	-	-	12,419.20	12,419.20	12,419.20
Lease Liability	Note 20	-	-	1,867.33	1,867.33	1,867.33
Trade payables	Note 23	-	-	477.97	477.97	477.97
Other financial liabilities	Note 21	-	-	1,276.07	1,276.07	1,276.07
Total financial liabilities		-	-	16,040.57	16,040.57	16,040.57

(*) including non-current bank deposits classified as other financial assets

(**) including current maturities of long term borrowings

Notes to financial instruments

- 1 The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings lease liability and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

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

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

39 Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial information.

Risk	Exposure arising from	Measurement
Credit risk	Balances with bank, cheque on hand, other bank balances, trade receivables, loans, financial assets, financial guarantees and investments	Ageing analysis and recoverability assessment
Liquidity risk	Borrowings, trade payables, lease liability and other financial liabilities.	Rolling cash flow forecasts
Market risk – security prices	Interest Rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department under policies approved by the board of directors. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalent, other bank balances, trade receivables and other financial assets.

Credit risk management

The Company assesses and manages credit risk of financial assets based on the following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting year. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company provides for expected credit loss based on the following:

Description	Asset group	Provision for expenses credit loss (*)	As at 31 March 2023	As at 31 March 2022
Balances with bank, cheque on hand, other bank balances, trade receivables, financial assets, financial guarantees and investments	Low credit risk	12 months expected credit loss/life time expected credit loss	2,050.33	1,759.79
Trade receivables - WLA	Low credit risk	Life time expected credit loss or fully provided for	3.24	7.08
Trade receivables - Others	High credit risk	Life time expected credit loss or fully provided for	5.37	1.91

(*) A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting year. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Credit risk exposure

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

As at 31 March 2023

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	9.19	0.58	8.61
Balances with banks	552.59	-	552.59
Other bank balance	888.74	-	888.74
Other financial assets	608.42	-	608.42

As at 31 March 2022

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	10.48	1.49	8.99
Balances with banks	46.17	-	46.17
Other bank balance	880.04	-	880.04
Other financial assets	832.09	-	832.09

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)**Notes to Financial Statements (cont'd)**

(All amounts in ₹ millions, unless otherwise mentioned)

B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2023

Particulars	Less than 1 year	1 year to 5 years	5 years and above	Total
Borrowings (*)	12,808.85	451.96	-	13,260.80
Lease liability	665.00	1,157.00	-	1,822.00
Trade payables	560.72	-	-	560.72
Other financial liabilities	159.40	43.19	2,955.16	3,157.75
Total	14,193.97	1,652.15	2,955.16	18,801.27

As at 31 March 2022

Particulars	Less than 1 year	1 year to 5 years	5 years and above	Total
Borrowings (*)	11,981.57	543.22	66.00	12,590.79
Lease liability	627.41	1,599.59	-	2,227.00
Trade payables	477.97	-	-	477.97
Other financial liabilities	295.32	11.42	2,182.80	2,489.54
Total	13,382.27	2,154.23	2,248.80	17,785.30

(*) including current maturities of long-term borrowings

C Market risk**a Interest rate risk**

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars (^)	31 March 2023	31 March 2022
Variable rate borrowing	4,439.99	3,615.40
Fixed rate borrowing	8,703.46	8,799.00

(^*) Excluding adjustment for processing fee for current borrowings

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2023	31 March 2022
Interest rates – increase by 50 basis points (50 bps)	(22.20)	(18.08)
Interest rates – decrease by 50 basis points (50 bps)	22.20	18.08

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

40 Related parties

Names of related parties			
i) Controlling entity			
Name of the party		Nature of relationship	
Meridian Group Holdings Pty Ltd		Ultimate Holding Company	
The Banktech Group Pty Ltd		Intermediate Holding Company	
ii) Entities under common control		Nature of relationship	
BTI Payments Singapore Pte Ltd.		Fellow subsidiary	
iii) Party with significant influence			
Name of the party		Nature of relationship	
India Advantage Fund S3 I		Significant Shareholder	
India Advantage Fund S4 I		Significant Shareholder	
iv) Key Management Personnel			
Name		Nature of relationship	
Mr. K Srinivas		Managing Director	
Mr. Sanjay Bajaj		Company secretary (till 01 August 2021)	
		Chief Financial Officer (w.e.f. 02 August 2021)	
Mr. Mohit Nagar		Company secretary (w.e.f. 02 August 2021)	
Mr. David Scott Glen		Non-Executive Director and Nominee shareholder	
Mr. Peter A Blackett		Non-Executive Director and Nominee shareholder	

31 March 2023

31 March 2022

a) Transactions with related parties

Remuneration to KMP *

Mr. K Srinivas			
Short-term employee benefits**	36.31	60.71	
Post employment benefits - provident fund*	1.63	1.49	
Share based employee expense	7.87	63.75	
Mr. Sanjay Bajaj			
Short-term employee benefits**	16.74	25.79	
Post employment benefits - provident fund*	0.69	0.63	
Share based employee expense	3.15	23.28	
Mr. Mohit Nagar			
Short-term employee benefits**	2.13	1.13	
Post employment benefits - provident fund*	0.02	0.01	
Share based employee expense	0.05	0.07	

b) Balances with related parties

Remuneration to KMP

Mr. K Srinivas			
Short-term employee benefits payable**	5.22	2.97	
ESOP Reserve	97.06	89.19	
Mr. Sanjay Bajaj			
Short-term employee benefits payable**	3.53	1.26	
ESOP Reserve	31.62	28.47	
Mr. Mohit Nagar			
Short-term employee benefits payable**	0.18	0.13	
ESOP Reserve	0.13	0.07	

* Post-employment benefits comprising gratuity and other benefits are not disclosed as these are determined for the Company as a whole.

** Short term benefits and short term benefits payable comprising compensated absences are not disclosed as it is determined for the Company as a whole.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

41 Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents, other bank balances and cash dispensed recoverable.

Debt Equity ratio

Particulars	31 March 2023	31 March 2022
Non-current borrowings	388.22	493.17
Current maturities of long-term borrowings	104.95	104.95
Current borrowings	12,655.39	11,821.08
Less: Cash and cash equivalents	(13,096.20)	(11,572.42)
Less : Bank balances other than cash and cash equivalents***	(993.46)	(991.06)
Less : Cash dispensed recoverable**	(399.30)	(517.81)
Net debt/(cash)	(1,340.40)	(662.09)
Adjusted net debt (i)*	-	-
Total equity (ii)	2,119.66	2,066.40
Gearing ratio (i)/(ii)	0.00%	0.00%

* The balance of cash and cash equivalents, other bank balances and cash dispensed recoverable is adjusted to the extent of borrowings extending as at the reporting date.

** This is included only for the purpose of the Company's capital management and does not form part of cash and cash equivalents.

(i) Equity includes all capital and reserves of the Company that are managed as capital

(ii) Debt is defined as long term , short term borrowings and current maturities of long-term borrowings

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in any of the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the each of the reporting year ended 31 March 2023 and 31 March 2022

*** Includes bank deposits included in other non-current financial assets

42 Leases

The Company's significant leasing arrangements are in respect of leases for ATMs, land leases and office premises. The ATMs have been taken on lease for a term of 3.5 years with no escalation clause. Land leases are in respect of premises for setting up ATMs. These premises are generally rented on lease term ranging from 11 months to 5 years with no lock-in period and with escalation clause. Such leases are cancellable only at the option of the lessee and are renewable on mutual consent at agreed terms. Leases for office premises have a lease term ranging from 11 months to 10 years with escalation clause. There are no subleases.

	31 March 2023	31 March 2022
Following are the changes in the carrying value of right of use assets:		
Particulars		
Net block at the beginning of the reporting period	1,706.85	1,331.83
Additions during the reporting period (net of disposals/renewals)	468.08	893.53
Depreciation for the reporting period	(557.90)	(518.51)
Net block at the end of the reporting period	1,617.03	1,706.85
The following is the movement in lease liabilities:		
Particulars		
At the beginning of the reporting period	1,867.34	1,396.03
Additions during the period/year	605.60	902.70
Interest expense	184.33	169.97
Lease payments - Principal	(499.53)	(422.92)
Lease payments - Interest	(184.33)	(169.97)
Gain on modification of financial instrument	(151.41)	(8.47)
At the end of the reporting period	1,822.00	1,867.34
Current	665.00	598.35
Non-current	1,157.00	1,268.98
The maturity analysis of lease liabilities are disclosed below:		
Not later than one year	697.99	627.41
Later than one year and not later than five year	1,437.33	1,599.59
Later than five years	-	-
Interest cost	(313.32)	(359.66)
Total	1,822.00	1,867.34
The following are the amounts recognised in profit & loss		
Depreciation expense of right-of-use assets	557.90	518.51
Interest expense on lease liabilities	184.33	169.97
Gain on modification of financial instrument (net)	(151.41)	(8.47)
Expense relating to short term leases	1.54	3.57
Total amount recognised in profit or loss	592.36	683.58

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

43 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	31 March 2023	31 March 2022
Current		
Floating charge		
Cash at ATM*	12,543.40	11,526.25
Other bank balances*	888.74	880.04
Other current financial assets*	399.30	517.81
Total current assets pledged as securities	13,831.44	12,924.10
Non-current assets		
First charge		
Property, plant and equipment	612.83	783.28
Floating charge		
Other non-current financial assets*	104.72	111.02
Total non-current assets pledged as securities	717.55	894.29
Total assets pledged as security	14,548.99	13,818.40

(*) Working capital loan and Bank overdraft are secured by pari-passu charge on cash at ATM, cash dispensed recoverable and bank deposits availed from banks and NBFC to the extent of working capital loans drawn. Refer note 41.

44 Disclosures required under Ind AS 115 (Revenue from contract with customers)

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the Statement of Profit and Loss:

	31 March 2023	31 March 2022
Revenues by category and nature		
Sale of products	-	9.19
Sale of services	5,619.04	4,348.03
	5,619.04	4,357.22
Revenues based on timing of recognition		
Services transferred at a point in time	5,617.94	4,357.59
Services transferred over time	1.10	(0.37)
	5,619.04	4,357.22

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)**Notes to Financial Statements (cont'd)**

(All amounts in ₹ millions, unless otherwise mentioned)

45 Share based Payments**a) Employee Share appreciation rights**

Employee Share Appreciation Rights (ESARs) to eligible employees and cancelled 18,43,009 : 31 March 2022. ESARs due to separation or otherwise, under the employee performance & retention incentive scheme 2014 as approved by the Committee formed under the Plan vide Board Resolution dated 12 August 2014.

Following is the reconciliation of provision for ESAR outstanding -

Particulars	31 March 2023		31 March 2022	
	Numbers	Amount	Numbers	Amount
Opening balance as at the beginning of the year	-	-	1,883,581	51.12
ESARs granted during the year	-	-	-	-
ESARs cancelled during the year	-	-	(1,843,009)	(74.45)
Payment towards ESARs vested	-	-	(40,572)	(0.26)
Balance	-	-	-	(23.60)
Accrual for the year at previous year FMV	-	-	-	23.60
Impact of increase in FMV of equity shares	-	-	-	-
Closing balance as at the end of the year	-	-	-	-

Vesting of ESARs was subject to continued employment with the Company. The ESARs should have been cash settled based on the excess of fair market value (FMV) of equity share of the Company as on the date of vesting over the SAR price (i.e. the base price defined on the grant date of SAR) specified in the Scheme. The FMV was determined by the Committee based on the discounted cash flow valuation and other relevant factors. As at 31 March 2021, excess of FMV over SAR price specified in the employee performance & retention incentive scheme 2014 is ₹ 51.12 million and accordingly an expense of ₹ 4.98 million had been recorded in the Statement of profit and loss. The FMV of the ESARs was determined as on the date of final settlement as ₹ 74.45 million and accordingly an expense of ₹ 23.60 million was recorded during the year ended 31 March 2022. The settlement was made during the year ended 31 March 2022 as ₹ 14.25 million in form of cash settlement against which an expense of ₹ 13.99 million was recorded in Statement of Profit and Loss for the year ended 31 March 2022 and fresh 4,304,808 ESOPs were issued for settlement of balance ESARs.

b) INDIA1 Employee Stock Option Plan**INDIA1 Employee Stock Option Plan 2021 ("ESOP Plan-2021")**

The Company had established the ESOP Plan pursuant to resolution of our Board of Directors and Shareholders' each dated 26 August 2021 which provided for a pool of 4,390,000 options, wherein the company have granted 4,304,808 options exercisable into 4,304,808 Equity Shares with vesting period of one year and additional issuance of 77,708 options exercisable into 77,708 Equity Shares with vesting period of one year during the financial year 21-22. The exercise price of each option shall be 150/- per equity share. The options vest in the manner as specified in ESOP plan. Options may be exercised within 8 years from the date of vesting. During the current FY ended 31 March 2023, company has issued 105,300 options and lapsed 75,517 options.

INDIA1 Employee Stock Option Plan 2022 ("ESOP Plan-2022")

The Company had established the ESOP Plan-2022 pursuant to approval of Shareholders' dated 21 December 2022 which provided for a pool of 736,365 options. During the year ended 31 March 2023, company has not granted any options under this plan.

The following table illustrates the number and exercise prices of, and movements in, share options during the year :

Particulars	31 March 2023		31 March 2022	
	Numbers	Weighted average Exercise Price	Numbers	Weighted average Exercise Price
Opening balance as at the beginning of the year	4,360,173	150.00	-	-
Granted as settlement of ESARs	-	-	4,304,808	150.00
Granted during the year	105,300	150.00	77,708	150.00
Lapsed during the year	(75,517)	150.00	(22,343)	150.00
Exercised during the year	-	-	-	-
Outstanding balance as at the end of the year	4,389,956	150.00	4,360,173	150.00
Exercisable balance as at the end of the year	4,284,656	150.00	-	-

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)
Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

46 Contingencies and commitments

The Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company has made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

	31 March 2023	31 March 2022
Capital commitments (net of capital advances)	355.18	849.06

47 Initial Public Offering (IPO)

The Company has proposed raising of capital through an Initial Public Offering (IPO) during the year ended 31 March 2022. As part of the proposed IPO, the Company had filed its Draft Red Herring Prospectus with Securities & Exchange Board of India (SEBI) on 07 September 2021 for a proposed Initial Public Offering (IPO) of its equity shares. The Issue related expenses include, among others, fees payable to the Book Running Lead Managers (BRLMs), legal and professional fees, accountants' fees relating to prospectus including Auditor's fees, listing fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Issue related expenses except for listing fees was required to be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares being issued or offered (by selling shareholders referred as 'offer for sale', as the case may be, by each of them in the Fresh Issue and the Offer for Sale. Any payments by the Company of Issue related expenses, except for listing fees, on behalf of the Selling Shareholders to be reimbursed by the Selling Shareholders to the Company. On the event of the issue not getting completed for any reason whatsoever, all the expenses will be solely borne by the Company.

Basis relevant guidance available under Ind AS 37, the reimbursements are required to be recognised when and only when it is virtually certain that reimbursements will be received if the entity settles the obligation. The Company had incurred ₹ 62.32 million as issue related expenses out of which ₹ 52.74 million were expensed relating to the offer for sale, which was recorded in the Statement of Profit and Loss as an exceptional item during previous year ended 31 March 2022. As a result, ₹ 9.58 million was recognized as 'Prepaid expenses' under 'Other current assets' during the year ended 31 March 2022 has been expensed in the current financial year as exceptional item on account of timeline for filing of RHP getting lapsed.

48 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of the Financial Statements.

49 Ratios

a) Current Ratio

Particulars	31 March 2023	31 March 2022
Current assets	14,606.94	13,239.71
Current liabilities	13,626.37	12,795.67
Current ratio	1.07	1.03
% change from previous year	3.60%	

Current assets include inventories, current investments, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets and other current assets.

Current liabilities include borrowings, trade payables, other financial liabilities, current provisions and other current liabilities (excluding current maturities of long term borrowings).

b) Debt-Equity ratio

Particulars	31 March 2023	31 March 2022
Non-current borrowings	388.22	493.17
Current maturities of long-term borrowings	104.95	104.95
Overdraft/ working capital	12,655.39	11,821.08
Total debt	13,148.56	12,419.20
Adjusted debt*	493.17	598.12
Total equity	2,119.66	2,066.40
Debt-equity ratio	6.20	6.01
% change from previous year	3.21%	
Adjusted Debt-equity ratio	0.23	0.29
% change from previous year	-19.62%	

* Bank overdrafts and short term working capital loans are drawn for the purpose of replenishing Cash at ATMs which varies during the month due to high demand (peak) period, festivities, long holidays etc and repaid within an average period of 3.18 days and 3.84 days, respectively for the year ended 31 March 2023 and 31 March 2022, being computed by dividing average Bank overdrafts and short term working capital loans utilization amount by the daily average dispense amount.

As of the year, Company has cash and cash equivalents, bank balances (other than cash and cash equivalents) and cash dispensed recoverable aggregating to ₹12,942.70 million and ₹ ₹12,044.06 million as of 31 March 2023 and 31 March 2022 respectively.

c) Debt Service coverage ratio

Particulars	31 March 2023	31 March 2022
Profit/ (loss) after exceptional items and tax	27.68	(143.52)
Add: Depreciation and amortisation expense	1,338.41	1104.71
Add: Interest on long term loans	43.63	61.97
Add: Interest on lease liabilities	184.33	169.97
Less: Profit on sale of property, plant and equipment	-	(3.35)
Earnings available for debt services	1,594.06	1,189.78
Repayments made during the year		
Interest paid on long term loans	(43.63)	(59.35)
Interest paid on lease liabilities	184.33	169.97
Principal repayment for long term loans	109.82	109.82
Principal repayment for lease liabilities	499.53	422.92
Total interest and principal repayments	750.05	643.36
Debt service coverage ratio	2.13	1.85
% change from previous year	14.92%	

49 Ratios (cont'd)

d) Return on equity

Particulars	31 March 2023	31 March 2022
Profit/(loss) for the year	27.68	(143.52)
Average Shareholding	2,093.03	2,014.78
Return on equity	1.32%	-7.12%
% change from previous year	118.57%	

Reason for change more than 25%:

1) During the year ended 31 March 2022, the Company's profitability have been impacted due to certain one time expenses were incurred (i.e., ESOP expense ; ₹ 172.42 million as compared to ₹ 26.55 million in current year (refer note 29), Employee incentive scheme in previous year : ₹ 158.53 million (refer note 29), Penalties in previous year (refer note 32) : ₹ 20 million and exceptional item in previous year : ₹ 52.74 million compared to ₹ 9.58 million in current year), which are incurred during previous year and there were no such expenses during current year.

2) During the year ended 31 March 2023, Company's ATM base has increased by 10.34% (12,124 ATMs on 31 March 2023 as compared to 10,988 ATMs as on 31 March 2022). Further, Reserve bank of India increased the interchange fee for financial transactions from ₹ 15 to ₹ 17, while for non-financial transactions the increase was done from ₹ 5 to ₹ 6 applicable which lead to full year impact during FY 22-23. Both the factors lead to total income increasing by 28.96% during the year ended 31 March 2023 compared to year ended 31 March 2022

3) During the year ended 31 March 2023, company has started its operations in Digital business which lead to loss of ₹ 78.32 million compared to ₹ 24.06 million during the year ended 31 March 2022.

4) The repo rates have been increased from 4.00% as on 31 March 2022 to 6.50% as on 31 March 2023, which lead to increase in borrowing rates and corresponding increase in Finance cost of the company.

e) Inventory turnover ratio

Particulars	31 March 2023	31 March 2022
Sale of goods	-	9.19
Opening inventories of finished goods	0.16	2.65
Closing inventories of finished goods	-	0.16
Average inventories of finished goods	0.08	1.41
Inventory turnover ratio	-	6.54
% change from previous year	100.00%	

Reason for change more than 25%:

Decrease in inventory turnover ratio is due to closure of business segment (MATM) during year ended 31 March 2023.

f) Trade receivable turnover ratio

Particulars	31 March 2023	31 March 2022
Revenue from operations	5,619.04	4,357.22
Opening gross trade receivables	10.48	20.10
Closing gross trade receivables	9.19	10.48
Average gross trade receivables	9.84	15.29
Trade receivables turnover ratio	571.33	284.97
% change from previous year	100.49%	
Trade receivables collection period	0.64	1.28
% change from previous year	-50.12%	

Reason for change more than 25%:

Consistent improvement in trade receivable turnover ratio and reduction in trade receivable collection period is due to increase in settlement cycle by NPCI. With effect from 05 July 2021, receivable settlement happens 4 times in a day. Prior to this change, receivable settlement used to happen 2 times in a day.

g) Trade payables turnover ratio

Particulars	31 March 2023	31 March 2022
Total credit purchases	2,934.43	2,216.90
Opening trade payables	497.06	368.77
Closing trade payables	578.10	497.06
Average trade payables	537.58	432.91
Trade payables turnover ratio	5.46	5.12
% change from previous year	6.64%	

h) Net capital turnover ratio

Particulars	31 March 2023	31 March 2022
Revenue from operations	5,619.04	4,357.22
Current assets	14,606.94	13,239.71
Current liabilities	13,626.37	12,795.67
Working capital	980.57	444.04
Net capital turnover ratio	5.73	9.81
% change from previous year	-41.59%	

Reason for change more than 25%:

Company's nature of business requires continues increase in overdraft/ working capital to replenish cash in our ATMs. With the increase in ATM counts, overdraft/working capital amount increases and corresponding cash and cash equivalents comprising of balances with bank and cash at ATM also increases. Further, revenue settlement happens 4 times in a day whereas payment for purchases and services happens as per the payment terms, typically 30 days from the submission of the invoice.

India1 Payments Limited (formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Notes to Financial Statements (cont'd)

(All amounts in ₹ millions, unless otherwise mentioned)

49 Ratios (cont'd)

i) Net Profit ratio

Particulars	31 March 2023	31 March 2022
Profit / (loss) for the year	27.68	(143.52)
Revenue from operations	5,619.04	4,357.22
Net Profit ratio	0.49%	-3.29%
% change from previous year	114.96%	

Reason for change more than 25%:

- 1) During the year ended 31 March 2022, the Company's profitability have been impacted due to certain one time expenses were incurred (i.e., ESOP expense ; ₹ 172.42 million as compared to ₹ 26.55 million in current year (refer note 29), Employee incentive scheme in previous year : ₹ 158.53 million (refer note 29), Penalties in previous year (refer note 32) : ₹ 20 million and exceptional item in previous year : ₹ 52.74 million compared to ₹ 9.58 million in current year), which are incurred during previous year and there were no such expenses during current year.
- 2) During the year ended 31 March 2023, Company's ATM base has increased by 10.34% (12,124 ATMs on 31 March 2023 as compared to 10,988 ATMs as on 31 March 2022). Further, Reserve bank of India increased the interchange fee for financial transactions from ₹ 15 to ₹ 17, while for non-financial transactions the increase was done from ₹ 5 to ₹ 6 applicable which lead to full year impact during FY 22-23. Both the factors lead to total income increasing by 28.96% during the year ended 31 March 2023 compared to year ended 31 March 2022
- 3) During the year ended 31 March 2023, company has started its operations in Digital business which lead to loss of ₹ 78.32 million compared to ₹ 24.06 million during the year ended 31 March 2022.
- 4) The repo rates have been increased from 4.00% as on 31 March 2022 to 6.50% as on 31 March 2023, which lead to increase in borrowing rates and corresponding increase in Finance cost of the company.

j) Return on capital employed

Particulars	31 March 2023	31 March 2022
Profit/ (loss) after tax	27.68	(143.52)
Add/(less): Tax expenses/(credit)	(39.39)	(322.24)
Add: Finance costs	939.41	801.56
Earnings before interest and tax	927.70	335.80
Add: Exceptional items*	9.58	52.74
Adjusted Earnings before interest, tax and exceptional items	937.28	388.54
Equity	2,119.66	2,066.40
Long term debt	493.17	598.12
Short term debt	12,655.39	11,821.08
Capital employed	15,268.22	14,485.60
Adjusted Capital employed (excluding Short term debt, being used for cash at ATMs and Cash dispensed recoverable)	2,612.83	2,664.52
Pre-tax return on capital employed	6.08%	2.32%
% change from previous year	162.10%	
Adjusted pre-tax return on capital employed	35.87%	14.58%
% change from previous year	146.00%	

* The Company has incurred non-recurring expenses in relation to listing of shares and offer for sale of shares in proposed Initial Public Offering.

Reason for change more than 25%:

- 1) During the year ended 31 March 2022, the Company's profitability have been impacted due to certain one time expenses were incurred (i.e., ESOP expense ; ₹ 172.42 million as compared to ₹ 26.55 million in current year (refer note 29), Employee incentive scheme in previous year : ₹ 158.53 million (refer note 29), Penalties in previous year (refer note 32) : ₹ 20 million and exceptional item in previous year : ₹ 52.74 million compared to ₹ 9.58 million in current year), which are incurred during previous year and there were no such expenses during current year.
- 2) During the year ended 31 March 2023, Company's ATM base has increased by 10.34% (12,124 ATMs on 31 March 2023 as compared to 10,988 ATMs as on 31 March 2022). Further, Reserve bank of India increased the interchange fee for financial transactions from ₹ 15 to ₹ 17, while for non-financial transactions the increase was done from ₹ 5 to ₹ 6 applicable which lead to full year impact during FY 22-23. Both the factors lead to total income increasing by 28.96% during the year ended 31 March 2023 compared to year ended 31 March 2022
- 3) During the year ended 31 March 2023, company has started its operations in Digital business which lead to loss of ₹ 78.32 million compared to ₹ 24.06 million during the year ended 31 March 2022.
- 4) The repo rates have been increased from 4.00% as on 31 March 2022 to 6.50% as on 31 March 2023, which lead to increase in borrowing rates and corresponding increase in Finance cost of the company.

50 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51 Prior year amounts have been regrouped/reclassified wherever necessary, to conform to the presentation in the current year, the impact of which are not material.

As per report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number: 001076N / N500013

For and on behalf of the Board of Directors of India1 Payments Limited

(formerly known as India1 Payments Private Limited and BTI Payments Private Limited)

Vijay Vikram Singh

Partner

Membership No: 059139

K Srinivas

Managing Director

DIN: 03533535

Natrajan Ramkrishna

Chairman

DIN: 06597041

Sanjay Bajaj

Chief Financial Officer

Place : Bengaluru
24 May 2023

Mohit Nagar

Company Secretary

M. No.: A27492

Place : Bengaluru

24 May 2023

Place : Bengaluru

24 May 2023